

TOTAL GAS & POWER LIMITED

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 0026 - "Application of Charges Consistent with Late Payment of Commercial Debts (interest) Act 1998"

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 0026.

Comments on the Draft Modification report are as follows:

- The 8% shortfall charge is an appropriate incentive to ensure that Users pay outstanding bills within good time and so minimize the possibility of bad debt.
- 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 therefore believe that modification 0026 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

