



Gas Transmission Europe

Entry/Exit System Guidelines

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General comments on the CEER Entry/Exit System Guidelines

- **The CEER paper is a technical document which does not call for basic critical remarks from GTE. However, there are some questionable wordings that cannot be raised in a short presentation**

→ Only the main points will be touched on hereafter

Key Characteristics of an Entry-Exit System (1/2)

GTE welcomes the following ideas:

- **The need, in some cases to delineate multiple Entry-Exit areas within a single TSO network notably to address the management of physical congestions.**
- **The possibility to aggregate exit points into a limited number of regional exit zones, provided that some conditions are fulfilled: no congestion, no significant cost discrepancies between such aggregated points.**

Key Characteristics of an Entry-Exit System (2/2)

However it should be noted that:

- **Distinction between services: a minimal balancing service should be included in the transportation service**
- **The methodology for tariff derivation has to be adapted, on a case by case basis due to the networks characteristics.**

The Road Map to move from a 'Point-to-Point' to an 'Entry-Exit' System

- **GTE agrees that, in some cases, a step by step approach may be helpful, to move from the “point-to-point” model to the “Entry/Exit” model.**
- **But, some TSOs may also prefer a fast move from one system to another, in order to limit the transition problems.**
- **For many TSOs such move from “point-to-point” to “Entry/Exit” is now behind in the past.**
- **The move toward Entry/Exit tariff systems is now widely pursued by the TSO. However the shortcomings of such a tariff system, as presented in Madrid in Sept. 03, persist.**

Transit

- **The transit characteristics are so different among countries that one cannot confine to the statement: «no separate tariff for transit and for transmission within the internal market»; there is no single EU-wide solution to cover all national specificities.**
- **Tariff: it should be noted that the Entry/Exit system, by its mechanism itself, introduces an averaging effect.**
- **From GTE's point of view the transit issue remains unsolved within the Entry/Exit system. This issue requires further work.**

Set of Recommendations

- **GTE welcomes the CEER cautiousness with regard to the difficult problem of multiple TSOs within a single geographic area.**

ERGEG's compliance report

GTE appreciates:

- **Constructive discussion between ERGEG and GTE as from the preparation of the questionnaire in Jan. 04**
- **GTE agrees on the principle to repeat monitoring report in 2005**

However,

- **The 4 shortcomings of the entry/exit systems identified by GTE in 2003 should be addressed**
- **GTE suggests to properly consider the transit issue together with all involved parties for presentation at the Madrid Forum IX**