

TOTAL GAS & POWER LIMITED

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

25 July 2005

Dear Julian,

Urgent Modification Proposal 0036 - "Limitation of incremental capacity offered in QSEC auctions"

Total Gas & Power Limited welcome the opportunity to submit the following comments in respect of their qualified support for modification proposal 0036. Please note that the response is also submitted on behalf of Total E&P UK PLC.

We understand the arguments put forward by Transco NTS and accept their concern that the current rules may require them to offer capacity at levels which they believe they would be unable to deliver in the timescale associated with the auction. In our response to the IECR consultation paper we stated that we believed that any assessment as to the timeliness of when physical capacity could be delivered, should be done ahead of, rather than post, auction.

Why we have only given qualified support is because of the process that has been followed in raising the proposal. Our preference would have been for this topic to have been fully discussed in the normal industry workstream and, on the assumption that it would have been accepted by the industry, to amend the IECR in line with the amendments to the UNC. Unfortunately, Transco NTS have sought to do this the other way round by agreeing the changes to the IECR with Ofgem first, thus ensuring that Users had no effective input into the process and only then raising the proposal on the grounds of bringing the code into line with the IECR. This has also resulted in an Urgent modification having to be raised when in practice it is difficult to believe that Transco NTS have not known about this issue for some considerable period of time.

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)

Steve Ladle
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