



24th April 2003

GTE revised comments with regard to the Commission's draft Guidelines for Good Practice dd. 21 October 2002

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Introduction

The Guidelines for Good Practice (GGP) were agreed at the 5th meeting of the Madrid Forum held on the 7-8 February 2002. GTE is committed to promote these GGP and urged its members to comply with them. It was agreed at the 6th meeting of the Madrid Forum held on the 30-31 October 2002 to set up a "Specific WG" under the chairmanship of the Commission to discuss a revised version of the GGP aiming to be adopted at the next meeting of the Forum in September 2003.

GTE issued comments on a point-by-point basis on the 27th January 2003, including reasons for updating the Commission's draft GGP dd. 21 October 2002. The associations representing the users of the grid, CEER and GTE expressed their views and comments on the Commission's GGP dd. 21st October 2002 and the GTE's GGP dd. 27th January 2003 at the Madrid Joint WG meeting held on the 19th February 2003.

On the 1st April 2003, GTE organised its third workshop with the associations representing the users of the grid (CEFIC, EFET, Eurelectric, Eurogas, IFIEC and OGP) dedicated solely to the GGP. The goal of this workshop was to gain a better understanding of the respective views and to find as much as possible common ground. The present paper sums up the GTE position and revised comments. As many comments as possible made by the users of the grid have been taken into account.

GTE believes that the GGP should be ambitious but also realistic. They should focus on reasonably achievable progress in a reasonable timetable and highlight in separate sections the short-term and the medium-term / ultimate objectives (see amendments in the text as well as target dates in annex). GTE is of course committed to continuing to make an active contribution to the progress to be achieved within the Madrid process.



GTE revised proposals and comments

	DGTREN proposal dd. 21 st October 2002 with GTE amendments dd. 27 th January 2003	DGTREN proposal dd. 21 st October 2002 with GTE amendments dd. 24 th April 2003	Reasons for amendments or changes
1.	Background		
		<u>The Guidelines for Good Practice are forward looking. The implementation may in exceptional cases be limited because of incompatibility with the respective national legislation.</u>	Such an addition in the Background would avoid the necessity to refer to this topic in many sections.
2.1.	Main Roles and Responsibilities of TSO's		
1.	TSOs, be they separate entities or unbundled transmission functions of integrated companies, are responsible for <u>operating, ensuring the maintenance of, and, if necessary, developing the transmission system, and to ensure the long-term ability of the system to meet reasonable demands for the transportation of gas. the provision of adequate technical transmission capacity and the technical integrity and safety of network operations.</u>	TSO <u>means a natural or legal person who carries out the function of transmission and is responsible for operating, ensuring the maintenance of, and, if necessary, developing the transmission system in a given area and, where applicable, its interconnection with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transportation of gas.</u> be they separate entities or unbundled transmission functions of integrated companies, are responsible for the provision of adequate technical transmission capacity and the technical integrity and safety of network operations.	See definition of TSO in the draft 2 nd Directive (Art. 2.4). GTE cannot agree on a wording which would provide an interpretation of the 2 nd Directive.
2.	The minimum role of the TSO would involve the maintenance, operation and development of its network including sufficient long-term investment planning based <u>on contractual commitments from network users</u> , on proper consultation <u>indication</u> of potential system users and, if any, <u>on</u> guidelines by national authorities; provision of non-discriminatory access to its network moving or processing any network users' natural gas within its system in fulfilment of a contract or network	The minimum role of the TSO would involve the maintenance, operation and development of its network including sufficient long-term investment planning based <u>among others on contractual commitments</u> , on proper consultation of potential system users <u>(which have registered themselves at the TSO)</u> and, if any, <u>on</u> guidelines by national authorities; provision of non-discriminatory access to its network moving or processing any network users' natural gas within its system in fulfilment of	GTE is of the opinion that network enhancements must be underpinned by contractual obligations. To make sure that the TSO reaches the potential system users, they have to register



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	<p>code (see section 3 on TPA services); co-operation with other TSOs and operators of other connected systems (including LNG and storage facilities and distribution networks) to ensure <u>pursue</u> interoperability between different systems and efficient and non-discriminatory procedures facilitating trade and allowing network users to transport natural gas throughout the EU transmission network; maintain physical <u>short-term</u> system balance (residual balancing role) and the non-discriminatory provision to all network users of the information they need for efficient access to the network.</p>	<p>a contract or network code (see section 3 on TPA services); co-operation with other TSOs and operators of other connected systems (including LNG and storage facilities and distribution networks) to ensure interoperability between different systems and efficient and non-discriminatory procedures facilitating trade and allowing network users to transport natural gas throughout the EU transmission network; maintain physical <u>short-term</u> system balance (residual balancing role) and the non-discriminatory provision to all network users of the information they need for efficient access to the network.</p>	<p>themselves before at the TSO. Residual balancing role means maintaining short-term system integrity. It is complementary to the balancing roles of system users who are responsible for balancing their supply and demand portfolios within the balancing requirements of the system. Such a definition should be added in annex.</p>
<p>3.</p>	<p>TSOs should ensure interoperability between different systems inter alia by entering into both standardised interconnection agreements (IAs) and standardised operational balancing agreements (OBAs) at any interface. IAs and OBAs must be designed to facilitate competition and the services offered under these agreements must be published.</p>	<p>TSOs should ensure interoperability between different systems inter alia by entering into both standardised interconnection agreements (IAs) and standardised operational balancing agreements (OBAs) at any interface. IAs and OBAs must be designed to facilitate competition and the services offered under these agreements must be published.</p>	<p>Duplication with section 3.3.</p>
<p>4.</p>	<p>TSOs shall be equipped, either through ownership control of assets and gas or through formal contracts or agreements, with sufficient system resources including natural gas necessary for carrying out their functions as transmission system operators including notably its residual balancing role. The system resources available to the TSO in this respect shall be transparent. available to the relevant public Authorities, subject to the national legislation.</p>	<p>TSOs shall be equipped, either through ownership control of assets and gas or through formal contracts or agreements, with sufficient system resources including natural gas necessary for carrying out their functions as transmission system operators including notably its residual balancing role. The system resources available to the TSO in this respect shall be <u>transparent to the relevant public Authorities.</u></p>	<p>It should be the TSO's choice and responsibility, in accordance with the national legislation, to determine the optimal mix of resources to carry out its functions. Such means are part of the internal business of the TSO, and might be part of its specific know-how. It might also involve third parties. There is therefore no reason why these means should be transparent towards the network users,</p>



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			<p>provided they are available to the relevant public Authorities.</p>
<p>5.</p>	<p>There shall be sufficient separation and functional independence between system operators (including transmission and storage system operators) and network users including the supply and trading businesses of vertically integrated companies in order to ensure that system operators do not have any conflict of interest when providing infrastructure services and do not provide any commercial advantage to an affiliate. TSOs shall establish a compliance programme, which sets out measures taken to ensure that discriminatory conduct is excluded. An annual report, setting out the measures to ensure this, shall be submitted to the relevant national regulatory authority and shall be published.</p>	<p><u>Where the TSO is part of a vertically integrated undertaking, it shall be independent at least in terms of its legal form, organisation and decision making from other activities not relating to transmission. This requirement shall not imply or result in the requirement to separate the ownership of assets of the transmission network from vertically integrated undertaking...</u></p> <p><u>...The TSO shall establish a compliance programme, which sets out measures taken to ensure that discriminatory conduct is excluded, and ensure that observance of it is adequately monitored. The programme shall set out the specific obligations of employees to meet this objective. An annual report, setting out the measures taken, shall be submitted by the person or body responsible for monitoring the compliance programme to the regulatory authority and shall be published.</u></p> <p>There shall be sufficient separation and functional independence between system operators (including transmission and storage system operators) and network users including the supply and trading businesses of vertically integrated companies in order to ensure that system operators do not have any conflict of interest when providing infrastructure services and do not provide any commercial advantage to an affiliate. TSOs shall establish a compliance programme, which sets out measures taken to ensure that discriminatory conduct is excluded. An annual report, setting out the measures to ensure this, shall be submitted to the relevant national regulatory authority and shall be published.</p>	<p>Same comment as 2.1.1. When the GGP anticipate the 2nd Directive, the wording should be the same. See Art. 9 of the 2nd Directive: Unbundling of TSOs.</p>



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<p>2.2.</p>	<p><i>Main Roles and Responsibilities of network users</i></p>		
<p>1.</p>	<p>A network user is a customer of a TSO and <u>which</u> would sign the relevant network code <u>and/or</u> enter into <u>other types of transmission</u> contracts with TSOs for shipping of gas. <u>Eligible end-use customers, producers, suppliers, TSO's, traders and shippers</u> may choose to be network users, <u>subject to the relevant national legal framework.</u></p>	<p>A network user <u>(or a shipper)</u> is a customer of a TSO and would sign the relevant network code <u>and/or</u> enter into contracts with TSOs for shipping of gas. <u>Network users may include but are not limited to</u> end-use customers, producers, suppliers, <u>TSO's and traders and shippers may choose to be network users.</u></p>	<p>The definition of "network user" is the same as the definition of "shippers".</p>
<p>2.</p>	<p><u>As one of the most important market participants, network users have their roles and responsibilities which need to be defined and described.</u></p> <p><u>Amongst others, network users are responsible for making nominations to the TSO(s) and commercial physical balancing of their gas in-put and off-take from the system in accordance with prevailing contractual specifications, technical rules, agreed procedures and non discriminatory and broadly cost-reflective contractual balancing rules set by the TSOs according to the principles as described in section 7.</u></p>	<p>Network users are responsible for making nominations to the TSO(s) and commercial balancing of their gas in-put and off-take from the system in accordance with prevailing contractual specifications, technical rules, agreed procedures and non-discriminatory and broadly cost-reflective balancing rules <u>set by the TSOs according to the principles as described in section Z.</u></p>	<p>Making nominations is not a crucial responsibility of the shippers. It depends on the contract. The core responsibility of the shipper is to physically balance its inputs and outputs on each contractual balancing period.</p> <p>Duplication with section 7 on balancing</p>
<p>3.</p>		<p><u>Network users should among others be responsible for:</u></p> <ul style="list-style-type: none"> - <u>giving clear signals referring to future system enhancements to indicate to TSO important gas market developments relevant for the major gas flows will occur, respecting the necessary lead times to realise system upgrades;</u> - <u>assuring that commercial difficulties such as bankruptcy etc have no effects on the effective and lean operating of systems;</u> 	<p>These proposals have been added following the meeting with the associations representing the users of the grid (CEFIC, EFET, Eurelectric, Eurogas, IFIEC and OGP) on the 1st April 2003.</p>



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		<ul style="list-style-type: none"> - <u>putting relevant IT in place in order to be able to communicate with TSOs via agreed interfaces and standards and thus actively support the activities of EASEE-gas on technical convergence. The goal is to reduce response times of TSO, incurred costs of data-processing to achieve efficiently working liberalised markets;</u> - <u>providing all data required in the transmission contracts with TSOs.</u> 	
3.	Necessary TPA Services		
0	In order to ensure non-discrimination between related undertakings and third parties, avoid potential distortions to trade <u>as far as possible</u> , and facilitate gas trade and liquidity, TSOs should:	In order to ensure non-discrimination between related undertakings and third parties, avoid potential distortions to trade and facilitate gas trade and liquidity, TSOs should:	
1.	Offer unbundled TPA services for access to pipelines and LNG facilities as well as all necessary ancillary services to the extent that such facilities are operated <u>and can be made available</u> by the TSO. Ancillary services <u>may</u> include inter alia, allocation, blending, quality monitoring and conversion, metering, flow control and <u>load</u> balancing. Operators of gas storage facilities, including TSOs insofar as TSOs operate gas storage facilities or any equivalent flexibility instruments, shall offer unbundled TPA services (including injection capacity, storage volume and withdrawal capacity) on a non-discriminatory basis to such facilities when such access is necessary for providing efficient access to the transmission and/or distribution networks;	Offer unbundled TPA services for access to pipelines and LNG facilities as well as all necessary ancillary services to the extent that such facilities are operated <u>and can be made available</u> by the TSO. Ancillary services <u>may</u> include inter alia, allocation, blending, quality monitoring and conversion, metering, flow control and <u>load</u> balancing. (Operators of gas storage facilities, including TSOs insofar as TSOs operate gas storage facilities or any equivalent flexibility instruments, shall offer unbundled TPA services (including injection capacity, storage volume and withdrawal capacity) on a non-discriminatory basis to such facilities when such access is necessary for providing efficient access to the transmission and/or distribution networks;)	Services can only be offered when available. GTE cannot agree on provisions regarding storage operators before the 2 nd Directive is agreed. GTE will therefore give detailed proposals when the 2 nd Directive will be adopted by the EU Parliament.
2.	Offer the same range of services on the same conditions according to the principle of non-discrimination to any eligible	Offer the same range of services on the same conditions according to the principle of non-discrimination to any eligible	It should be possible to require creditworthiness of all network



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	<p>third party within the EU as to marketing affiliates on a formal and verifiable basis <u>subject to, if asked for by TSO's, appropriate guarantees from the network users in respect of creditworthiness of such network users.</u> Offer these services on the same <u>non-discriminatory contractual</u> basis to all network users, either using standard contracts or a common network code.</p>	<p>third party within the EU as to marketing affiliates on a formal and verifiable basis <u>subject to, if asked for by TSO's on a non-discriminatory basis, appropriate guarantees from the network users in respect of creditworthiness of such network users.</u> Offer these services on the same <u>non-discriminatory contractual</u> basis to all network users, either using standard contracts or a common network code.</p>	<p>users including incumbent suppliers.</p>
<p>3.</p>	<p>Co-operate with other TSO's and, where relevant, other system operators, on all relevant interoperability issues to develop Interconnection Agreements (IAs) and inter-TSO operational balancing agreements (OBAs) on a standardised and transparent basis. <u>IAs and OBAs must be designed to facilitate competition and the services offered under these agreements must be offered on a non-discriminatory basis. Such agreements should be standardised as far as reasonably achievable taking into account the specificities of the systems involved.</u></p> <p>IAs shall cover energy specification (including pressure, temperature and chemical gas specifications), change of flow rates and the operation of the interconnection point between the network operators. OBAs shall cover the operation of the network operators' energy accounts at the interconnection point. OBAs shall be used to pool small operational imbalances ensuring that network users are allocated all their full nomination, unless there is a significant net shortfall (e.g. as result of a Force Majeure event);</p>	<p>Co-operate with other TSO's and, where relevant, other system operators, on all relevant interoperability issues to develop Interconnection Agreements (IAs) and inter-TSO operational balancing agreements (OBAs) on a standardised and transparent basis. <u>IAs and OBAs must be designed to facilitate competition and the services offered under these agreements must be offered on a non-discriminatory basis. Such agreements should be standardised as far as reasonably achievable taking into account the specificities of the systems involved.</u></p> <p>IAs shall <u>may</u> cover <u>among others</u> energy specification (including pressure, temperature and chemical gas specifications), change of flow rates and the operation of the interconnection point between the network operators. OBAs shall <u>may</u> cover <u>among others</u> the operation of the network operators' energy accounts at the interconnection point. OBAs shall be used to pool small operational imbalances ensuring that network users are allocated all their full nomination, unless there is a significant net shortfall (e.g. as result of a Force Majeure event);</p>	<p>Operational procedures (incl. IA and OBA) and gas specification issues should be considered within EASEE-gas as agreed at the Madrid Forum in October 2002.</p> <p>GTE is fully supporting EASEE-gas in considering this topic and is actively participating in developing IAs and OBAs, in particular to facilitate competition.</p>
<p>4.</p>	<p>Actively pursue harmonisation or convergence to facilitate interoperability e.g. with regard to gas quality specifications where practical and economic. TSOs will actively support the</p>	<p>Actively pursue harmonisation or convergence to facilitate interoperability e.g. with regard to gas quality specifications where practical and economic. TSOs will actively support the</p>	



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	activities of EASEE-Gas aimed at streamlining gas transportation and trading procedures across the EU;	activities of EASEE-Gas aimed at streamlining gas transportation and trading procedures across the EU;	
5.	<p>Offer both long-term and short-term firm services including capacity services down to a minimum period of one day <u>month</u>.</p> <p>Offer and non-firm interruptible services down to a minimum period of one day <u>where requested by the market, and practically reasonable and when firm capacity is not available and no liquid secondary market exists.</u></p> <p>The total fee for any transportation contract with a shorter duration than a reference period (e.g. year, month and day) shall not, unless approved by the relevant national authority, exceed the fee for a transportation contract with such reference duration;</p>	<p>Offer both long-term and short-term firm services including capacity services down to a minimum period of one <u>day month</u>.</p> <p><u>Offer firm and interruptible services with a minimum contract duration of one day as medium-term objective.</u></p> <p><u>No later than 1 October 2003, offer and non-firm interruptible services</u> down to a minimum period of one <u>day month where requested by the market and when firm capacity is not available.</u></p> <p>The total fee for any transportation contract with a shorter duration than a reference period (e.g. year, month and day) shall not, unless approved by the relevant national authority, exceed the fee for a transportation contract with such reference duration;</p>	<p>GTE members are prepared to offer short-term contracts as one-day contracts in the medium term, notably due to the cost and time of the IT involved.</p> <p>No obligation to offer interruptible capacity on the primary market should take place when firm capacity is still available.</p> <p>The total fee for any transportation contract with a shorter duration than a reference period should only be subject to regulatory approval in case such service cannot be bought on the secondary market. In case such service can be offered on the secondary market, no restriction should be in place.</p>
6.	Develop TPA services and access rules so that facilities and ancillary services can be used to meet obligations in neighbouring regimes on a non-discriminatory basis, subject to availability of such facilities and services, <u>to public service obligations</u> and to technical, <u>economical</u> and operational	Develop TPA services and access rules so that facilities and ancillary services can be used to meet obligations in neighbouring regimes on a non-discriminatory basis, subject to availability of such facilities and services, <u>(taking into account Public Service Obligations)</u> and to technical, <u>economical</u> and	<p>Priority rules may be decided by any Member State for the fulfilment of PSO.</p> <p>Economical feasibility should be</p>



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	feasibility;	operational feasibility;	fully recognised.
7.	Design capacity <u>transmission</u> services to facilitate trading and re-utilisation of capacity and in a way, which would not hamper capacity release;	Design capacity <u>transmission</u> services to facilitate trading and re-utilisation of <u>transmission</u> capacity and in a way, which would not hamper capacity release;	Clarification of the text
8.	<p>No later than 1 April 2003, European TSOs will Endeavour to develop - in close consultation with EASEE-Gas - standardised nomination procedures and units of measurement and develop <u>propose</u> information systems and electronic communication means to provide adequate data to network users and simplify transactions (such as nominations, capacity booking etc.).</p> <p>Formalised request procedures and response times should be harmonised among European TSOs according to best standard industry practice <u>as far as reasonably practical and economically feasible taking into account national legislation and national market needs</u> with the aim of minimising response times and <u>providing</u> for on-line screen-based capacity booking and confirmation systems, nominations and re-nominations no later than 31 December 2003.</p> <p>The standardised procedures shall be applied on a non-discriminatory basis to all network users including affiliates.</p> <p>Network users shall not be separately charged for information requests and transactions associated with nominations and capacity booking, including nomination changes;</p>	<p>No later than 1 April 2003, European TSOs will Endeavour to develop - in close consultation with EASEE-Gas - standardised nomination procedures and units of measurement and develop information systems and electronic communication means to provide adequate data to network users and simplify transactions (such as nominations, capacity booking etc.).</p> <p>Formalised request procedures and response times should be harmonised among European TSOs <u>in the medium-term</u> according to best industry practice with the aim of minimising response times and <u>providing</u> for on-line screen-based capacity booking and confirmation systems, nominations and re-nominations no later than 31 December 2003.</p> <p>The standardised procedures shall be applied on a non-discriminatory basis to all network users including affiliates.</p> <p>Network users shall not be separately charged for information requests and transactions associated with <u>their contracts according to standards rules and procedures (e.g. nominations) and capacity booking, including nomination changes;</u></p> <p><u>In forthcoming, mostly exceptional cases, TSOs are allowed to charge transactional costs for information requests that require extraordinary or excessive expenses such as feasibility studies.</u></p>	<p>It cannot be the transporters' responsibility only, but the shared responsibilities of the market players involved in EASEE-gas to come to an agreement regarding the standardisation. Therefore TSO's cannot commit themselves on a precise date for having an agreement. GTE is strongly committed to co-operation in EASEE-gas</p> <p>The development of IT tools (incl. simulation tools) for the on-line booking of capacity may take considerable time and will involve significant IT investments.</p> <p>For capacity requests beyond the published available capacity, it could be allowed charging transactional cost to ensure the requests are genuine, as it may cause costs for the TSO in terms of studies to determine any</p>



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			<p>reinforcement of the system.</p>
<p>9.</p>	<p>Co-operate ordinate themselves with other TSOs in co-ordinating for the maintenance of their respective networks in order to minimise any disruption of transmission services to network users and TSOs in other areas in order <u>and</u> to ensure equal benefits with respect to security of supply including in relation to transit. To avoid distortion in trade TSOs should publish <u>inform the relevant network users</u> at least once a year <u>about</u> all planned maintenance periods that might affect <u>their rights from transmission contracts gas flows</u> and the corresponding operational information with adequate advance notice.</p>	<p>Co-operate with other TSOs in co-ordinating the maintenance of their respective networks in order to minimise any disruption of transmission services to network users and TSOs in other areas in order to ensure equal benefits with respect to security of supply including in relation to transit. To avoid distortion in trade TSOs should publish at least once a year all planned maintenance periods that might affect <u>network users' rights from transmission contracts gas flows</u> and the corresponding operational information with adequate advance notice.</p>	<p>The network users need information with respect to their contractual rights.</p>
<p>4.</p>	<p><i>Capacity allocation and Congestion Management</i></p>		
<p>1.</p>	<p>TSOs should implement and publish non-discriminatory and transparent capacity allocation mechanisms and, when applicable, congestion management procedures, which should (i) facilitate the development of competition and liquid trading of capacity <u>while at the same time ensuring the firm transmission rights in support of security of supply and the overall efficiency of the system</u>; (ii) provide appropriate economic signals for efficient and maximum use of technical capacity and facilitate investment in new infrastructure; (iii) avoid <u>discrimination specific disadvantages</u> for new entrants; and (iv) be compatible with the market mechanisms including spot markets and trading hubs, while being flexible and capable of adapting to evolving market circumstances.</p> <p>These mechanisms and procedures should be reviewed and approved by the relevant authorities prior to implementation. Revenue from congestion management systems should not</p>	<p>TSOs should implement and publish non-discriminatory and transparent capacity allocation mechanisms and, when applicable, congestion management procedures, which should (i) facilitate the development of competition and liquid trading of capacity <u>while at the same time ensuring the firm transmission rights in support of security of supply and the overall efficiency of the system</u>; (ii) provide appropriate economic signals for efficient and maximum use of technical capacity and facilitate investment in new infrastructure; (iii) avoid <u>discrimination specific disadvantages</u> for new entrants; and (iv) be compatible with the market mechanisms including spot markets and trading hubs, while being flexible and capable of adapting to evolving market circumstances.</p> <p>These mechanisms and procedures should be reviewed and approved by the relevant authorities prior to implementation. Revenue from congestion management systems should not</p>	<p>Mechanisms facilitating the development of competition and trading should be checked against potential detrimental effects on the firm capacity rights relating to security of supply. Nonetheless short-term interruptible capacity will be available if there is no firm capacities left.</p> <p>It is not reasonable to support any asymmetric regulation by preventing disadvantages for new entrants.</p> <p>There should be no discrepancy</p>



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	create disincentives to reduce congestion.	create disincentives to reduce congestion.	with national legislations regarding the roles and responsibilities of regulatory Authorities (e.g. ex-ante approval of capacity allocation rules). When the GGP anticipate the 2nd Directive, the wording should be the same.
2.	<p>Network users, notably those who may be interrupted, shall be advised <u>informed</u> about the type of circumstances (<u>in general</u>) that could affect the availability of contracted capacity, <u>such information being indicative</u>.</p> <p>In case difficulties in meeting contractual delivery obligations should arise due to short-term congestion, TSOs should notify network users which might potentially be affected and seek a non-discriminatory solution without delay.</p>	<p>Network users, notably those who may be interrupted, shall be advised about the type of circumstances that could affect the availability of contracted capacity, <u>such information being indicative</u>.</p> <p>In case difficulties in meeting contractual delivery obligations should arise due to <u>system integrity reasons</u> short-term congestion, TSOs should notify network users which might potentially be affected and seek a non-discriminatory solution without delay.</p>	This paragraph refers to emergency situations, not covered by normal congestion management procedures.
5.	Transparency Requirements		
1.	<p><u>TSO should</u> publish in national language(s) and English on the Internet the main conditions of all services, including tariffs and imbalance charges and maps of their network identifying <u>indicating all the major entry and exit cross-border points</u> interconnecting its system with that of other TSOs. TSOs shall publish at least the following information about their system and services:</p> <p>a) detailed and comprehensive information about all services offered and the charges for these;</p>	<p><u>TSO should</u> publish in national language(s) and English on the Internet the main conditions of all services, including tariffs and imbalance charges and maps of their network identifying <u>indicating all relevant entry and exit points</u> interconnecting its system with that of other TSOs. TSOs shall publish at least the following information about their system and services:</p> <p>a. detailed and comprehensive information about all services offered and the charges for these;</p> <p>b. the different types of contracts available for the services</p>	Civil protection requirements need to be taken into account, therefore no geographically exact information can be provided.



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	<p>b) the different types of contracts available for the services offered;</p> <p>c) the flexibility and tolerance levels included in transportation and other services without separate charge and as well as any flexibility offered in addition to this and the corresponding charges;</p> <p>d) a detailed description of the gas system of the TSO identifying indicating all the major connection points with other cross-border systems;</p> <p>e) as applicable, the network code and/or the main standard conditions outlining the rights and responsibilities for all users of the gas system of the TSO;</p> <p>f) the capacity allocation, congestion management and <u>if any</u> anti-hoarding and re-utilisation provisions;</p> <p>g) standard documents and procedures in relation to the use of the gas system of the TSO including definitions of key terms;</p> <p>h) the rules regarding the notification to the TSO of the new owners of the transmission rights; the rules applicable for capacity trade on the secondary market;</p> <p>i) the rules applicable for connection to the system operated by the TSO;</p> <p>j) gas quality and pressure requirements.</p>	<p>offered;</p> <p>c. the flexibility and tolerance levels included in transportation and other services without separate charge and as well as any flexibility offered in addition to this and the corresponding charges;</p> <p>d. a detailed description of the gas system of the TSO identifying indicating all relevant connection points with other systems;</p> <p>e. as applicable, the network code and/or the main standard conditions outlining the rights and responsibilities for all users of the gas system of the TSO;</p> <p>f. the capacity allocation, congestion management and anti-hoarding and re-utilisation provisions;</p> <p>g. standard documents and procedures in relation to the use of the gas system of the TSO including definitions of key terms;</p> <p>h. the rules applicable for capacity trade on the secondary market <u>vis-à-vis the TSO</u>;</p> <p>i. the rules applicable for connection to the system operated by the TSO;</p> <p>j. gas quality and pressure requirements.</p>	<p>TSO cannot -by definition- set rules for trading on the secondary market. TSO's need to know who is responsible for contractual balancing and other contractual obligations, to whom to send bills and which network user will nominate.</p>
<p>2.</p>	<p>For the different services provided, TSO should publish no later than 1 January 2003 physical, booked and available capacities</p>	<p>For the different services provided, <u>TSO should publish in the medium-term no later than 1 January 2003</u> physical, booked</p>	<p>The publication of available capacities should initially focus</p>



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	<p>for monthly <u>daily</u> periods at all <u>major cross-border relevant points including key points in the transmission network</u>, LNG terminals and underground storage facilities and all points of interconnection with other TSO systems on the Internet on a regular/rolling basis and in a user-friendly standardised manner.</p> <p>Where feasible, capacities for entering or exiting the system in counter <u>reverse</u> flow shall also be published.</p> <p><u>When a TSO considers it is not entitled for confidentiality reasons to publish such data, it should publish quantitative information through the traffic light system. It should also provide the relevant national Authority with substantiation for not publishing data.</u></p> <p>TSOs shall publish at least the following information about the capacity situation of their systems at all <u>major cross-border relevant points including key points in the transmission network</u>, LNG terminals and underground storage facilities and all points of interconnection with other TSO systems:</p> <p>a) the maximum technical capacity;</p> <p>b) the total contracted firm and non-firm capacities <u>subject to</u></p>	<p>and available capacities for daily periods at all relevant including key points in the transmission network <u>including connection points with</u> LNG terminals and underground storage facilities and all <u>relevant</u> points of interconnection with other TSO systems on the Internet on a regular/rolling basis and in a user-friendly standardised manner.</p> <p><u>No later than 1 October 2003, TSO should publish physical, booked and available capacities for monthly periods at all relevant cross-border points in the transmission network including connection points with LNG terminals on the Internet on a regular/rolling basis and in a user-friendly standardised manner.</u></p> <p>Where feasible, capacities for entering or exiting the system in counter flow shall also be published.</p> <p><u>When a TSO considers it is not entitled for confidentiality reasons to publish numerical data, in particular when there are less than three shippers at the given point, the TSO should publish qualitative information only. In any case TSOs and the concerned shippers should provide the relevant authorities with substantiation for not publishing numerical figures.</u></p> <p>TSOs shall publish at least the following information about the capacity situation of their systems, <u>subject to confidentiality as stated above</u>: at all relevant points including key points in the transmission network, LNG terminals and underground storage facilities and all points of interconnection with other TSO systems:</p> <p>a) the maximum technical capacity;</p>	<p>on all relevant cross-border points between countries. As the medium-term objective of these Guidelines such publication should be made at all relevant interconnection points.</p> <p>TSOs are not LNG terminal operators.</p> <p>At several points, GTE has distinguished between the short-term and medium-term objectives of the Guidelines.</p>



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	<p><u>confidentiality reasons as provided here above;</u></p> <p>c) the available firm and non-firm capacities;</p> <p>d) user-friendly instruments for calculating tariffs for a specific service (e.g. a tariff "calculator") and for verifying on-line the level of available capacity;</p> <p>TSOs shall publish daily regular up-dates of short-term capacity availability (day-ahead and week-ahead at least month-ahead) based, inter alia, on prevailing <u>contractual commitments conditions and nominations</u> and TSO shall publish regular long-term forecasts of available capacities on a quarterly and annual basis for up to 10 years for all main entry and interconnection major cross-border points.</p> <p>Available capacities in the medium term shall be published for a period of 18 months ahead and shall be updated at least every month or more frequently if <u>significant</u> new information becomes available.</p> <p><u>The publication of available capacities may be indicative and subject to confirmation each time a shipper makes a request, provided such confirmation is given according to section 3.8.</u></p>	<p>b) the total contracted firm and non-firm capacities</p> <p>c) the available firm and non-firm capacities;</p> <p>d) user-friendly instruments for calculating tariffs for a specific service (e.g. a tariff "calculator") and <u>as a medium-term objective</u> for verifying on-line the level of available capacity;</p> <p>TSOs shall publish <u>in the medium-term</u> daily up-dates of short-term capacity availability (day-ahead and week-ahead) based, inter alia, on prevailing <u>contractual commitments conditions and nominations</u> and regular long-term forecasts of available capacities on a quarterly and annual basis for up to 10 years for all <u>relevant main entry and interconnection points</u>.</p> <p><u>No later than 1 October 2003, TSO should publish regular up-dates of short-term capacity availability (month-ahead) based, inter alia, on prevailing contractual commitments and regular long-term forecasts of available capacities on a annual basis for up to 10 years for all relevant cross border points.</u></p> <p>Available capacities in the medium term shall be published for a period of 18 months ahead and shall be updated at least every month or more frequently if <u>significant</u> new information becomes available.</p> <p><u>The publication of maximum and available capacities may be indicative and subject to confirmation each time a shipper makes a request, provided such confirmation is given according to section 3.8.</u></p> <p>The calculation of available capacities shall be based on network modelling and flow simulations taking account of all</p>	<p>Available interruptible capacity is not easy to publish, as the conditions for interruptions may depend on the actual quantity of interruptible capacity which is sold.</p>



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	<p>The calculation of available capacities shall be based on network modelling and flow simulations taking account of all relevant operational parameters for an efficient and safe operation of the system. A methodology for calculating available capacities based on a standardised energy units shall be proposed by GTE and agreed by to the Forum no later than 1 January July 2003.</p> <p>Historical maximum and minimum capacity utilisation rates and annual average flows at the above points shall be published for the past three years no later than 1 January 2003 and a daily log of actual aggregate flows will be updated daily thereafter every year for the past year, starting from 1 July 2003.</p> <p>TSOs shall keep effective records of all capacity contracts and all other relevant information in relation to calculating and providing access to available capacities. If necessary, the relevant national authorities shall, <u>according to the national legislation</u>, have access to such records in relation to complaints about refusal of access due to lack of capacity.</p>	<p>relevant operational parameters for an efficient and safe operation of the system. A methodology for calculating available capacities based on a standardised energy units shall be proposed by GTE and agreed by to the Forum no later than 1 January October 2003.</p> <p>Historical maximum and minimum capacity utilisation rates and annual average flows at the above points shall be published for the past three years no later than 1 January 2004 2003 and a daily log of actual aggregate flows will be updated daily thereafter.</p> <p>TSOs shall keep effective records of all capacity contracts and all other relevant information in relation to calculating and providing access to available capacities. If necessary, the relevant national authorities shall have access to such records in relation to complaints about refusal of access due to lack of capacity.</p>	
3.	<p>All network information shall always be disclosed in a meaningful, quantitatively clear and easily accessible way and on a non-discriminatory basis. As the general rule, information and transparency shall be provided via the Internet and shall not be charged for separately. However charges may be used for customer specific information.</p>	<p>All network information shall always be disclosed in a meaningful, quantitatively clear and easily accessible way and on a non-discriminatory basis. As the general rule, information and transparency shall be provided via the Internet and shall not be charged for. However charges may be used for customer specific information.</p>	<p>According to the principle of payment by the originator of the work.</p>
6.	<i>Tariff structure and derivation</i>		
1.	<p>TSOs shall design tariff structures according to the following</p>	<p>TSOs shall design tariff structures according to the following</p>	<p>Tariffs have to provide the necessary incentives and signals</p>



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	<p>three <u>four</u> key principles. Tariffs should be:</p> <p>(i) reflective of efficiently incurred costs, including appropriate return on investment; alternatively reflect international tariff benchmarks taking into account national specificities; however tariffs should be market based if effective competition exists for the same service, in order not to distort the market;</p> <p>(ii) facilitate efficient gas trade competition while at the same time avoiding cross-subsidies between network users, and not endangering the continuity of supply for final customers and the operability of the system and;</p> <p>(iii) promote efficient use of the network;</p> <p>(iv) <u>provide for appropriate incentives on new investments necessary to remove capacity constraints and to facilitate market development.</u></p> <p>The tariff structure should be reviewed on a regular basis to ensure that it continues to support these three <u>four</u> principles, as the market develops. <u>In any way tariff structure and derivation should be stable, clear and transparent in order to provide a long-term visibility of the business necessary for the network users and TSO's to plan their activities;</u></p>	<p>three <u>four</u> key principles. Tariffs should be:</p> <p>(i) reflective of efficiently incurred costs, including appropriate return on investment; where appropriate tariffs may reflect international tariff benchmarks or be market based if effective competition exists;</p> <p>(ii) facilitate efficient gas trade <u>and competition while at the same time avoiding cross-subsidies between network users and ensuring transparency of the availability of capacities to the market;</u></p> <p>(iii) promote efficient use of the network and;</p> <p>(iv) <u>provide for appropriate incentives on new investments.</u></p> <p>The tariff structure should be reviewed on a regular basis to ensure that it continues to support these three <u>four</u> principles, as the market develops. <u>In any way tariff structure and derivation should be stable, clear and transparent.</u></p> <p><u>Higher revenues for new investments can be appropriate and TSO may receive incentives for increased efficiency and entrepreneurship, or even might be part to structures for sharing risks and/or profits, e.g. alliances.</u></p>	<p>for new investments necessary to facilitate the development of the market, to maintain a high level of security of supply and as a result to remove capacity constraints where the market is prepared to pay for such removal.</p> <p>Tariffs should be market based in case of effective pipe-to-pipe competition. Tariff design according to benchmarking taking into account national specificities is an acceptable principle also.</p> <p>Inappropriately designed tariffs could endanger the continuity of supply on final customers.</p>
<p>2.</p>	<p>In order to ensure transparent, objective and non-discriminatory tariffs and facilitate efficient utilisation of the gas network, TSOs <u>or relevant national Authorities</u> should publish reasonably and sufficiently detailed information on</p>	<p>In order to ensure transparent, objective and non-discriminatory tariffs and facilitate efficient utilisation of the gas network, TSOs <u>or relevant national Authorities</u> should publish reasonably and sufficiently detailed information on</p>	<p>Publication of benchmarking elements should be left to the responsibility of national Authorities.</p>



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	<p>tariff derivation and tariff structure, including at least:</p> <ul style="list-style-type: none"> - Tariff methodology and derivation; - Tariff structure designed to promote trade and competition in gas supply; - <u>Where applicable and in accordance with national legislation, the definition of the cost base underlying tariff setting taking into account asset valuation and depreciation principles and benchmarking of efficiency and operational standards;</u> - Functional allocation and capacity/commodity allocation principles; - Detailed tariff design (tariff elements) including charges for capacity overrun and their derivation; - <u>Where applicable, indexation of tariffs (if any), or principles for tariff variations;</u> - Specific tariffs or rules applied to backhaul transportation or specific services if any; - Regulatory involvement in tariff setting. 	<p>tariff derivation and tariff structure, including at least:</p> <ul style="list-style-type: none"> - Tariff methodology and derivation; - Tariff structure designed to promote trade and competition in gas supply; - <u>Where applicable, the definition of the cost base underlying tariff setting taking into account asset valuation and depreciation principles and benchmarking of efficiency and operational standards;</u> - Functional allocation and capacity/commodity elements, allocation principles; - Detailed tariff design (tariff elements) including charges for capacity overrun and their derivation; - <u>Where applicable, indexation of tariffs (if any), or principles for tariff variations;</u> - Specific tariffs or rules applied to backhaul transportation or specific services if any; - Regulatory involvement in tariff setting. 	
<p>3.</p>	<p><u>TSOs, in accordance with national authorities and relevant legislation should not adopt any charging principles and/or tariff structures that in any way would either hamper or distort market liquidity and trade across borders of different TSO systems or hamper system enhancements and integrity.</u></p> <p><u>In case differences in tariff structures or balancing mechanisms</u></p>	<p>TSOs should not adopt any charging principles and/or tariff structures that in any way would hamper or distort market liquidity and trade across borders of different TSO systems <u>or hamper system enhancements and integrity.</u></p> <p><u>In case differences in tariff structures or balancing mechanisms would hamper cross-border trade, TSOs should actively pursue</u></p>	<p>Tariffs have to provide the necessary signals for new investments to facilitate the development of the market, to maintain a high level of security of supply and as a result to</p>



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	would hamper cross-border trade, TSOs should actively pursue convergence of tariff structures and charging principles including in relation to balancing (see section 7).	convergence of tariff structures and charging principles including in relation to balancing (see section 7).	remove capacity constraints. Harmonisation is not necessary per se, but only if the lack of harmonisation hampers cross-border trade.
7.	<i>Balancing, imbalance charges and settlement processes</i>		
1.	Design fair, non-discriminatory and transparent residual system contractual balancing rules (e.g. in relation to issues such as tolerance levels, balancing period, balancing requirements in heat units etc.) that are based on objective criteria, and are reflecting genuine system needs and reasonably necessary on the basis of <u>genuine system requirements, i.e. including the actual technical capabilities of the transmission system, and flexibility resources available to the TSO.</u> Provide information to the relevant regulatory authorities and system users with regard to the system resources (including related assets, contracts, costs etc.) at the disposal of the TSO dedicated to system operations including residual balancing. Balancing rules and charges, which should be reviewed by the relevant authorities, should be broadly cost-reflective and avoid cross-subsidisation between system users;	Design fair, non-discriminatory and transparent residual system contractual balancing rules (e.g. in relation to issues such as tolerance levels, balancing period, balancing requirements in heat units etc.) that are based on objective criteria, and are reflecting genuine system needs and reasonably necessary on the basis of <u>genuine system requirements, i.e. including the actual technical capabilities of the transmission system and resources the TSO has dedicated resources to contractual balancing mechanisms flexibility available to the TSO.</u> Provide information to the relevant regulatory authorities and system users with regard to the system resources (including related assets, contracts, costs etc.) at the disposal of the TSO dedicated to system operations including residual balancing. Balancing rules and charges, which should be reviewed by the relevant authorities, should be broadly cost-reflective and avoid cross-subsidisation between system users;	Resources that the TSO uses for PSOs and any commercial activities should not be taken into account when designing balancing rules The amended Article incorporates the possibility of PSOs and of TSOs having access to or control over assets that are used for commercial services. GTE notes that the paragraph regarding cost reflectiveness of balancing rules is duplicated in section 7.3.
2.	Ensure that the same rules (including the same charges for flexibility services provided by the TSO) are applied to own commercial operations of vertically integrated companies as to third parties on a formal and verifiable basis. Tolerance levels shall be designed in a way which reflect daily effective temperature and the actual technical capabilities of the	Ensure that the same rules (including the same charges for flexibility services provided by the TSO) are applied to own commercial operations of vertically integrated companies as to third parties on a formal and verifiable basis. Tolerance levels shall be designed in a way which reflect daily effective temperature and the actual technical capabilities of the	The GGP should not be too much prescriptive (daily effective temperature). The balancing rules as defined in section 7.1 already reflect the technical capabilities of the



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	transmission system;	transmission system;	transmission system.
3.	Ensure that balancing charges are non-discriminatory, broadly cost-neutral to the TSOs and published whilst <u>avoiding cross-subsidisation between network users and competing energy markets and</u> providing appropriate incentives on network users to balance in-put and off-take of gas and not to endanger the system <u>neither to create a risk of disruption of gas supply</u> . Penalties collected by TSOs, over and above the actual efficiently incurred balancing costs, from system users being out of balance shall be redistributed back to the system users on a non-discriminatory basis at the end of each month;	Ensure that balancing charges are non-discriminatory, broadly cost-neutral to the TSOs and published whilst <u>avoiding cross-subsidisation between network users and competing energy markets and</u> providing appropriate incentives on network users to balance in-put and off-take of gas and not to endanger the system <u>neither to create a risk of disruption of gas supply</u> . Penalties collected by TSOs, over and above the actual efficiently incurred balancing costs, from system users being out of balance shall be redistributed back to the system users on a non-discriminatory basis at the end of each month;	It should be noted that cross-subsidisation between users should be avoided. Inappropriate balancing rules could lead to a risk of physical disruption of supply for final consumers. No need to be unnecessarily prescriptive.
4.	Ensure <u>in accordance to national legislation</u> compatibility of balancing regimes (tolerances, imbalance charges etc.) in order to facilitate gas trade across borders of different TSO systems. European TSOs shall endeavour to harmonise balancing regimes and streamline structures and levels of balancing charges in order to facilitate trade <u>and to respect the needs of domestic use</u> . Where it is justified that balancing regimes (tolerances, imbalance charges, balancing periods etc.) remain <u>are</u> different between interconnected networks, standardised agreements and procedures between TSOs should be put in place in order to facilitate gas trade. <u>Where applicable and subject to the national legal framework</u> , such arrangements shall be published and notified to the relevant regulatory authority;	Ensure <u>in accordance to national legislation</u> compatibility of balancing regimes (tolerances, imbalance charges etc.) in order to facilitate gas trade across borders of different TSO systems. European TSOs shall endeavour to harmonise balancing regimes and streamline structures and levels of balancing charges in order to facilitate trade. Where it is justified that balancing regimes (tolerances, imbalance charges, balancing periods etc.) remain different between interconnected networks, standardised agreements and procedures between TSOs should be put in place in order to facilitate gas trade. <u>Where applicable</u> , such arrangements shall be published and notified to the relevant regulatory authority;	
5.	Design balancing regimes in a way, which would not hamper the development of competition in the provision of ex ante balancing services;	Design balancing regimes in a way, which would not hamper the development of competition in the provision of ex ante balancing services;	



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6.	Facilitate pooling and <u>ex ante</u> trading of imbalance services between different system users in a non-discriminatory and cost-reflective manner <u>according to national legislation</u> . Trading of imbalances shall not require system users to combine their transportation contracts vis à vis the TSO;	Facilitate pooling and <u>ex ante</u> trading of imbalance services between different system users in a non-discriminatory and cost-reflective manner. Trading of imbalances shall not require system users to combine their transportation contracts vis à vis the TSO;	GTE cannot support the ex post trading of imbalances as this creates a clear disincentive for system users to balance their portfolio.
7.	Market participants shall be provided with sufficient, well-timed and reliable Internet-based information about their balancing status and imbalance charges to be updated on at least on a daily <u>regular</u> basis and in function of the balancing period applied, where such information can be provided at reasonable costs. Information on imbalance positions shall allow system users to take timely corrective actions <u>if TSOs do have all information available to do so and if such information can be provided at reasonable costs.</u>	Market participants shall be provided with sufficient, well-timed and reliable Internet-based information about their balancing status and imbalance charges to be updated on at least on a daily <u>regular</u> basis and in function of the balancing period applied, where such information can be provided at reasonable costs. Information on imbalance positions shall allow system users to take timely corrective actions <u>if TSOs do have all information available to do so and that such information can be provided at reasonable costs.</u>	Information on imbalance positions is sometimes provided by other companies than the TSO (e.g. because of liberalised metering markets). It is in such cases the responsibility of network users to get the relevant information.
8.	<i>Market based mechanisms such as secondary market</i>		
1	Allow and facilitate TPA capacity rights to be freely tradable in a secondary market without any undue obstacles, <u>taking into account the need for TSO to make sure that all contractual obligations are reasonably guaranteed.</u> Develop standardised contracts and procedures <u>on the primary market</u> to facilitate secondary trade of capacity. Where requested <u>and paid for</u> by network users, provide cost-reflective services (such as an electronic platform or bulletin board) to facilitate secondary capacity trading and associated transfer of capacity rights between network users;	Allow and facilitate TPA capacity rights to be freely tradable in a secondary market without any undue obstacles, <u>taking into account the need for TSO to make sure that all contractual obligations are reasonably guaranteed.</u> Develop standardised contracts and procedures <u>on the primary market</u> to facilitate secondary trade of capacity. Where requested <u>and paid for</u> by network users, provide cost-reflective services (such as an electronic platform or bulletin board) to facilitate secondary capacity trading and associated transfer of capacity rights between network users;	It cannot be imposed on the TSO to try to get money from companies with un-secure legal status It is not up to the TSO to organize the secondary market, but to actively facilitate making un-used capacity available to the market.
2	<u>According to national Authorities rules and indications,</u> actively endeavour to discourage capacity hoarding and facilitate reutilisation of un-used capacity. In case of prolonged and significant non-use of reserved capacity by a system user, TSOs	<u>According to national Authorities rules and indications,</u> actively endeavour to discourage capacity hoarding and facilitate reutilisation of un-used capacity. In case of prolonged and significant non-use of reserved capacity by a system user, TSOs	The main responsibilities in the definition of the detailed rules for avoiding capacity hoarding and in applying them should be



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	<p>shall, in consultation with the competent authorities, actively endeavour in their contractual relationships with system users including notably related undertakings to retrieve un used capacity and make it available to the market. TSOs shall facilitate trading of unused capacity at least on a day ahead and an interruptible basis. The basis for a possible interruption must be clearly set out. Revenues from released interruptible capacity shall be paid to the TSO and ring fenced for redistribution to all system users.</p>	<p>shall, in consultation with the competent authorities, actively endeavour in their contractual relationships with system users including notably related undertakings to retrieve un used capacity and make it available to the market. TSOs shall facilitate trading of unused capacity at least on a day ahead and an interruptible basis. The basis for a possible interruption must be clearly set out. Revenues from released interruptible capacity shall be paid to the TSO and ring fenced for redistribution to all system users.</p>	<p>up to national Authorities. Some TSO's are not able (and not willing) to deprive the Shippers of any of their contractual rights. The prolonged non-use by a shipper of its maximum capacity does not mean that there is any intention of capacity hoarding, as such capacity may be booked for arbitrage purpose or for an exceptional circumstance.</p> <p>The redistribution of revenues from interruptible capacity is too prescriptive and would not create any incentive to promote efficient use of the network.</p>
	<p>Definitions</p>		
	<p>"technical capacity": the maximum <u>firm</u> capacity that the transmission, or LNG or storage undertaking can offer to the system users, taking account of the system integrity and the operational requirements of the transmission network.</p>	<p>"technical capacity": the maximum <u>firm</u> capacity that the transmission, or LNG or storage undertaking can offer to the system users, taking account of the system integrity and the operational requirements of the transmission network.</p>	<p>TSO are not storage operators nor LNG terminals operators. GTE cannot act on behalf of storage operators nor LNG terminals operators. Before entry in force of the 2nd Directive, there is no TPA to storage.</p>
	<p>"firm capacity": gas transmission, or LNG or storage capacity contractually and unconditionally guaranteed by the transmission, or LNG or storage undertaking.</p>	<p>"firm capacity": gas transmission, or LNG or storage capacity contractually and unconditionally guaranteed by the transmission, or LNG or storage undertaking.</p>	<p>There are always conditions (force majeure, maintenance,...).</p>
	<p>"non-firm or interruptible capacity": gas transmission, or LNG or storage capacity that can be interrupted by the transmission, or</p>	<p>"non-firm or interruptible capacity": gas transmission, or LNG or storage capacity that can be interrupted by the transmission, or</p>	<p>There is a need to reconcile the interruptible capacity and "non-</p>



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	LNG or storage undertakings according to the conditions stipulated in the access contract. The contract <u>may</u> specify the permitted duration, frequency and timing of the interruptions. It <u>may</u> also specify the previous notice required and possibly a fee related to the duration of the interruptions.	LNG or storage undertakings according to the conditions stipulated in the access contract. The contract <u>may</u> specify the permitted duration, frequency and timing of the interruptions. It <u>may</u> also specify the previous notice required and possibly a fee related to the duration of the interruptions.	firm” capacity concept in order to avoid unnecessary definitions.
	“interruptible capacity”: an extreme form non-firm capacity whose availability is not guaranteed in any way by the natural gas undertaking.	“interruptible capacity”: an extreme form non-firm capacity whose availability is not guaranteed in any way by the natural gas undertaking.	
	“available firm capacity”: the part of the technical capacity that is not allocated and is still available to the system users at that moment.	“available firm capacity”: the part of the technical capacity that is not allocated and is still available to the system users at that moment.	
	“primary market”: market of the capacity traded directly by the TSO under regulated conditions.	“primary market”: market of the capacity traded directly by the TSO under regulated conditions.	
	“secondary market”: market of the capacity traded otherwise than on the primary market.	“secondary market”: market of the capacity traded otherwise than on the primary market.	
	“contractual congestion”: <u>situation where</u> the level of firm capacity demand exceeds the technical capacity (all technical capacity is booked as firm but some capacity remains unused)	“contractual congestion”: <u>situation where</u> the level of firm capacity demand exceeds the technical capacity (all technical capacity is booked as firm but some capacity remains unused)	
	“physical congestion”: <u>situation where</u> the level of firm demand for actual deliveries exceeds capacity use that equals the technical capacity <u>at some point in time</u> (all firm capacity is actually being used; there is no capacity hoarding).	“physical congestion”: <u>situation where</u> the level of firm demand for actual deliveries exceeds capacity use that equals the technical capacity <u>at some point in time</u> (all firm capacity is actually being used; there is no capacity hoarding).	
	“congestion management”: management of the capacity portfolio of the transmission undertaking with a view to optimal and maximum use of the technical capacity and the	“congestion management”: management of the capacity portfolio of the transmission undertaking with a view to optimal and maximum use of the technical capacity and the	



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	timely detection of future congestion and saturation points.	timely detection of future congestion and saturation points.	
	"capacity": the <u>maximum</u> flow, expressed in normal cubic meters per time unit <u>or in energy unit per time unit</u> , to which the system user is entitled in accordance with the provisions of the transmission contract.	"capacity": the <u>maximum</u> flow, expressed in normal cubic meters per time unit <u>or in energy unit per time unit</u> , to which the system user is entitled in accordance with the provisions of the transmission contract.	
	"nomination": the prior reporting by the system user to the transmission undertaking of the part of the allocated capacity <u>actual flow</u> that he wishes to <u>inject into or withdraw from the system-use</u> ;	"nomination": the prior reporting by the system user to the transmission undertaking of the part of the allocated capacity <u>actual flow</u> that he wishes to <u>inject into or withdraw from the system-use</u> ;	
	"re-nomination": the reporting of a corrected nomination;	"re-nomination": the reporting of a corrected nomination;	
	"nominated capacity-flow ": the capacity <u>flow</u> that the system user has previously reported to the transmission undertaking as capacity <u>actual flow</u> that he wishes to <u>inject into or withdraw from the system-use</u> ;	"nominated capacity-flow ": the capacity <u>flow</u> that the system user has previously reported to the transmission undertaking as capacity <u>actual flow</u> that he wishes to <u>inject into or withdraw from the system-use</u> ;	
	"balancing period": the period within which the off-take of an amount of natural gas, expressed in units of energy, must be offset by every system user by means of the injection of the same amount of natural gas into the transmission network <u>in accordance with the contract or the network code</u> ;	"balancing period": the period within which the off-take of an amount of natural gas, expressed in units of energy, must be offset by every system user by means of the injection of the same amount of natural gas into the transmission network <u>in accordance with the contract or the network code</u> ;	
	"system integrity": any situation in respect of a transmission network or a transmission facility in which the pressure and the quality of the natural gas remain within the minimum and maximum limits laid down by the transmission undertaking, so that the transmission of natural gas is guaranteed from a technical standpoint;	"system integrity": any situation in respect of a transmission network or a transmission facility in which the pressure and the quality of the natural gas remain within the minimum and maximum limits laid down by the transmission undertaking, so that the transmission of natural gas is guaranteed from a technical standpoint;	



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		<p><u>“residual balancing”</u>: short-term balancing to ensure system integrity. TSOs are responsible for the residual balancing.</p>	
	<p>“entry/exit capacity allocation system” : system where capacity is booked separately at the entry and at the exit points;</p>	<p>“entry/exit capacity allocation system” : system where capacity is booked separately at the entry and at the exit points;</p>	<p>Not used</p>
	<p>“entry/exit tariff system”: tariff regime where injection and off-take are priced and invoiced separately, without prejudice of the rules related to the balance between injections and off-takes.</p>	<p>“entry/exit tariff system”: tariff regime where injection and off-take are priced and invoiced separately, without prejudice of the rules related to the balance between injections and off-takes.</p>	<p>Not used</p>
		<p><u>Target dates</u></p>	
		<p><u>Short-term objectives</u></p>	
		<ul style="list-style-type: none"> - <u>Offer firm capacity services down to a minimum duration of one month, and offer interruptible services down to minimum contract of one month where requested by the market and when firm capacity is not available. (Art. 3.5)</u> - <u>Standardise nomination procedures and units of measurement to be develop within EASEE-gas (Art. 3.8)</u> - <u>Publish physical, booked and available capacities for monthly periods at all relevant cross-border points in the transmission network including connection points with LNG terminals on the internet on a regular/rolling basis and in a user- friendly standardised manner (Art. 5.2)</u> - <u>Publish regular updates of short-term capacity availability (month-ahead) based inter alia on</u> 	<p><u>1 October 2003</u></p> <p><u>To be agreed within EASEE-gas</u></p> <p><u>1 October 2003</u></p> <p><u>1 October 2003</u></p>



	<p>DGTREN proposal dd. 21st October 2002 with GTE amendments dd. 27th January 2003</p>	<p>DGTREN proposal dd. 21st October 2002 with GTE amendments dd. 24th April 2003</p>	<p>Reasons for amendments or changes</p>
		<p><u>prevailing contractual commitments for all relevant cross-border points (Art.5.2);</u></p> <ul style="list-style-type: none"> - <u>Publish regular long-term forecasts of available capacities on an annual basis for up to 10 years for all relevant cross-border points (Art. 5.2)</u> - <u>GTE to prepare a methodology for calculating available capacities based on standardised units (Art. 5.2)</u> - <u>Publish the historical maximum and minimum capacity utilisation rates and annual average flows at all relevant cross-border points for the past three years (Art. 5.2)</u> 	<p><u>1 October 2003</u></p> <p><u>submission to the Madrid Forum to be held in September 2003</u></p> <p><u>1 January 2004</u></p>
		<p><u>Medium-term objectives</u></p>	
		<ul style="list-style-type: none"> - <u>Offer firm and interruptible capacity services with a minimum contract duration of one day (Art. 3.5)</u> - <u>Minimise response times and provide for on-line screen based capacity booking and confirmation systems, nomination and re-nomination (Art. 3.8)</u> - <u>Publish physical, booked and available capacities for daily periods at all relevant points in the transmission network including connection points with LNG terminals, underground storage facilities and all relevant points of interconnection with other TSO systems on the internet on a regular/rolling basis and in a user-friendly standardised manner (Art. 5.2)</u> - <u>Publish daily updates of short-term capacity availability</u> 	



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		<p>(day and week-ahead) based inter alia on prevailing contractual commitments for all relevant interconnection points (Art 5.2);</p> <ul style="list-style-type: none"> - Publish regular long-term forecasts of available capacities on an annual basis for up to 10 years for all relevant interconnection points (Art. 5.2) 			
Publication of available capacities and updating					
<u>Beginning of publication</u>		<u>1 October 2003</u>		<u>Medium term</u>	
<u>Type of available capacities</u>		<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
<u>Publication basis</u>		<u>Monthly</u>	<u>Yearly</u>	<u>Daily</u>	<u>Yearly</u>
<u>Publication period</u>		<u>18 Months</u>	<u>10 Years</u>	<u>18 Months</u>	<u>10 Years</u>
<u>Updating basis</u>		<u>Monthly</u>	<u>Yearly</u>	<u>Daily/weekly</u>	<u>Yearly</u>
<u>Updating period</u>		<u>18 Months</u>	<u>10 Years</u>	<u>18 Months</u>	<u>10 Years</u>
<u>Points of the transmission network</u>		<u>All relevant cross-border points in the transmission network including connection points with LNG terminals.</u>		<u>All relevant points in the transmission network including connection points with LNG terminals, underground storage facilities and all relevant points of interconnection with other TSO systems.</u>	