

Mr. Julian Majdanski
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
West Midlands
B91 3QJ

20 September 2005

Dear Julian,

Modification Proposal 0025 - “Notice Period for Credit Limit Downgrade and Remedies for Non-compliance”

Please note that this submission is also made on behalf of Total E&P (UK) plc.
Total Gas & Power Limited (TGP) & Total E&P (UK) plc support modification 0025.

Comments on the Draft Modification report are as follows:

- We agree that setting a limit of 2 business days to provide additional cover ensures sufficient protection to the industry and minimises the potential of bad debt.
- The 8% shortfall charge is an appropriate incentive to ensure that Users provide the level of credit within good time. We would anticipate that Users will be aware of potential credit problems prior to the downgrade and should therefore have sufficient notice of the need to source additional credit cover.
- A common set of rules, which apply to all Users, will reduce the effects of industry fragmentation and ensure consistency across the network.
- We agree that an advantage of this modification is that it aligns with agreed best practice as, in this area, the recommendations detailed in Ofgem’s consultation document have been fully consulted on and have wide industry support.
- We are concerned that the table indicating the timescales for actions to be taken when a party is defaulting on payment has not been included within the legal text. We understand from conversations with the proposer that this is an oversight, but we would be more comfortable with this proposal if this timetable is included with the UNC.
- We therefore believe that modification 0025 promotes the Transporters’ ability to operate the network in an efficient and economic manner and so fulfills the relevant objectives of licence condition A11.



Should you wish to discuss our response further, please feel free to contact me.

Yours sincerely,

(This message is sent electronically and is therefore not signed)

Gareth Evans
Regulation Analyst
Total Gas & Power Limited

Direct: +44 (0) 20 7318 6836
E-mail: gareth.evans@total.com



Registered Office: 33 Cavendish Square, London W1G 0PW
Tel: 0870 5275 215, Fax: 0870 5275 213
Registered in England No. 2172239