

## **EREGEG Gas Focus Group/Storage TF**

### **Guidelines for Good Practice for Gas Storage System Operators (GGPSSO)**

#### **Questionnaire for SSOs**

**8 February 2006**

#### **Introduction**

On 15 September 2005, during the 10th Madrid Forum, ERGEG presented the preliminary results of its first monitoring exercise on the implementation of the GGPSSO. The Forum asked ERGEG to produce a follow-up report for the 11<sup>th</sup> Madrid Forum, to be held in May 2006. On 7 December 2005, ERGEG published the final results of its report on "Monitoring the implementation of the GGPSSO". In parallel, ERGEG proposed to undertake a second monitoring exercise assessing the effectiveness of the GGPSSO, and the functioning of the market for storage services.

The objective of this questionnaire is to collect information from SSOs to assist in monitoring the implementation of the GGPSSO as requested by the European Commission.

The deadline for the completion of the questionnaire is **8 March 2006**.

In order to ensure that all interested parties are consulted, ERGEG members will be required to prepare a contribution to be included in the report. Storage users will be consulted from May 2006, to gather their feedback on the implementation of the GGPSSO requirements after 1 April 2006. Their views will be particularly important in assessing implementation of the GGPSSO.

EREGEG intends to publish an initial report on the implementation of the GGPSSO in May 2006 and it expects to present its findings at the next Madrid Forum. ERGEG will issue a final report on implementation after it has an opportunity to consider responses to its initial report.

**To help ensure transparency, responses to the questionnaire and other documents associated with the GGPSSO will be published on the ERGEG website. Any requests to keep information confidential will be considered in accordance with the relevant section of the GGPSSO that deals with the publication of the information. If you want any information to be treated as confidential this should be objectively justified and outlined clearly – taking into account the requirements of the GGPSSO. Any information that is to be treated as confidential should be placed in a separate appendix.**

Please note that in order to allow for maximum common understanding of data, the answers provided by SSOs will be reviewed by the national regulatory authority.

Given that ERGEG's initial report will be published in May, SSOs may provide an addendum to their original submission if there are any significant changes to the information that they provide, between 8 March and 5 April. This will ensure that the report is as up to date as possible and avoid misrepresenting the position of the SSOs, taking into account that the deadline for implementing some of the GGPSSO requirements is 1 April 2006.

[Please insert name, authority, phone number, email address]

## Questionnaire

### 1 General

1.1 Business name of respondent: RWE Transgas, a.s.

### 2 Roles and responsibilities of Storage System Operators

2.1 Has the standard storage contract/storage code been developed in proper consultation with users (e.g. bilateral contacts, open consultation process, with some sort of public announcement, consultation process supervised by relevant national regulatory authority or other)? Please specify when users were last consulted (relating to GGPSSO 1.2.b):

Yes, including bilateral contacts and publication on internet. December 2005.

### 3 Necessary TPA services

3.1 If the figure for "available capacity" for your storage facility<sup>1</sup> is "0", please specify until when (relating to GGPSSO 3.1):

Not applicable -- the figure is not zero (traffic light is red).

3.2 There may be some available capacity now (date of reference 8 March 2006). However, all the capacity may have been booked in advance, which means that sometimes in the future, there will be no capacity available. If this is the case, please specify when and for how long (relating to GGPSSO 3.1):

Not applicable -- all capacity has not been booked in advance.

3.3 Please provide the link to your web pages presenting the commercial terms that you apply and in particular services offered (both the Directive<sup>2</sup> and the GGPSSO 6.4.a&b provide that this information is to be published). If you wish to be more specific, please use the space below (relating to GGPSSO 3.3):

[www.rwe-transgas.cz](http://www.rwe-transgas.cz)

<sup>1</sup> Storage facility means a facility used for the stocking of natural gas and owned and/or operated by a natural gas undertaking, including the part of LNG facilities used for storage but excluding the portion used for production operations, and excluding facilities reserved exclusively for transmission system operators in carrying out their functions (Article 2.9 of Directive 2003/55/EC).

<sup>2</sup> Article 19.3 of Directive 2003/55/EC of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC

**3.4 Do you offer the following services on the primary market (GGPSSO 3.3, 3.5, 3.7):**

	yes	no
(a) bundled services (SBU) of space and injectability/deliverability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(b) unbundled services supplementing SBUs at least for available storage capacity at the beginning of the storage year <sup>3</sup>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(c) long-term (>1 year) services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(d) short-term (<1 year) services <sup>4</sup>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(e) interruptible services <sup>5</sup>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(f) a service which includes an obligation for the SSO to allocate the gas which has been nominated	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(g) injection and withdrawal are possible at any time	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**3.5 If any of these services (please specify) has not been introduced, please explain why:**

Not applicable.

**3.6 Please specify if services offered have been developed with consultation of storage users to take into account market demand. When were users last consulted (relating to GGPSSO 3.4.a):**

Yes, including bilateral contacts and publication on internet. December 2005.

## 4 Storage capacity allocation and congestion management

**4.1 Please provide a description of the capacity allocation mechanism that you apply. Please specify if there is an order of priority and for which customers (relating to GGPSSO 4.1):**

SSO makes and announces capacity allocation.

In accordance with Energy Law, back pack of storage capacity must apply. Thereafter, priority order used: 1. protected end-users, 2. type of contract, 3. thereafter pro-rata.

**4.2 In case of contractual congestion, what kind of solution do you apply or plan to apply (GGPSSO 4.2)?**

In accordance with Energy Law, back pack of storage capacity must apply. Thereafter, priority order used: 1. protected end-users, 2. type of contract, 3. thereafter pro-rata.

**4.3 In case of physical congestion, what kind of solution do you apply or plan to apply (GGPSSO 4.2)?**

Only in emergencies; priority for interruptions: interruptible contracts, firm contracts; pro-rata of nominations if same type of contract is interrupted.

**4.4 In case of congestion, is there a system to balance the portion of storage capacity contracted under long-term contracts and short term contracts? Please specify the nature of these arrangements (GGPSSO 4.2.c):**

Priority for interruptions: interruptible contracts, firm contracts; pro-rata of nominations if same type of contract is interrupted.

<sup>3</sup> You may provide an addendum before 5 April 2006.

<sup>4</sup> You may provide an addendum before 5 April 2006.

<sup>5</sup> You may provide an addendum before 5 April 2006.

## 5 Confidentiality requirements

5.1 Are the following items explicitly mentioned in the code of conduct/compliance programme (relating to GGPSSO 5.1.b):

	<i>yes</i>	<i>no</i>
(a) prohibition on SSO staff passing commercially sensitive information to other parts of any affiliate of the company in advance of being provided to all market participants	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(b) databases related to storage operations kept separate	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(c) new IT systems for the storage business developed separately	<input checked="" type="checkbox"/>	<input type="checkbox"/>

5.2 Please specify if there are other important items in the code of conduct/compliance programme:

Prohibition to solicit sensitive information from SSO; offices with restricted access; no discrimination in providing TPA services; restrictions on staff movement from SSO to trade; the code is binding as an internal guideline.

5.3 Is the code of conduct/compliance programme published? If yes, provide a copy / internet link:

	<i>yes</i>	<i>no</i>
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Internet link: Available on request.		

5.4 Is there a compliance officer supervising that the compliance programme is effectively implemented (GGPSSO 5.1.b)?

	<i>yes</i>	<i>no</i>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

5.5 If other arrangements are in place to protect the confidentiality of information, please provide details below (relating to GGPSSO 5.1):

All stipulated by the Code of conduct/Compliance Programme (see above).

## 6 Transparency requirements

6.1 Please provide the link to the webpages presenting the information required by the GGPSSO in the transparency requirements (relating to GGPSSO 6.1):

[www.rwe-transgas.cz](http://www.rwe-transgas.cz)

6.2 Please specify how the historical utilization rate is calculated (relating to GGPSSO 6.5.b):

Not published yet, subject to less than three users in accordance with GGPSSO 6.2. and Czech market rules.

- 6.3 If you have not published information as required by the GGPSSO about the aggregate use of storage, did you notify the relevant national regulatory authority (GGPSSO 6.3)?

	<i>yes</i>	<i>no</i>
Not published subject to less than three users.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- 6.4 Please specify how many users – if any – requested, via a correspondence, that you do not publish information about the aggregate use of storage (period of reference: 15 March 2006 – 15 March 2007) (relating to GGPSSO 6.2)?

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## 7 Secondary markets

- 7.1 How many system users trade capacity rights on the secondary market (period of reference: 15 March 2005 – 8 March 2006<sup>6</sup>)?

Unknown to SSO (no rules applicable for capacity lease).
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<sup>6</sup> You may provide an addendum before 5 April 2006.

**7.2 Please indicate if you:**

	<i>yes</i>	<i>no</i>
(a) allow for title transfer for both bundled and unbundled capacities (GGPSSO 9.1)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(b) allow the new owner to aggregate such storage capacity operationally (GGPSSO 9.1)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**7.3 Are registered users allowed to trade gas-in-store?**

	<i>yes</i>	<i>no</i>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**7.4 Please provide a description of rules applicable for storage capacity trade on the secondary market vis-à-vis the SSO (GGPSSO 9.1):**

Choice of 2 regimes: with approval by SSO (transfer) or only with registration by SSO (lease); no secondary trade registered by SSO if bad debt of the existing user remains.
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**7.5 Please provide a copy of the clauses in the storage code/contract referring to or addressing secondary storage capacity trading explicitly (relating to GGPSSO 9.1):**

**Extract from the Storage Code:****TRANSFER AND LEASE OF CONTRACTED STORAGE CAPACITY**

Transfer and lease of contracted storage capacity is possible under the conditions stipulated below:

- a) Transfer and lease of contracted storage capacity is subject to a registration by the Storage Operator.
- b) Transfer of contracted storage capacity is subject to an approval by the Storage Operator under the conditions stipulated below.
- c) Transfer may also be executed between a Storage User and a third party that is not a holder of a storage contract. Upon the approval of such transfer, the Storage Operator considers fulfillment of conditions as referred in Article 4.
- d) Storage capacity transfer may be effective only as of the first Gas Day of the relevant Gas Month and on the basis of a joint request submitted by the contracted storage capacity transferor and transferee.
- e) The request for the storage capacity transfer pursuant to the provisions of the previous paragraph may be submitted not later than 15 calendar days before the beginning of the Gas Month from which the transfer should become effective. In case the transferee is a third party without a valid storage contract, the transferee shall at the same time submit to the Storage Operator documents as referred in Article 4. The Storage Operator shall announce the results of the storage capacity transfer both to the transferor and transferee not later than 10 calendar days before the beginning of the Gas Month from which the transfer should become effective.
- f) The Storage Operator shall be authorized not to transfer the storage capacity to any third party if the transferor is in delay with payments under the storage contract and under this Storage Code.
- g) The Storage User shall be also authorized to offer the contracted capacity not utilized by it even without consent of the Storage Operator through its lease. The user's contracted storage capacity in relation to the Storage Operator shall not change. The Storage User who has leased its contracted storage capacity to a third party shall be liable towards the Storage Operator for any breach of the contractual obligations by the third party in all cases. Lease of contracted capacity to third parties must be announced by the Storage User to the Storage Operator not later than five (5) calendar days before the effective date of the lease and the Storage Operator shall register the contracted capacity lease. The third party shall be authorized to nominate up to the sum of its contracted and leased capacity.
- h) Requests for contracted storage capacity transfer or lease must be submitted by the transferor and transferee in writing using the form attached in Annex 4 or 5 respectively of this Storage Code.

Annex 4 and 5:

[http://www.rwe-transgas.cz/transgas.cz/kapacita/rad\\_provozovatele\\_PZP/StorageCode\\_RWE-TG\\_051028\\_Annex4\\_transfer\\_cz.doc](http://www.rwe-transgas.cz/transgas.cz/kapacita/rad_provozovatele_PZP/StorageCode_RWE-TG_051028_Annex4_transfer_cz.doc)

[http://www.rwe-transgas.cz/transgas.cz/kapacita/rad\\_provozovatele\\_PZP/StorageCode\\_RWE-TG\\_051028\\_Annex5\\_lease\\_cz.doc](http://www.rwe-transgas.cz/transgas.cz/kapacita/rad_provozovatele_PZP/StorageCode_RWE-TG_051028_Annex5_lease_cz.doc)



## ***Appendix***

### ***Definitions***

**Available storage capacity** means the part of the technical storage capacity that is not contracted or held by storage users at that moment and still available to the storage users for firm and interruptible services, and is not excluded from TPA under Article 2(9) of the Gas Directive (Definition 1 of the GGPSSO)

**Storage capacity** is space (expressed in normal cubic meters or energy), injectability and deliverability (expressed in normal cubic meters or energy per time unit). All of them can be firm or interruptible (Definition 17 of the GGPSSO)

**Storage facility** means a facility used for the stocking of natural gas and owned and/or operated by a natural gas undertaking, including the part of LNG facilities used for storage but excluding the portion used for production operations, and excluding facilities reserved exclusively for transmission system operators in carrying out their functions (Definition 18 of the GGPSSO)

**Technical storage capacity** is the maximum storage capacity (injectability, deliverability and space) that the SSO can offer to storage users, excluding storage capacity for SSOs operational needs