

## 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 0034 - "Netting off of Payments and Credits relating to Transportation Charges"**

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 0034.

Comments on the Draft Modification report are as follows:

- If Users have the ability to set-off credits and debits for Transportation charges this reduces the amount of transactions undertaken between Transporters and Users, so reducing administrative and banking costs. This is already undertaken unofficially by most Transporters. We therefore agree with the proposer's assertion that this modification will reduce User costs.
- We appreciate that a Transporter's system may not be able to cope with such netting-off at present. We would consider that the long-term benefit to the industry as a whole will outweigh any costs incurred by this Transporter however and so this should not be considered to be a major disadvantage.
- While it is true that this modification does not detail a formal process for withheld payments, we would expect that the Transporters and Users would deal with these issues in a pragmatic fashion, as indeed they do currently whilst operating the unofficial process.
- We therefore believe that modification 0034 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](mailto: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