

## TOTAL GAS & POWER LIMITED

Mr. Julian Majdanski  
Joint Office of Gas Transporters  
Ground Floor Red  
51 Homer Road  
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West Midlands  
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10<sup>th</sup> October 2005

Dear Julian,

### **Modification Proposal 0050 - "Storage Monitor Adjustment"**

Total Gas & Power Limited (TGP) do not support implementation of Urgent Modification Proposal 50 for the following reasons:

- TGP note the full Safety Case is not made available to Shippers. It is therefore unclear whether the proposal is a valid requirement and interpretation, by Transco, of their Gas Safety (Management) Regulations (GS(M)R) obligations. It is curious that Transco did not seek or request powers to upwardly revise Top-Up levels under similar circumstances within the previous Top-Up arrangements.
- We also note Transco's ability to set the levels and allocation of safety monitor levels remains opaque and subject to little industry consultation and regulatory oversight. This continues to be a source of 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 consider that Transco's continued attempts to secure and enhance this type of market intervention undermines confidence in peak provision by storage, the economic incentives to construct additional storage and ultimately long-term security of supply.

In summary, we believe the relevant objectives are not better facilitated by providing Transco with the wide-powers of discretion envisaged under mod proposal 50, since it increases the risk of arbitrary technical emergencies that present an unfair financial exposure to all shippers and undermines 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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