

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

24 August 2005

Dear Julian,

Modification Proposal 0039 - "Removal of 9.5.5 of the Modification Rules"

Total Gas & Power Limited supports the above modification proposal. It is our view that the removal of 9.5.5 would more correctly align the Modification Rules with the intent of the legislation¹ that has recently been made to introduce a right of appeal to Ofgem decisions on industry code modifications. In this legislation it is clear that an appeal would not be allowed if Ofgem's decision accords with a majority recommendation made by the Modification Panel in the Modification Report and that in any other circumstances an appeal is allowable. Under the Rules, the Panel is only asked to consider whether a Modification should be implemented. Paragraph 9.5.5 was added at the time of the creation of the Uniform Network Code when it was unclear exactly how the legislation to handle appeals would be worded.

Comments on the Draft Modification Report are as follows:-

- We agree that the proposal better facilitates the achievement of the Relevant Objective specified in Standard Special Condition A11.1 (f) in so far as the paragraph to be removed is now redundant and to keep it in will only cause unnecessary confusion.
- We agree that there are no operational or systems impacts as a result of the implementation of the modification. Similarly there should be no cost implications
- We do not believe that implementation of the proposal has any effect on the contractual risk of each transporter or of Users, the level of risk having been set by the legislative introduction of the right of appeal
- We agree with the stated advantages and see no disadvantages associated with the proposal

Yours sincerely,

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

Steve Ladle
Head of Regulation, Total Gas & Power Limited
Direct: +44 (0) 20 7318 6814
E-mail: steve.ladle@total.com



¹ Electricity and Gas Appeals (Designation and Exclusion) Order 2005
Registered Office: 33 Cavendish Square, London W1G 0PW
Tel: 0870 5275 215, Fax: 0870 5275 213
Registered in England No. 2172239