

TOTAL GAS & POWER LIMITED

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

10th October 2005

Dear Julian,

Modification Proposal 0052 - "Storage Withdrawal Curtailment Quantity (SWCQ)"

Total Gas & Power Limited (TGP) support implementation of Urgent Modification Proposal 52 for the following reasons:

- We note Transco's ability to set the levels and allocation of safety monitor levels remains opaque and subject to little industry consultation. This continues to be a concern given the capability for Transco's assumptions/perceptions alone to trigger a potentially unwarranted technical emergency. This concern is exacerbated by the provisions within mod proposal 50, whereby emergencies may arise as a result of information available to Transco alone without an opportunity for the market to comment upon its validity.
- In these circumstances we note the current arrangements would restrict gas availability from relevant storage facilities compromising the markets capability to effectively meet system demand. This penalises all shippers, in particular those shippers/suppliers who in good faith had secured storage supplies to meet available demand. TGP therefore support the approach within mod proposal 52, to leave shippers financially 'neutral' via an SWCQ adjustment. However, we remain concerned with the potential for gas to be inappropriately sterilised off the market during peak periods.
- TGP consider that if mod proposal 52 is not implemented, Transco's recent attempts to secure and enhance storage intervention will continue to undermine confidence in peak provision by storage, the economic incentives to construct additional storage and ultimately long-term security of supply.

Please feel free to contact me on the number below if you wish to discuss our response in more detail.

Yours sincerely,

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

Sharif Islam
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