

**Eurogas Proposals for Amendments to the Third Energy Package  
(Regulation (EC) No 1775/2005) (21/02/08)**

<i>Recitals</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
<p>Having regard to the Treaty establishing the European Community, and in particular Article 95 thereof,            Having regard to the proposal from the Commission,            Having regard to the opinion of the European Economic and Social Committee,            Having regard to the opinion of the Committee of the Regions,            Acting in accordance with the procedure laid down in Article 251 of the Treaty,            Whereas:</p>	<p>Having regard to the Treaty establishing the European Community, and in particular Article 95 thereof,            Having regard to the proposal from the Commission,            Having regard to the opinion of the European Economic and Social Committee,            Having regard to the opinion of the Committee of the Regions,            Acting in accordance with the procedure laid down in Article 251 of the Treaty,            Whereas:</p>
<p>(1) The internal market for gas, which has been progressively implemented since 1999, aims at delivering real choice for all consumers in the Community, be they citizens or business, new business opportunities and more cross-border trade, so as to achieve efficiency gains, competitive prices, higher standards of service, and to contribute to security of supply and sustainability.</p>	<p>(1) The internal market for gas, which has been progressively implemented since 1999, aims at delivering real choice for all consumers in the Community, be they citizens or business, new business opportunities and more cross-border trade, so as to achieve efficiency gains, competitive prices, higher standards of service, and to contribute to security of supply and sustainability.</p>
<p>(2) Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC and Regulation (EC) No 1775/2005 of the European Parliament and of the Council of 28 September 2005 on conditions for access to the natural gas transmission networks have made significant contributions towards the creation of such an internal market for gas.</p>	<p>(2) Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC and Regulation (EC) No 1775/2005 of the European Parliament and of the Council of 28 September 2005 on conditions for access to the natural gas transmission networks have made significant contributions towards the creation of such an internal market for gas.</p>
<p>(3) However, at present, the right to sell gas in any Member State on equal terms, without discrimination or disadvantage cannot be guaranteed to any company in the Community. In particular, non-discriminatory network access and an equally effective level of</p>	<p>(3) However, at present, the right to sell gas in any Member State on equal terms, without discrimination or disadvantage cannot be guaranteed to any company in the Community. In particular, non-discriminatory network access and an equally effective level of</p>

<p>regulatory supervision in each Member State do not yet exist.</p>	<p>regulatory supervision in each Member State do not yet exist.</p>
<p>(4) The Communication of the Commission to the European Parliament and the Council entitled "An Energy Policy for Europe" highlighted the importance of completing the internal market in natural gas and to create a level playing field for all gas companies in the Community. The Communication from the Commission to the European Parliament and to the Council on prospects for the internal gas and electricity market and the Communication from the Commission "Inquiry pursuant to Article 17 of Regulation (EC) No 1/2003 into the European gas and electricity sectors (Final Report)" showed that the present rules and measures do not provide the necessary framework to achieve the objective of a well functioning internal market.</p>	<p>(4) The Communication of the Commission to the European Parliament and the Council entitled "An Energy Policy for Europe" highlighted the importance of completing the internal market in natural gas and to create a level playing field for all gas companies in the Community. The Communication from the Commission to the European Parliament and to the Council on prospects for the internal gas and electricity market and the Communication from the Commission "Inquiry pursuant to Article 17 of Regulation (EC) No 1/2003 into the European gas and electricity sectors (Final Report)" showed that the present rules and measures do not provide the necessary framework to achieve the objective of a well functioning internal market.</p>
<p>(5) Regulation (EC) No 1775/2005 needs to be adapted in line with these communications to improve the regulatory framework of the internal market in gas.</p>	<p>(5) Regulation (EC) No 1775/2005 needs to be adapted in line with these communications to improve the regulatory framework of the internal market in gas.</p>
<p>(6) In particular, increased cooperation and coordination among transmission system operators is required to ensure progressive compatibility of the technical and commercial codes for providing and managing effective access to the transmission networks across borders, and to ensure coordinated and sufficiently forward looking planning and sound technical evolution of the transmission system in the Community, with due regard to the environment, and promote energy efficiency and research and innovation notably with respect to ensuring penetration of renewables and dissemination of low carbon technology. Transmission system operators should operate their networks according to these compatible technical and market codes.</p>	<p>(6) In particular, increased cooperation and coordination among transmission system operators is required to ensure progressive compatibility of the technical and <del>commercial</del> <b>network access</b> codes for providing and managing effective access to the transmission networks across borders, and to ensure coordinated and sufficiently forward looking planning and sound technical evolution of the transmission system in the Community, <del>with due regard to the environment, and promote energy efficiency and research and innovation notably with respect to ensuring penetration of renewables and dissemination of low carbon technology.</del> Transmission system operators should operate their networks according to these compatible technical and <del>market</del></p>

	<b>network access</b> codes.
<p><i>Justification</i></p> <p><i>The ENTSOG's responsibility is to draft technical rules, or business rules applying to operations of the TSOs. The word <u>commercial</u> is ambiguous as it could refer to wider market issues.</i></p> <p><i>The texts referring to renewables etc. does not seem to be relevant in relation to gas networks.</i></p>	
<p>(7) In order to ensure an optimal management of the gas transmission network in the Community a European network of the transmission system operators should be established. Its tasks should be carried out in compliance with Community competition rules which remain applicable to the decisions of the European network of the transmission system operators. Its tasks should be well-defined and their working method should be such as to ensure efficiency, representativity and transparency. Given that more effective progress may be achieved through an approach at regional level, transmission system operators should set up regional structures within the overall cooperation structure, whilst ensuring that results at regional level are compatible with codes and investment plans at Community level. Cooperation within such regional structures presupposes effective unbundling of network activities from production and supply activities in the absence of which regional cooperation between transmission system operators gives rise to a risk of anti-competitive conduct.</p>	<p>(7) In order to ensure an optimal management of the gas transmission network in the Community a European network of the transmission system operators should be established. Its tasks should be carried out in compliance with Community competition rules which remain applicable to the decisions of the European network of the transmission system operators. Its tasks should be well-defined and their working method should be such as to ensure efficiency, representativity and transparency. Given that more effective progress may be achieved through an approach at regional level, transmission system operators should set up regional structures within the overall cooperation structure, whilst ensuring that results at regional level are compatible with codes and investment plans at Community level. Cooperation within such regional structures presupposes effective unbundling of network activities from production and supply activities in the absence of which regional cooperation between transmission system operators gives rise to a risk of anti-competitive conduct.</p>
<p>(8) All market participants have an interest in the work expected of the European network of transmission system operators. The consultation process is therefore essential and <del>existing structures set up to facilitate and streamline the consultation process, such as EASEE—gas (the European Association for the Streamlining of Energy Exchange)</del>, should play an important role.</p>	<p>(8) All market participants have an interest in the work expected of the European network of transmission system operators. The consultation process is therefore essential <del>and existing structures set up to facilitate and streamline the consultation process, such as EASEE—gas (the European Association for the Streamlining of Energy Exchange)</del>, <b>and especially system users</b> should play an important role.</p>

Justification

*It is expected that EASEE-gas will still have a role to play in relation to ENTSOG's work, as it has done in the past in relation to GIE, but the emphasis should be on consultation with system users.*

(9) To enhance competition through liquid wholesale gas markets, it is vital that gas can be traded independently of its location in the system. The only way to do this is to give network users the freedom to book entry and exit capacity independently, thereby creating gas transport through zones instead of along contractual paths. The preference for entry-exit systems to facilitate the development of competition was already expressed by most stakeholders at the 6th Madrid Forum.

(9) To enhance competition through liquid wholesale gas markets, it is vital that gas can be traded independently of its location in the system. The only way to do this is to give network users the freedom to book entry and exit capacity independently, thereby creating gas transport through zones instead of along contractual paths. The preference for entry-exit systems to facilitate the development of competition was already expressed by most stakeholders at the 6th Madrid Forum.

(10) There is substantial contractual congestion in the gas networks. The congestion management and capacity allocation principles for new or newly negotiated contracts are therefore based on the freeing-up of unused capacity by enabling network users to sublet or re-sell their contracted capacities and the obligation of transmission system operators to offer unused capacity to the market, at least on a day-ahead and interruptible basis. Given the large proportion of existing contracts and the need to create a truly level playing field between users of new and existing capacity these principles need to be applied to all contracted capacity, including existing contracts.

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(11) Market monitoring undertaken over recent years by the national regulatory authorities and by the Commission has shown that current transparency requirements and rules on access to infrastructure are not sufficient.

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(12) Equal access to information on the physical status of the system is necessary to enable all market participants to assess the overall demand and supply situation and identify the reasons for

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<p>movements in the wholesale price. This includes more precise information on supply and demand, network capacity, flows and maintenance, balancing and availability and usage of storage. The importance of this information for the functioning of the market requires the lifting of the limitations to publication for confidentiality reasons.</p>	<p>movements in the wholesale price. This includes more precise information on supply and demand, network capacity, flows and maintenance, balancing and availability and usage of storage. The importance of this information for the functioning of the market requires the lifting of the limitations to publication for confidentiality reasons.</p>
<p><u>Justification</u>  <i>A clarification on the necessary balance required between transparency and commercial confidentiality requirements.</i></p>	
<p>(13) To enhance trust in the market, its participants need to be sure that abusive behaviour can be sanctioned. Competent authorities should be enabled to effectively investigate allegations of market abuse. Therefore access to data by the competent authorities is necessary that provides information on operational decisions made by supply undertakings. In the gas market all these decisions are communicated to the system operators in the form of capacity reservations, nominations and realised flows. System operators should keep this information available to the competent authorities for a fixed period of time.</p>	<p>(13) To enhance trust in the market, its participants need to be sure that abusive behaviour can be sanctioned. Competent authorities should be enabled to effectively investigate allegations of market abuse. Therefore access to data by the competent authorities is necessary that provides information on operational decisions made by supply undertakings. In the gas market all these decisions are communicated to the system operators in the form of capacity reservations, nominations and realised flows. System operators should keep this information available to the competent authorities for a fixed period of time.</p>
<p>(14) Competition for household-consumers requires that suppliers not be blocked when they want to enter new retail markets. Therefore rules and responsibilities governing the supply chain need to be known to all market parties, and they need to be harmonised with a view to enhancing Community market integration.</p>	<p><del>(14) Competition for household-consumers requires that suppliers not be blocked when they want to enter new retail markets. Therefore rules and responsibilities governing the supply chain need to be known to all market parties, and they need to be harmonised with a view to enhancing Community market integration.</del></p>
<p><u>Justification</u>  <i>The supply chain overall is largely driven by the market. It is, however, essential that suppliers know the rules governing access to networks.</i></p>	
<p>(15) Access to gas storage facilities and LNG facilities is insufficient, and therefore rules need to be</p>	<p>(15) Access to gas storage facilities and LNG facilities is insufficient, and therefore rules need to be</p>

<p>improved. Monitoring by the European Regulators' Group for electricity and gas (EREG) concluded that the voluntary guidelines for good third party access practice for storage system operators, agreed by all stakeholders at the Madrid Forum, are being insufficiently applied and therefore need to be made binding.</p>	<p>improved. Monitoring by the European Regulators' Group for electricity and gas (EREG) concluded that the voluntary guidelines for good third party access practice for storage system operators, agreed by all stakeholders at the Madrid Forum, are being insufficiently applied and therefore need to be made binding.</p>
<p>(16) Regulation (EC) No 1775/2005 provides that certain measures are to be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.</p>	<p>(16) Regulation (EC) No 1775/2005 provides that certain measures are to be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.</p>
<p>(17) Decision 1999/468/EC has been amended by Decision 2006/512/EC, which introduced a regulatory procedure with scrutiny for measures of general scope designed to amend non-essential elements of a basic instrument adopted in accordance with the procedure referred to in Article 251 of the Treaty, including by deleting some of those elements or by supplementing the instrument by the addition of new non-essential elements.</p>	<p>(17) Decision 1999/468/EC has been amended by Decision 2006/512/EC, which introduced a regulatory procedure with scrutiny for measures of general scope designed to amend non-essential elements of a basic instrument adopted in accordance with the procedure referred to in Article 251 of the Treaty, including by deleting some of those elements or by supplementing the instrument by the addition of new non-essential elements.</p>
<p>(18) In accordance with the joint statement of the European Parliament, the Council and the Commission on Decision 2006/512/EC, for this new procedure to be applicable to instruments adopted in accordance with the procedure laid down in Article 251 of the Treaty which are already in force, those instruments must be adjusted in accordance with the applicable procedures.</p>	<p>(18) In accordance with the joint statement of the European Parliament, the Council and the Commission on Decision 2006/512/EC, for this new procedure to be applicable to instruments adopted in accordance with the procedure laid down in Article 251 of the Treaty which are already in force, those instruments must be adjusted in accordance with the applicable procedures.</p>
<p>(19) As regards Regulation (EC) No 1775/2005, power should be conferred on the Commission in particular to establish or adopt the guidelines necessary for providing the minimum degree of</p>	<p>(19) As regards Regulation (EC) No 1775/2005, power should be conferred on the Commission in particular to establish or adopt the guidelines necessary for providing the minimum degree of</p>

<p>harmonisation required to achieve the aim of this Regulation. Since those measures are of general scope and are designed to amend non-essential elements of Regulation (EC) No 1775/2005 and to supplement Regulation (EC) No 1775/2005 by the addition of new non-essential elements, they should be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.</p>	<p>harmonisation required to achieve the aim of this Regulation. Since those measures are of general scope and are designed to amend non-essential elements of Regulation (EC) No 1775/2005 and to supplement Regulation (EC) No 1775/2005 by the addition of new non-essential elements, they should be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.</p>
<p>(20) Regulation (EC) No 1775/2005 should therefore be amended accordingly, HAVE ADOPTED THIS REGULATION:</p>	<p>(20) Regulation (EC) No 1775/2005 should therefore be amended accordingly, HAVE ADOPTED THIS REGULATION:</p>

<i>Article 1</i> <i>Subject matter and scope</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
<p>This Regulation aims at:</p> <p>(a) setting non-discriminatory rules for access conditions to natural gas transmission systems taking into account the specificities of national and regional markets with a view to ensuring the proper functioning of the internal gas market;</p>	<p>This Regulation aims at:</p> <p>(a) setting non-discriminatory rules for access conditions to natural gas transmission systems taking into account the specificities of national and regional markets with a view to ensuring the proper functioning of the internal gas market;</p>
<p>(b) setting non-discriminatory rules for access conditions to LNG facilities and storage facilities;</p>	<p>(b) setting non-discriminatory rules for access conditions to LNG facilities and storage facilities;</p>
<p>(c) facilitating the emergence of well functioning and transparent cross-border retail markets and a well functioning and transparent wholesale market; it provides mechanisms to harmonise these rules in order to allow trading and supplying gas to retail customers across borders.</p>	<p>(c) facilitating the emergence of well functioning and transparent <del>cross-border retail markets and a well functioning and transparent wholesale market</del>; it provides mechanisms to harmonise <del>these</del> <b>access conditions and other technical rules for third party access</b> in order to allow trading and supplying gas to <del>retail</del> customers across borders.</p>
<i>Justification</i>	
<p><i>The mechanisms provided for in the Regulation cover not just access conditions, but other operational rules essential to streamline gas flows.</i></p> <p><i>The objective of cross-border <u>retail</u> markets is not necessary for the development of well functioning regional and community <u>wholesale</u> markets, which Eurogas considers should remain the focus of the Regulation. Therefore it is sufficient to refer to <u>markets</u>.</i></p>	

<p>This Regulation, with the exception of Article 6a(4), shall only apply to storage facilities falling under Article 19(3) or (4) of Directive 2003/55/EC.</p>	<p>This Regulation, with the exception of Article 6a(4), shall only apply to storage facilities falling under Article 19(3) or (4) of Directive 2003/55/EC.</p>
<p>The objectives referred to in the first subparagraph shall include the setting of harmonised principles for tariffs, or the methodologies underlying their calculation, for access to the network, the establishment of third party access services and harmonised principles for capacity allocation and congestion management, the determination of transparency requirements, balancing rules and imbalance charges and facilitating capacity trading."</p>	<p>The objectives referred to in the first subparagraph shall include the setting of harmonised principles for tariffs, or the methodologies underlying their calculation, for access to the network, the establishment of third party access services and harmonised principles for capacity allocation and congestion management, the determination of transparency requirements, balancing rules and imbalance charges and facilitating capacity trading."</p>
<p>(1) Article 2 is amended as follows:  (a) in paragraph 1, the following definitions are added:</p>	<p>(1) Article 2 is amended as follows:  (a) in paragraph 1, the following definitions are added:</p>
<p>24. 'LNG-facility capacity' means capacity at an LNG-terminal for the liquefaction of natural gas or the importation, offloading, ancillary services, temporary storage and re-gasification of LNG,</p>	<p>24. 'LNG-facility capacity' means capacity at an LNG-terminal for the liquefaction of natural gas or the importation, offloading, ancillary services, temporary storage and re-gasification of LNG,</p>
<p>25. 'space' means the volume of gas which a user of a storage facility is entitled to use for the storage of gas ;</p>	<p>25. 'space' means the volume of gas which a user of a storage facility is entitled to use for the storage of gas ;</p>
<p>26. 'deliverability' means the rate at which the storage user is entitled to withdraw gas from the storage facility;</p>	<p>26. 'deliverability' means the rate at which the storage user is entitled to withdraw gas from the storage facility;</p>
<p>27. 'injectability' means the rate at which the storage user is entitled to inject gas into the storage facility;</p>	<p>27. 'injectability' means the rate at which the storage user is entitled to inject gas into the storage facility;</p>
<p>28. 'storage capacity' means any combination of space, injectability and deliverability;</p>	<p>28. 'storage capacity' means any combination of space, injectability and deliverability;</p>
<p>29. 'Agency' means the Agency for the Cooperation of Energy Regulators established by Regulation (EC) No ..."</p>	<p>29. 'Agency' means the Agency for the Cooperation of Energy Regulators established by Regulation (EC) No ..."</p>

<p>(b) paragraph 2 is replaced by the following:</p> <p>2. Without prejudice to the definitions in paragraph 1 of this Article the definitions contained in Article 2 of Directive 2003/55/EC, which are relevant for the application of this Regulation, shall also apply with the exception of the definition of transmission in point 3 of that Article. The definitions in points 3 to 23 in paragraph 1 of this Article in relation to transmission shall apply by analogy in relation to storage and LNG facilities."</p>	<p>(b) paragraph 2 is replaced by the following:</p> <p>2. Without prejudice to the definitions in paragraph 1 of this Article the definitions contained in Article 2 of Directive 2003/55/EC, which are relevant for the application of this Regulation, shall also apply with the exception of the definition of transmission in point 3 of that Article. The definitions in points 3 to 23 in paragraph 1 of this Article in relation to transmission shall apply by analogy in relation to storage and LNG facilities."</p>
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<i>Article 2a</i> <i>European Network of Transmission System Operators for Gas</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
All transmission system operators shall cooperate at Community level through establishing the European Network of Transmission System Operators for Gas in order to ensure the optimal management and sound technical evolution of the European gas transmission network.	All transmission system operators shall cooperate at Community level through establishing the European Network of Transmission System Operators for Gas in order to ensure the optimal management and sound technical evolution of the European gas transmission network.

<i>Article 2b</i> <i>Establishment of the European Network for Transmission System Operators for Gas</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
1. By [...] at the latest the transmission system operators for gas shall submit to the Commission and to the Agency the draft of statutes, a list of future members and draft rules of procedure, including the rules of procedure on the consultation of other stakeholders, of the European Network for Transmission System Operators for Gas to be established.	1. By [...] at the latest the transmission system operators for gas shall submit to the Commission and to the Agency the draft of statutes, a list of future members and draft rules of procedure, including the rules of procedure on the consultation of other stakeholders, of the European Network for Transmission System Operators for Gas to be established.
2. Within six weeks from receipt, the Agency shall provide an opinion to the Commission on the draft statutes, list of members and draft rules of procedure.	2. Within six weeks from receipt, the Agency shall provide an opinion to the Commission on the draft statutes, list of members and draft rules of procedure.
3. The Commission shall deliver an opinion on the draft statutes, list of	3. The Commission shall deliver an opinion on the draft statutes, list of

members and draft rules of procedure within 3 months from the receipt of the opinion of the Agency.	members and draft rules of procedure within 3 months from the receipt of the opinion of the Agency.
4. Within 3 months from the receipt of the Commission's opinion, the transmission system operators shall establish the European Network for Transmission System Operators for Gas, adopt its statutes and rules of procedure and publish them.	4. Within 3 months from the receipt of the Commission's opinion, the transmission system operators shall establish the European Network for Transmission System Operators for Gas, adopt its statutes and rules of procedure and publish them.

<i>Article 2c</i>	
<i>Tasks of the European Network of Transmission System Operators for Gas</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
1. The European Network of Transmission System Operators for Gas shall develop	1. The European Network of Transmission System Operators for Gas shall develop, <b>in close co-operation with system users.</b>
<i>Justification</i>	
<i>The Regulation should require robust involvement of system users throughout the process.</i>	
(a) technical and market codes in the areas mentioned in paragraph 3;	<del>(a) technical and market codes in the areas mentioned in paragraph 3;</del> <b>(a) A Network Access Code addressing areas set out in paragraph 3, covering the standard terms and conditions for access to the relevant interconnected transmission systems covered by the Regulation;</b>
<i>Justification</i>	
<i>The focus of the ENTSOG's work should be on a European level Network Access Code and the technical rules associated with it. Market Codes (the meaning of which is unclear in any case) are largely a matter for market suppliers.</i>	
(b) common network operation tools and research plans;	(b) common network operation tools and research plans;
(c) a 10-year investment plan every two years;	(c) a 10-year <b>network</b> development <b>and</b> investment plan every two years;
<i>Justification</i>	
<i>In a ten year span, it may be expected that intended network development will evolve, and consequently impact on eventual investment.</i>	
(d) an annual work programme;	(d) an annual work programme;
(e) an annual report;	(e) an annual report;

(f) annual summer and winter supply outlooks.	(f) annual summer and winter supply outlooks.
2. The annual work programme referred to in paragraph 1(d) shall contain a list and description of the technical and market codes, a plan on coordination of operation of the network and research and development activities, to be drawn up in that year and an indicative calendar.	2. The annual work programme referred to in paragraph 1(d) shall contain an <b>indicative list and of contents for the Network Access Codes, proposals for any other technical rules judged necessary by the Agency after consultation with system users'</b> <del>description of the technical and market codes</del> <b>Code</b> , a plan on coordination of operation of the network and research and development activities, to be drawn up in that year and an indicative calendar.
<i><u>Justification</u></i> <i>The Regulation should strengthen further the role of both the Agency and system users with regard to the necessary work programme on the Network Code.</i>	
3. The detailed technical and market codes shall cover the following areas, according to the priorities defined in the annual work programme:	3. The detailed technical <b>Network and market Code</b> shall cover the following areas, according to the priorities defined in the annual work programme:
(a) security and reliability rules;	(a) <b>system</b> security and reliability rules;
	<b>(abis) a uniform description of transmission and ancillary services to be offered by the transmission system operators;</b>
(b) grid connection and access rules;	(b) grid connection <b>operational</b> and access rules;
(c) data exchange and settlement rules;	(c) data exchange and settlement rules;
(d) interoperability rules;	(d) interoperability rules;
(e) operational procedures in an emergency;	(e) operational procedures in an emergency;
(f) capacity allocation and congestion management rules;	(f) capacity allocation and congestion management rules;
(g) rules for trading;	(g) rules for <b>capacity</b> trading;
(h) transparency rules;	(h) transparency rules;
(i) balancing rules including rules for imbalance charges and rules for operational balancing between	(i) balancing <del>rules</del> <b>terms and conditions</b> including <del>rules on</del> <b>nominations procedures</b> ; rules for

transmission system operators systems;	imbalance charges and rules for operational balancing between transmission system operators systems;
	<b>(ibis) the process for nomination and scheduling of the applicable transmission services, including the standardisation of critical time periods (e.g., Gas Day, Gas Year);</b>
	<b>(itre) provisions for metering, gas allocations and invoicing;</b>
(j) rules regarding harmonised transportation tariff structures;	(j) rules regarding harmonised transportation <del>services</del> tariff <b>design for transmission services;</b>
	<b>(jbis) the prerequisites for qualifying as a shipper on a relevant system (e.g., credit, other requirements);</b>
	<b>(jtre) efficient dispute resolution.</b>
<i>Justification</i> <i>This revised list better focuses on needs of network users.</i>	
4. The European Network of Transmission System Operators for Gas shall monitor the implementation of the technical and market codes and include the results of its monitoring activities in the annual report referred to in paragraph 1(e).	4. The European Network of Transmission System Operators for Gas shall monitor the implementation of the technical <del>and market codes</del> <b>code</b> and include the results of its monitoring activities in the annual report referred to in paragraph 1(e).
<i>Justification</i> <i>It is the responsibility of the ENTSOG to produce <u>technical</u> codes.</i>	
5. The European Network of Transmission System Operators for Gas shall publish a Community-wide 10-year network investment plan every two years. The investment plan shall include the modelling of the integrated network, scenario development, a supply and demand adequacy report and an assessment of the resilience of the system. The investment plan shall, in particular, build on national investment plans and on the Guidelines for Trans-European energy networks in accordance with Decision No	5. The European Network of Transmission System Operators for Gas shall publish a 10-year <del>investment</del> <b>network development</b> and investment plan every two years. The plan <b>shall comply with the following conditions:</b>  (a) <b>It</b> shall include the modelling of the integrated network, scenario development, a supply and demand adequacy report and an assessment of the resilience of the system.  (b) <b>It</b> shall, <del>in particular,</del> build on

<p>1364/2006/EC of the European Parliament and of the Council. The investment plan shall identify investment gaps, notably with respect to cross border capacities.</p>	<p><b>national investment network development and</b> investment plans and on the Guidelines for Trans-European energy networks in accordance with Decision No 1364/2006/EC of the European Parliament and of the Council.</p> <p>(c) <b>It shall identify the investment gaps including the interconnection gaps defined by the Commission.</b></p> <p><b>(d) It shall be consulted on with other stakeholders, especially network users.</b></p> <p><b>(e) It shall be open to all investors, including those which are not operating in the countries where the investment is to be carried out.</b></p>
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Justification

*The reference to network development and investment plan is more accurate reflection of the expected process.*

*There should be a requirement on consultation with stakeholders.*

*It should be clear that investment requirements are not restricted to national TSOs, in the event they do not carry out the agreed investment.*

<p>6. Upon request of the Commission, the European Network of Transmission System Operators for Gas shall advise the Commission on the adoption of Guidelines as laid down in Article 9.</p>	<p>6. Upon request of the Commission, the European Network of Transmission System Operators for Gas shall advise the Commission on the adoption of Guidelines as laid down in Article 9. <b>Users should also be consulted.</b></p>
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Justification

*There should be a requirement for users to be involved in Guidelines development.*

<p><i>Article 2d</i> <i>Monitoring by the Agency</i></p>	
<p><b>Draft Proposal</b></p>	<p><b>EUROGAS Amendment</b></p>
<p>1. The Agency shall monitor the execution of the tasks referred to in Article 2c(1) of the European Network of Transmission System Operators for Gas.</p>	<p>1. The Agency shall monitor the execution of the tasks referred to in Article 2c(1) of the European Network of Transmission System Operators for Gas.</p>
<p>2. The European Network of Transmission System Operators for Gas shall submit the draft technical rules, the draft 10-year investment plan and the draft annual work programme, including the</p>	<p>2. The European Network of Transmission System Operators for Gas shall submit the draft technical rules, the draft 10-year <b>network development and</b> investment plan and the draft annual work</p>

information regarding the consultation process, to the Agency	programme, including the information regarding the consultation process, to the Agency
<i>Justification</i>	
<i>The reference to a network development and investment plan is more accurate reflection of the expected process.</i>	
The Agency may provide an opinion to the European Networks of Transmission System Operators for Gas within 3 months.	The Agency may provide an opinion to the European Networks of Transmission System Operators for Gas within 3 months.
The Agency shall provide a duly justified opinion to the Commission where it considers that the draft annual work programme or the draft 10-year investment plan do not ensure non-discrimination, effective competition and the efficient functioning of the market.	The Agency shall provide a duly justified opinion to the Commission where it considers that the draft annual work programme or the draft 10-year <del>investment</del> <b>network development and investment plan do not comply with the established priorities and terms</b> or do not ensure non-discrimination, effective competition and the efficient functioning of the market.
	<b>The Commission shall provide its opinion to the Agency and to ENTSOG on the issues reported according to the above, within 2 months, in which it may require ENTSOG to complement or modify the Plan before adoption.</b>
<i>Justification</i>	
<i>The role of the Agency and also the Commission should be reinforced with regard to monitoring of the plan.</i>	
	<b>If concerned TSOs do not undertake the investments in due time according to the 10-year plan or the annual programme, the agency or the NRA at the request of the Agency can launch a call for interest and invite other possible investors.</b>
<i>Justification</i>	
<i>This should be spur to timely investment.</i>	

<i>Article 2e</i>	
<i>Establishment and evaluation of technical rules</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
1. After consulting the Agency and users, the Commission shall require the European Network of	1. After consulting the Agency and users, the Commission shall require the European Network of

Transmission System Operators for Gas, within a reasonable period of time, to prepare technical rules in the areas listed in Article 2c(3) where it considers that such rules are necessary for the efficient functioning of the market.	Transmission System Operators for Gas, within a reasonable period of time, to prepare technical rules in the areas listed in Article 2c(3) where it considers that such rules are necessary for the efficient functioning of the market.
2. The Agency shall provide a duly justified opinion to the Commission where it considers that:	2. The Agency <b>can confirm or reject the rules. If it rejects, it</b> shall provide a duly justified opinion to the Commission where it considers that:
<i><u>Justification</u></i> <i>The Agency should have a stronger role in the development of the technical rules.</i>	
(a) a technical or market code adopted by the European Network of Transmission System Operators for Gas in the areas listed in Article 2c(3) does not ensure non-discrimination, effective competition and the efficient functioning of the market; .	(a) a technical <del>or market</del> code <b>or rule proposed for adoption</b> by the European Network of Transmission System Operators for Gas in the areas listed in Article 2c(3) does not ensure non-discrimination, effective competition and the efficient functioning of the market; .
<i><u>Justification</u></i> <i>The rules produced by ENTSOG should be <u>technical</u> rules. ENTSOG should not be able to adopt without the confirmation of the Agency and the Commission (see cbis).</i>	
(b) the European Network of Transmission System Operators for Gas fails to agree within a reasonable period of time on a technical or market code in the areas listed in Article 2c(3);	(b) the European Network of Transmission System Operators for Gas fails to agree within a reasonable period of time on a technical <del>or market</del> code <b>or rules</b> in the areas listed in Article 2c(3);
<i><u>Justification</u></i> <i>The rules produced by ENTSOG should be <u>technical</u> rules.</i>	
(c) the transmission system operators fail to implement a technical or market code adopted by the European Network of Transmission System Operators for Gas in the areas listed in Article 2c(3).	(c) the transmission system operators fail to implement a technical <del>market</del> code <b>or rule</b> adopted by the European Network of Transmission System Operators for Gas in the areas listed in Article 2c(3).
	<b>(cbis) The Commission should adopt the code or rule after hearing the opinion of the Agency, which should take account of system users' views in public consultation. The Commission may already develop those rules not complying with the established</b>

	<b>terms.</b>
<u>Justification</u>	
<i>The Agency should have a stronger role in the development of the network code/technical rules. There should also be a requirement on the Agency to consult the users in the process.</i>	
	<b>(ctre) All the opinions issued by the Agency shall be made public.</b>
<u>Justification</u>	
<i>Transparency in this respect is essential.</i>	
3. The Commission may adopt, on its own initiative or upon recommendation of the Agency, guidelines on the areas listed in Article 2c(3) when it considers that:	3. The Commission may adopt, <del>on its own initiative</del> <b>in close cooperation with</b> or upon recommendation of the Agency, guidelines on the areas listed in Article 2c(3) when it considers that:
<u>Justification</u>	
<i>The Agency's involvement in the process at all times is paramount.</i>	
(a) a technical or market code adopted by the European Network of Transmission System Operators for Gas in the areas listed in Article 2c(3) does not ensure non-discrimination, effective competition and the efficient functioning of the market;	(a) a technical or market code adopted by the European Network of Transmission System Operators for Gas in the areas listed in Article 2c(3) does not ensure non-discrimination, effective competition and the efficient functioning of the market;
(b) the European Network of Transmission System Operators for Gas fails to agree within a reasonable period of time on a technical or market code in the areas listed in Article 2c(3);	(b) the European Network of Transmission System Operators for Gas fails to agree within a reasonable period of time on a technical or <del>market</del> <b>Network Access</b> code in the areas listed in Article 2c(3);
<u>Justification</u>	
<i>The rules produced by ENTSOG should be technical rules.</i>	
(c) the transmission system operators fail to implement a technical or market code adopted by the European Network of Transmission System Operators for Gas in the areas listed in Article 2c(3).	(c) the transmission system operators fail to implement a technical or market code adopted by the European Network of Transmission System Operators for Gas in the areas listed in Article 2c(3).
Those measures designed to amend non-essential elements of this Regulation by supplementing it shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(2).	Those measures designed to amend non-essential elements of this Regulation by supplementing it shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(2).

4. Paragraph 3 shall be without prejudice to the Commission's right to adopt and amend guidelines as laid down in Article 9.	4. Paragraph 3 shall be without prejudice to the Commission's right to adopt and amend guidelines as laid down in Article 9.
	<b>4bis. Throughout the process, the users have a robust right of appeal, against the contents of the rules.</b>
<i>Justification</i>	
<i>It is essential that the system users' rights to appeal in the guidelines process are recognized in the Regulation.</i>	

<i>Article 2f Consultations</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
1. In carrying out its tasks, the European Network of Transmission System Operators for Gas shall consult extensively, at an early stage and in an open and transparent manner, in particular while preparing the technical and market codes and its annual work programme referred to in Article 2c(1) and (3), with all appropriate market participants; the consultation shall include supply undertakings, customers, system users, distribution system operators, LNG system operators and storage system operators, including relevant (industry) associations, technical bodies and stakeholder platforms.	1. In carrying out its tasks, the European Network of Transmission System Operators for Gas shall consult extensively, at an early stage and in an open and transparent manner, in particular while preparing the technical and <del>market codes</del> <b>Network Access Codes</b> and its annual work programme referred to in Article 2c(1) and (3), with all appropriate market participants; the consultation shall include supply undertakings, customers, system users, distribution system operators, LNG system operators and storage system operators, including relevant (industry) associations, technical bodies and stakeholder platforms.
<i>Justification</i>	
<i>The rules produced by the ENTSOG should be <u>technical</u> rules.</i>	
2. All documents and minutes of meetings related to the issues referred to in paragraph 1 shall be made public.	<del>2. All documents and minutes of meetings related to the issues referred to in paragraph 1 shall be made public.</del>
<i>Justification</i>	
<i>Change of text position.</i>	
3. Before adopting the annual work programme and the technical and market codes referred to in Article 2c(1) and (3), the European Network of Transmission System Operators for Gas shall indicate the	2. Before adopting the annual work programme and the technical and market codes referred to in Article 2c(1) and (3), the European Network of Transmission System Operators for Gas shall indicate the

observations received in the consultation and how these observations have been taken into consideration. It shall provide reasons where observations have not been taken into account.	observations received in the consultation and how these observations have been taken into consideration. It shall provide reasons where observations have not been taken into account.
	<b>3. All documents and minutes of meetings referred to in paragraphs 1 and 2 shall be made public.</b>
<i>Justification</i>	
<i>Change of text position.</i>	

<i>Article 2g</i> <i>Costs</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
The costs related with the activities of the European Network of Transmission System Operators for Gas mentioned in Articles 2a to 2h shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs.	The costs related with the activities of the European Network of Transmission System Operators for Gas mentioned in Articles 2a to 2h shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs.

<i>Article 2h</i> <i>Regional cooperation of transmission system operators</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
1. Transmission system operators shall establish regional cooperation within the European Network for Transmission System Operators for Gas to contribute to the tasks mentioned in Article 2c(1). In particular, they shall publish a regional investment plan every two years, and may take investment decisions based on the regional investment plan. The regional investment plan may not be contradictory to the 10 year investment plan referred to in Article 2c(1)(c).	1. Transmission system operators shall establish regional cooperation within the European Network for Transmission System Operators for Gas to contribute to the tasks mentioned in Article 2c(1). In particular, they shall publish a regional <del>investment</del> <b>network development and investment</b> plan every two years, and may take investment decisions based on the regional <del>investment</del> <b>network development and investment</b> plan. The regional <del>investment</del> <b>network development and investment</b> plan may not be contradictory to the 10 year <del>investment</del> <b>network development and investment</b> plan referred to in Article 2c(1)(c).
<i>Justification</i>	
<i>The reference to a network development and investment plan is a more accurate reflection of the expected process.</i>	

<p>2. Transmission system operators shall promote operational arrangements in order to ensure optimum management of the network, and promote the development of energy exchanges, the allocation of cross-border capacity through implicit auctions and the integration of balancing mechanisms.</p>	<p>2. Transmission system operators shall promote operational arrangements in order to ensure optimum management of the network, and promote the development of <b>technical infrastructure and network access rules that facilitate the development of regional gas hubs</b> energy exchanges, the allocation of cross-border capacity through implicit auctions and the integration of balancing mechanisms.</p>
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*Clarification.*

Justification

<p>3. The geographical area covered by each regional cooperation structure may be defined by the Commission. That measure, designed to amend non-essential elements of this Regulation by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(2). For that purpose, the Commission may consult the European Network of Transmission System Operators for Gas and the Agency."</p>	<p>3. The geographical area covered by each regional cooperation structure may be defined by the Commission. That measure, designed to amend non-essential elements of this Regulation by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(2). For that purpose, the Commission should consult the European Network of Transmission System Operators for Gas, <b>system users</b> and the Agency."</p>
<p>(4) In Article 3(1) the following fourth subparagraph is added : "Tariffs for network users shall be set separately and independently per entry point into or exit point out of the transmission system. Network charges shall not be calculated on the basis of contract paths."</p>	<p>(4) In Article 3(1) the following fourth subparagraph is added : "Tariffs for network users shall be set separately and independently per entry point into or exit point out of the transmission system. Network charges shall not be calculated on the basis of contract paths."</p>
<p>(5) The title of Article 4 is replaced by the following: "Third party access services concerning transmission system operators;"</p>	<p>(5) The title of Article 4 is replaced by the following: "Third party access services concerning transmission system operators;"</p>

<p style="text-align: center;"><i>Article 4a</i> <i>Third Party Access services concerning storage and LNG facilities</i></p>	
<p style="text-align: center;"><b>Draft Proposal</b></p>	<p style="text-align: center;"><b>EUROGAS Amendment</b></p>
<p>(1) The following Article 4a is inserted:</p> <p>1. LNG and storage system operators shall:</p>	<p>(2) The following Article 4a is inserted:</p> <p>1. LNG and storage system operators shall:</p>

(a) ensure that they offer services on a non-discriminatory basis to all network users that accommodate market demand; in particular, where an LNG or storage system operator offers the same service to different customers, it shall do so under equivalent contractual terms and conditions;	(a) ensure that they offer services on a non-discriminatory basis to all network users that accommodate market demand; in particular, where an LNG or storage system operator offers the same service to different customers, it shall do so under equivalent contractual terms and conditions;
(b) offer services that are compatible with the use of the interconnected gas transportation systems and facilitate access through cooperation with the transmission system operator;	(b) offer services that are compatible with the use of the interconnected gas transportation systems and facilitate access through cooperation with the transmission system operator;
(c) make relevant information public, in particular data on the use and availability of services, in a time frame compatible with the storage and LNG facility users' reasonable commercial needs.	(c) make relevant information public, in particular data on the use and availability of services, in a time frame compatible with the storage and LNG facility users' reasonable commercial needs.
2. Storage system operators shall:	2. Storage system operators shall:
(a) provide both firm and interruptible third party access services; the price of interruptible capacity shall reflect the probability of interruption;	(a) provide both firm and interruptible third party access services; the price of interruptible capacity shall reflect the probability of interruption;
(b) offer to storage facility users both long- and short-term services;	(b) offer to storage facility users both long- and short-term services;
(c) offer to storage facility users both bundled and unbundled services of storage space, injectability and deliverability.	(c) offer to storage facility users both bundled and unbundled services of storage space, injectability and deliverability.
3. LNG and storage facility contracts shall not result in arbitrarily higher tariffs in cases in which they are signed	3. LNG and storage facility contracts shall not result in arbitrarily higher tariffs in cases in which they are signed
(a) outside of a natural gas year with non-standard start dates or	(a) outside of a natural gas year with non-standard start dates or
(b) with a shorter duration than a standard transportation and storage contract on an annual basis.	(b) with a shorter duration than a standard transportation and storage contract on an annual basis.
4. Where appropriate, third party access services may be granted subject to appropriate guarantees	4. Where appropriate, third party access services may be granted subject to appropriate guarantees

<p>from network users with respect to the creditworthiness of such users. Such guarantees must not constitute any undue market entry barriers and must be non-discriminatory, transparent and proportionate.</p>	<p>from network users with respect to the creditworthiness of such users. Such guarantees must not constitute any undue market entry barriers and must be non-discriminatory, transparent and proportionate.</p>
<p>5. Contractual limits on the required minimum size of LNG facility capacity and storage capacity shall be justified on the basis of technical constraints, and shall permit smaller storage users to gain access to storage services."</p>	<p>5. Contractual limits on the required minimum size of LNG facility capacity and storage capacity shall be justified on the basis of technical constraints, and shall permit smaller storage users to gain access to storage services."</p>
<p>(3) Article 5 is amended as follows;</p> <p>(a) the title is replaced by the following:</p> <p>"Principles of capacity allocation mechanisms and congestion management procedures concerning transmission system operators";</p>	<p>Article 5 is amended as follows;</p> <p>(a) the title is replaced by the following:</p> <p>"Principles of capacity allocation mechanisms and congestion management procedures concerning transmission system operators";</p>
<p>(b) paragraph 3 is replaced by the following:</p> <p>"3. Transmission system operators shall implement and publish non-discriminatory and transparent congestion management procedures which are based on the following principles:</p>	<p>(b) paragraph 3 is replaced by the following:</p> <p>"3. Transmission system operators shall implement and publish non-discriminatory and transparent congestion management procedures which are based on the following principles:</p>
<p>(a) in the event of contractual congestion, the transmission system operator shall offer unused capacity on the primary market at least on a day-ahead and interruptible basis;</p>	<p>(a) in the event of contractual congestion, the transmission system operator shall offer unused capacity on the primary market at least on a day-ahead and interruptible basis;</p>
<p>(b) network users who wish to re-sell or sublet their unused contracted capacity on the secondary market shall be entitled to do so. Member States may require notification or information of the transmission system operator by network users."</p>	<p>(b) network users who wish to re-sell or sublet their unused contracted capacity on the secondary market shall be entitled to do so. Member States may require notification or information of the transmission system operator by network users."</p>
<p>(c) paragraph 4 is deleted; .</p>	<p>(c) paragraph 4 is deleted; .</p>
<p>(d) the following paragraph 6 is added:</p> <p>"6. Transmission system operators shall regularly assess market demand for</p>	<p>(d) the following paragraph 6 is added:</p> <p>"6. Transmission system operators shall regularly assess market demand for</p>

new investment. When planning new investments, transmission system operators shall assess market demand."	<del>new investment. When planning new investments, transmission system operators shall assess market demand."</del>
<u>Justification</u>	
Duplicating text.	

<i>Article 5a</i> <i>Principles of Capacity allocation mechanisms and congestion management procedures concerning storage facilities and LNG facilities</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
(4) The following Article 5a is inserted:  1. The maximum storage and LNG facility capacity shall be made available to market participants, taking into account system integrity and operation.	(4) The following Article 5a is inserted:  1. The maximum storage and LNG facility capacity shall be made available to market participants, taking into account system integrity and operation.
	<b>(4bis) LNG and storage system operators shall regularly assess market demand for new investment. When planning new investments, LNG and storage system operators shall assess market demand.</b>
<u>Justification</u> <i>A similar process is involved as for other system investment.</i>	
2. LNG and storage system operators shall implement and publish non-discriminatory and transparent capacity allocation mechanisms which shall:	2. LNG and storage system operators shall implement and publish non-discriminatory and transparent capacity allocation mechanisms which shall:
(a) provide appropriate economic signals for the efficient and maximum use of capacity and facilitate investment in new infrastructure;	(a) provide appropriate economic signals for the efficient and maximum use of capacity and facilitate investment in new infrastructure;
(b) be compatible with the market mechanism including spot markets and trading hubs, while being flexible and capable of adapting to evolving market circumstances;	(b) be compatible with the market mechanism including spot markets and trading hubs, while being flexible and capable of adapting to evolving market circumstances;
(c) be compatible with the connected network access systems.	(c) be compatible with the connected network access systems.
3. LNG and storage facility contracts shall include measures to prevent	3. LNG and storage facility contracts shall include measures to prevent

capacity-hoarding, by taking into account the following principles, which shall apply in cases of contractual congestion:	capacity-hoarding, by taking into account the following principles, which shall apply in cases of contractual congestion:
(a) the system operator shall offer unused LNG facility and storage capacity on the primary market; for storage facilities this shall be at least on a day-ahead and interruptible basis,	(a) the system operator shall offer unused LNG facility and storage capacity on the primary market; for storage facilities this shall be at least on a day-ahead and interruptible basis,
(b) LNG and storage facility users who wish to re-sell their contracted capacity on the secondary market shall be entitled to do so."	(b) LNG and storage facility users who wish to re-sell their contracted capacity on the secondary market shall be entitled to do so."
(5) Article 6 is amended as follows:	(5) Article 6 is amended as follows:
(a) the title is replaced by the following:  "Transparency requirements concerning transmission system operators"	(a) the title is replaced by the following:  "Transparency requirements concerning transmission system operators"
(b) paragraph 5 is deleted;	(b) paragraph 5 is deleted;
(c) the following paragraph 7 is added;  "7. Transmission system operators shall make public ex-ante and ex-post supply and demand information, based on nominations, forecasts and realised flows in and out of the system. The level of detail of the information that is made public shall reflect the information available to the transmission system operator. Transmission system operators shall make public measures taken as well as costs incurred and revenues generated to balance the system. The market participants concerned shall provide the transmission system operators with the data referred to in this Article."	(c) the following paragraph 7 is added;  7. Transmission system operators shall make public ex-ante and ex-post supply and demand information, based on nominations, forecasts and realised flows in and out of the system. The level of detail of the information that is made public shall reflect the information available to the transmission system operator. Transmission system operators shall make public measures taken as well as costs incurred and revenues generated to balance the system. The market participants concerned shall provide the transmission system operators with the data referred to in this Article.
<i>Justification</i>	
<i>There has to be a balance between transparency and confidentiality needs.</i>	

<i>Article 6a</i>	
<i>Transparency requirements concerning storage facilities and LNG facilities</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
(4) The following Articles 6a and 6b are	(4) The following Articles 6a and 6b are

<p>inserted:</p> <p>1. LNG and storage system operators shall make public detailed information regarding the services they offer and the relevant conditions applied, together with the technical information necessary for LNG and storage facility users to gain effective access to the LNG and storage facilities.</p>	<p>inserted:</p> <p>1. LNG and storage system operators shall make public detailed information regarding the services they offer and the relevant conditions applied, together with the technical information necessary for LNG and storage facility users to gain effective access to the LNG and storage facilities.</p>
<p>2. For the services provided, each LNG and storage system operator shall make public information on contracted and available storage and LNG facility capacities on a numerical basis on a regular and rolling basis and in a user-friendly standardised manner.</p>	<p>2. For the services provided, each LNG and storage system operator shall make public information on contracted and available storage and LNG facility capacities on a numerical basis on a regular and rolling basis and in a user-friendly standardised manner.</p>
<p>3. LNG and storage system operators shall always disclose the information required by this Regulation in a meaningful, quantifiably clear and easily accessible way and on a non-discriminatory basis.</p>	<p>3. LNG and storage system operators shall always disclose the information required by this Regulation in a meaningful, quantifiably clear and easily accessible way and on a non-discriminatory basis.</p>
<p>4. All LNG and storage system operators shall make public the amount of gas in each storage or LNG facility, inflows and outflows, and the available storage and LNG facility capacities, including for those facilities exempted from third party access. The information shall also be communicated to the transmission system operator who shall make it public on an aggregated level per system or subsystem defined by the relevant points. The information shall be updated at least every day.</p>	<p>4. All LNG and storage system operators shall make public the amount of gas in each storage or LNG facility, inflows and outflows, and the available storage and LNG facility capacities, including for those facilities exempted from third party access. The information shall also be communicated to the transmission system operator who shall make it public on an aggregated level per system or subsystem defined by the relevant points. The information shall be updated at least every day.</p>

<i>Article 7</i>	
<b>Draft Proposal</b>	<b>EUROGAS Amendment</b>
<p>(4) Article 7 is amended as follows:</p> <p>(a) the following sentence is added at the end of paragraph 1: "Balancing rules shall be market based.";</p>	<p>(4) Article 7 is amended as follows:</p> <p>(a) the following sentence is added at the end of paragraph 1: "Balancing rules shall be market based.";</p>
<p>(b) paragraph 2 is replaced by the following: "2. In order to enable network users to take timely corrective action,</p>	<p>(b) paragraph 2 is replaced by the following: "2. In order to enable network users to take timely corrective action,</p>

<p>transmission system operators shall provide sufficient, well-timed and reliable on-line based information on the balancing status of network users.</p> <p>The information provided shall reflect the level of information available to the transmission system operator and the settlement period for which imbalance charges are calculated.</p> <p>No charge shall be made for the provision of such information."</p>	<p>transmission system operators shall provide sufficient, well-timed and reliable on-line based information on the balancing status of network users.</p> <p>The information provided shall reflect the <del>level</del> of information available to the transmission system operator and the settlement period for which imbalance charges are calculated.</p> <p>No charge shall be made for the provision of such information."</p>
<p><i>Justification</i></p> <p><i>There has to be a balance between transparency and confidentiality needs.</i></p>	
(c) paragraphs 4, 5 and 6 are deleted.	(c) paragraphs 4, 5 and 6 are deleted.

<p><i>Article 8</i></p> <p><i>Trading of capacity rights</i></p>	
Draft Proposal	EUROGAS Amendment
<p>(4) Article 8 is replaced by the following: Each transmission, storage and LNG system operator shall take reasonable steps to allow capacity rights to be freely tradable and to facilitate such trade. Each such operator shall develop harmonised transportation, LNG facility and storage contracts and procedures on the primary market to facilitate secondary trade of capacity and recognise the transfer of primary capacity rights where notified by system users.</p>	<p>(4) Article 8 is replaced by the following: Each transmission, storage and LNG system operator shall take reasonable steps to allow capacity rights to be freely tradable and to facilitate such trade. Each such operator shall develop harmonised transportation, LNG facility and storage contracts and procedures on the primary market to facilitate secondary trade of capacity and recognise the transfer of primary capacity rights where notified by system users.</p>
<p>The harmonised transportation, LNG facility and storage contracts and procedures shall be notified to the regulatory authorities."</p>	<p>The harmonised transportation, LNG facility and storage contracts and procedures shall be notified to the regulatory authorities."</p>

<p><i>Article 8a</i></p> <p><i>Other responsibilities of TSOs</i></p>	
Draft Proposal	EUROGAS Amendment
<p>(13) The following Article 8a is inserted:</p> <p>In order to facilitate the emergence of well functioning and transparent cross border retail markets on a regional and Community scale, Member States shall ensure that the</p>	<p>(13) The following Article 8a is inserted:</p> <p>In order to facilitate the emergence of well functioning and transparent <del>cross border retail</del> markets <del>on a regional and Community scale,</del> Member States shall ensure that the</p>

roles and responsibilities of transmission system operators, distribution system operators, supply undertakings and customers and if necessary other market participants are defined with respect to contractual arrangements, commitment to customers, data exchange and settlement rules, data ownership and metering responsibility.	roles and responsibilities of transmission system operators, distribution system operators, supply undertakings and customers and if necessary other market participants are defined with respect to contractual arrangements, commitment to customers, data exchange and settlement rules, data ownership and metering responsibility.
These rules shall be made public, be designed with the aim of harmonising access to customers across borders and be subject to review by the regulatory authorities."	These rules shall be made public, <del>be designed with the aim of harmonising access to customers across borders</del> and be subject to review by the regulatory authorities."
<u>Justification</u>	
<p><i>The objective of harmonised cross border retail markets is not necessary for the development of well functioning regional and Community <u>wholesale</u> markets, which Eurogas believes should remain the priority. The implications of such a regulatory objective would need to be fully assessed, and the costs and benefits carefully analysed, since it is probable there would be significant stranded costs, outweighing the benefits.</i></p> <p><i>However work by market players to identify best practices and approaches may suggest ways forward that will be commercially attractive to market participants without the need for regulatory initiatives, and convergence of approaches can be expected over time to lead to economies of scale and lower entry costs.</i></p>	
(14) In article 9, paragraphs 1 and 2 are replaced by the following: "1. Where appropriate, guidelines providing the minimum degree of harmonisation required to achieve the aim of this Regulation shall specify:	(14) In article 9, paragraphs 1 and 2 are replaced by the following: "1. Where appropriate, guidelines providing the minimum degree of harmonisation required to achieve the aim of this Regulation shall specify:
(a) details of third party access services including the character, duration and other requirements of these services, in accordance with Articles 4 and 4a;	(a) details of third party access services including the character, duration and other requirements of these services, in accordance with Articles 4 and 4a;
(b) details of the principles underlying capacity allocation mechanisms and on the application of congestion management procedures in the event of contractual congestion, in accordance with Articles 5 and 5a;	(b) details of the principles underlying capacity allocation mechanisms and on the application of congestion management procedures in the event of contractual congestion, in accordance with Articles 5 and 5a;
(c) details on the provision of information and definition of the technical information necessary for	(c) details on the provision of information and definition of the technical information necessary for

network users to gain effective access to the system and the definition of all relevant points for transparency requirements, including the information to be published at all relevant points and the time schedule according to which this information shall be published, in accordance with Articles 6 and 6a;	network users to gain effective access to the system and the definition of all relevant points for transparency requirements, including the information to be published at all relevant points and the time schedule according to which this information shall be published, in accordance with Articles 6 and 6a;
(d) details on tariff methodology, in accordance with Article 3;	(d) details on tariff methodology, in accordance with Article 3;
(e) details on balancing rules, in accordance with Article 7;	(e) details on balancing rules, in accordance with Article 7;
(f) details on procedures on the primary market to facilitate trading of capacity on the secondary market and the transfer of primary capacity rights between network users, in accordance with Articles 8;	(f) details on procedures on the primary market to facilitate trading of capacity on the secondary market and the transfer of primary capacity rights between network users, in accordance with Articles 8;
(g) details on the retail market issues covered by Article 8a;	<del>(g) details on the retail market issues covered by Article 8a;</del>
<i>Justification</i>	
<i>The objective of the Regulation does not concern <u>retail</u> markets.</i>	
(h) details on the topics listed in Article 2c(3).	(h) details on the topics listed in Article 2c(3).
2. Guidelines on the issues listed in paragraph 1(a), (b) and (c) are laid down in the Annex with respect to transmission system operators.	2. Guidelines on the issues listed in paragraph 1(a), (b) and (c) are laid down in the Annex with respect to transmission system operators.
The Commission may amend the guidelines referred to in the first subparagraph and adopt guidelines on the issues listed in paragraph 1. Those measures designed to amend non-essential elements of this Regulation inter alia by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(2)."	The Commission may amend the guidelines referred to in the first subparagraph and adopt guidelines on the issues listed in paragraph 1. Those measures designed to amend non-essential elements of this Regulation inter alia by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(2)."
(15) Article 14, paragraph 2 is replaced by the following:  "2. Where reference is made to this paragraph, Article 5a(1) to (4), and Article 7 of Decision 1999/468/EC shall apply, having regard to the	(15) Article 14, paragraph 2 is replaced by the following:  "2. Where reference is made to this paragraph, Article 5a(1) to (4), and Article 7 of Decision 1999/468/EC shall apply, having regard to the

provisions of Article 8 thereof."	provisions of Article 8 thereof."
(16) Article 16, point (b) is replaced by the following: "(b) interconnectors between Member States, LNG and storage facilities and significant increases of capacity in existing infrastructures and modifications of such infrastructures which enable the development of new sources of gas supply as referred to in Article 22(1) and (2) of Directive 2003/55/EC which are exempted from the provisions of Articles 7, 18, 19, 20 or 25(2), (3) and (4) of that Directive as long as they are exempted from the provisions referred to in this subparagraph, with the exception of Article 6a.4 of this Regulation; or"	(16) Article 16, point (b) is replaced by the following: "(b) interconnectors between Member States, LNG and storage facilities and significant increases of capacity in existing infrastructures and modifications of such infrastructures which enable the development of new sources of gas supply as referred to in Article 22(1) and (2) of Directive 2003/55/EC which are exempted from the provisions of Articles 7, 18, 19, 20 or 25(2), (3) and (4) of that Directive as long as they are exempted from the provisions referred to in this subparagraph, with the exception of Article 6a.4 of this Regulation; or"
(17) The Annex is amended as follows: (a) the title of point 1. is replaced by the following: "Third party access services concerning transmission system operators";	(17) The Annex is amended as follows: (a) the title of point 1. is replaced by the following: "Third party access services concerning transmission system operators";
(b) the title of point 2. is replaced by the following: "Principles of capacity allocation mechanisms and congestion management procedures concerning transmission system operators and their application in the event of contractual congestion, and".	(b) the title of point 2. is replaced by the following: "Principles of capacity allocation mechanisms and congestion management procedures concerning transmission system operators and their application in the event of contractual congestion, and".

Article 2	
Draft Proposal	EUROGAS Amendment
This Regulation shall enter into force on the 20th day following that of its publication in the <i>Official Journal of the European Union</i> .	This Regulation shall enter into force on the 20th day following that of its publication in the <i>Official Journal of the European Union</i> .
This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.