

Olje- og energidepartementet  
Postboks 8148 Dep  
0033 Oslo

Your date:  
15 January 2013

Your ref.:

Our ref. (please quote):  
993958

Our date:  
Stavanger  
14 March 2013

### **Høring - forslag til endring i forskrift 20. desember 2002 nr. 1724 om fastsettelse av tariffer mv. for bestemte innretninger**

Reference is made to the consultation letter and consultation paper dated 15.01.13, regarding proposed amendments to the Regulations of 20 December 2002 No 1724 for stipulation of tariffs etc. for certain facilities. We appreciate this opportunity to present our comments to the proposed changes in the framework conditions for the use of Norwegian gas infrastructure.

TOTAL E&P Norge AS (Total) has been involved in development of infrastructure for processing and exportation of gas from the Norwegian Continental Shelf (NCS) since the beginning of activities in the 1970's with Ekofisk/Norpipe and Frigg/FNA, and the company also had a role in the establishment of Gassled in 2002. In line with the changes in framework conditions and industry strategies, Total disposed of its interests in Gassled in 2011 and the transaction was completed early 2012.

Total has a long standing as an important equity owner and shipper of gas and the company supplied approx 7 % of the Norwegian gas exports in 2012. Total has ownership in several gas fields under development and gas discoveries under consideration for development, and the company will remain a significant shipper on NCS in the foreseeable future. As a shipper, Total is involved in the relevant user groups in order to follow-up on integrity and regularity objectives for the system

- As regards both the existing system and future upgrades and expansions of Gassled, an adequate, predictable and reliable system is required, including a tariff regime providing the necessary financial incentives and confidence in the system.
- At the same time, the Gassled system needs to provide cost efficient transportation that will allow NCS gas resources to be economically developed and to remain competitive in the European gas market.

The main challenge in the design of the future tariff system is to strike the right balance between these two considerations.

In the long term perspective, we concur with the emphasis put by the Ministry on resource management and cost efficient development of gas resources and we support that a general reduction in the tariff level will be an important element in this respect. However, the current proposal could create unequal incentives for booking of new gas resources where new and existing infrastructure both are viable evacuation routes, as the case may be i.e for Polarled and Åsgard Transport. Such potential distortion could complicate future merger processes and further it could reduce the incentive for investments in new infrastructure projects. We believe that a mechanism must be found that safeguards the interests of investors in new infrastructure whilst offering shippers a level playing field.

**Postal address:**

Main Office P.O. Box 168 N-4001 Stavanger  
Oslo Office P.O. Box 1361 Vika N-0113 Oslo  
Harstad Office P.O. Box 63 N-9481 Harstad

**Location:**

Dusavik  
Haakon VII's gt. 1  
Torvet 2

**Telephone:**

+47 51 50 30 00  
+47 22 01 95 00  
+47 77 28 21 50

**Telefax:**

+47 51 72 66 66  
+47 22 01 95 99

**Enterprise Reg. No.:**

NO 927 066 440 VAT

In respect of the Barents Sea area, substantial gas discoveries are required to have a sufficient resource basis for a new pipeline. If such resources are found, reduced tariffs in the 'downstream' system will of course contribute positively to the economics of future development. In order to facilitate new infrastructure in the Barents Sea, a process should be initiated to review a new financing model that inter alia allows for other investors than resource owners to participate in the project earlier in the process.

For Total, it is important to have confidence that the principles and premises in the Norwegian tariff regulations continue to be transparent and predictable for new capacity development. We note that there are several statements to this effect made by the Ministry in the comments to the proposed amendments. We believe that new shippers should be able to reliably forecast future tariff levels as a basis for development of new hydrocarbon resources, and for infrastructure investors to have the necessary confidence to undertake investments.

We would be pleased to elaborate the above comments in a meeting with MPE, if needed.

Regards,



*for*  
Yours faithfully,  
Martin Tiffen  
Managing Director  
TOTAL E&P NORGE AS