

## ***GTE Position on the Third Package - Questions and Answers***

---

### ***Why are TSOs different from market players?***

TSOs are independent from competitive interests associated with production and supply. TSOs will be bound to demonstrate their commitment to co-operate, via membership of ENTSOG, to achieve the single European gas market. That is why TSOs should not be considered a “market player”;

### ***Why should TSOs develop codes?***

TSOs ensure secure, reliable and efficient operation of the transmission networks that are the backbone of the gas system.

TSOs understand the physical, operational and commercial aspects of the network. This enables TSOs to bridge the gap between physical and contractual aspects of gas transmission.

TSOs provide transportation and information services to the market. TSOs have experience of working with regulators at national level to deliver network code arrangements in all member states.

Therefore for all the reasons above ENTSOG will be uniquely placed to facilitate the competitive market.

### ***Why should ENTSOG be involved in determining all market rules?***

There seems to be a misunderstanding about the definition of market rules. Network code might be better terminology. This would make clear that the codes only relate to the regulated business of the TSO and its interface to customers

### ***Why should ENTSOG determine all trading rules?***

TSOs would not wish to expand their role beyond their responsibilities and competencies. How shippers, producers and traders trade is a matter for them and TSOs should only be involved where commercial rules relate to the networks.

For example in respect of trading rules:

- in relation to transmission capacity trading this might be expected to include such elements as how secondary capacity trades can be captured within TSO systems so that renomination and billing (where appropriate) processes can function properly
- in relation to gas trading this might be expected to include the registration of gas trades so that renomination and gas imbalance determination processes can properly function.

The details of trading contracts between shippers are not a matter for TSOs but rather for the market to formulate.

So market codes without any impact on TSOs technical responsibilities and operation are not necessarily a matter for TSOs. Where the market wishes to establish, for example, platforms to enable trading it should do so and the TSOs' network codes should only be required to define the necessary interfaces into the TSOs' systems and processes.

### ***Why can ENTSOG be trusted to develop network access rules?***

ENTSOG will facilitate robust, open and responsive consultation processes to ensure that the interests of all stakeholders are considered.

Firstly there will be consultation processes to derive the annual work programme. This will define Terms of Reference for each initiative having enabled input from the full range of market players and regulators.

The detailed network code and technical development process will feature a regular exchange of views to ensure that all stakeholder views are considered. This will lead via iterative and responsive processes through refined proposals to a final recommendation.

### ***How is the Agency going to be involved in the consultation process?***

The Agency will be part of the consultation process to define the Terms of Reference for each initiative of the annual work programme.

The Agency will oversee the work of ENTSOG to ensure the public interest and to ensure that the Commission are advised if unacceptable progress is being made.

The Agency will issue a regulatory opinion on each draft code which if positive would constitute a recommendation for both TSOs and national regulators to implement the respective rules.