

ERGEG: Task Force Storage	WINGAS (Version 06-10-04)	WINGAS
Guidelines for Good TPA Practice for Storage System Operators (GGPSO)	Wording proposals	Comments

Entwurf Position WINGAS zu GGPSO (Version 06-10-04)

Stand: 12.11.2004

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<p><u>Scope and objective of the GGPSO</u></p> <p>The GGPSO are forward looking and should be flexible enough to account for developments in market arrangements. They intend to give a minimum common set of requirements for the organization of the storage facilities and operators.</p> <p>They are addressed to all Storage System Operators (SSOs) falling under the scope of the European Directive 2003/55/EC (the Gas Directive) as well as to the users of these systems.</p> <p>The purpose of these GGPSO is to ensure that SSOs provide the services needed by storage users on a fair and non-discriminatory basis, taking into account technical constraints. Systems and processes shall facilitate the sustainable development of competition in gas supply.</p> <p>It shall be incumbent upon the SSOs, on a case by case basis, to demonstrate to the relevant national authorities that arrangements at storage facilities meet the following guidelines in terms of the desired outcomes. The regulatory authorities should check that results in both regimes (nTPA and rTPA) are equal in terms of non-discrimination, transparency and competition.</p> <p>An overriding principle is that storage systems and processes implemented by the SSOs maintain secure, reliable and efficient operation of the storage system (Article 8(1.a) of the Gas Directive).</p>	<p><u>Scope and objective of the GGPSO</u></p> <p>The GGPSO are forward looking and should be flexible enough to account for developments in market arrangements. They intend to give a minimum common set of requirements for the organization of the storage facilities and operators.</p> <p>They are addressed to all Storage System Operators (SSOs) falling under the scope of the European Directive 2003/55/EC (the Gas Directive) as well as to the users of these systems.</p> <p>The purpose of these GGPSO is to ensure that SSOs provide the services needed by storage users on a fair and non-discriminatory basis, taking into account technical and economic constraints. Systems and processes shall facilitate the sustainable development of competition in gas supply.</p> <p>It shall be incumbent upon the SSOs, on a case by case basis, to demonstrate to the relevant national authorities that arrangements at storage facilities meet the following guidelines in terms of the desired outcomes. The regulatory authorities should check that results in both regimes (nTPA and rTPA) are comparable in terms of non-discrimination, transparency and competition.</p> <p>An overriding principle is that storage systems and processes implemented by the SSOs maintain secure, reliable and efficient operation of the storage system (Article 8(1.a) of the Gas Directive).</p>	<p>WINGAS agrees with the objective of the GGPSO as a “minimum set of requirements” for SSOs.</p> <ul style="list-style-type: none"> - On voluntary basis within the Madrid-Process - Non-discrimination and transparency - No regulation in competitive markets <p>The variety of products to fulfill market requirements is more manifold in nTPA systems than in rTPA regimes.</p>
<p><u>1. Roles and responsibilities of Storage System Operators</u></p> <p>1.1. SSOs, be they separate entities, part of a combined</p>	<p><u>1. Roles and responsibilities of Storage System Operators</u></p> <p>1.1. SSOs, be they separate entities, part of a combined</p>	

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<p>operator in the sense of Article 15 of the Gas Directive, or part of a vertically integrated company in the sense of Article 2(20) of the Gas Directive, shall act in accordance with the principle of non-discrimination, transparency and competition. They are responsible for the provision and management of technical storage capacity, storage services and information as well as the technical integrity and safety of storage facilities.</p> <p>1.2. SSOs shall among others:</p> <ul style="list-style-type: none"> a. operate and maintain under economic conditions secure, reliable and efficient storage facilities; b. offer third party access services on a non-discriminatory and transparent basis to all storage users requesting access to storage, including own affiliated companies, either using standard storage contracts or a storage code, developed by the SSOs, including proper consultation with users and overseen by the national regulatory authorities; c. establish rules on the use of capacity aimed at ensuring competitive and efficient use of that storage facility by system users, in particular to discourage storage capacity hoarding; d. treat confidential information, especially with regards to any affiliated company, in order to avoid any discrimination between storage users, as stated in § 5 on confidentiality requirements; e. provide the information required by storage users and system 	<p>operator in the sense of Article 15 of the Gas Directive, or part of a vertically integrated company in the sense of Article 2(20) of the Gas Directive, shall act in accordance with the principle of non-discrimination, transparency and competition. They are responsible for the provision and management of technical storage capacity, storage services and information as well as the technical integrity and safety of storage facilities.</p> <p>1.2. SSOs shall among others:</p> <ul style="list-style-type: none"> a. operate and maintain under economic conditions secure, reliable and efficient storage facilities; b. offer third party access services on a non-discriminatory and transparent basis to all storage users requesting access to storage, including own affiliated companies, either using standard storage contracts or a storage code, developed by the SSOs, including proper consultation with users and overseen by the national regulatory authorities in case of rTPA; c. d. treat confidential information, especially with regards to any affiliated company, in order to avoid any discrimination between storage users, as stated in § 5 on confidentiality requirements; e. provide the information required by storage users and system operators as stated in § 6 on transparency requirements; f. co-operate with TSOs through interoperability agreements in order 	<p>WINGAS agrees to define the roles and responsibilities of Storage System Operators and consequently the contractual rights and obligations within contracts between SSO and storage users.</p> <p>WINGAS agrees with TPA on a non-discriminatory and transparent basis to all storage users on the basis of standard storage contract. In competitive markets like Germany there is no need for the supervision of standard contracts by regulatory authorities.</p> <p>WINGAS agrees with the target to avoid capacity hoarding. But there can not be an obligation for a SSO to judge if the storage user needs the booked capacity or not. Therefore only for short term capacities and on an interruptible basis the SSO is able to offer the unused capacity to the market without contradicting its obligation towards the system users. Consequently corresponding provisions have to be agreed upon by the storage user (e.g. within the standard contract).</p>

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<p>operators as stated in § 6 on transparency requirements;</p> <p>f. co-operate with TSOs through interoperability agreements in order to ensure efficient and secure operation of storage and transportation networks;</p> <p>g. when asking guarantees to storage users with respect to their creditworthiness, ensure that these guarantees are non-discriminatory, transparent and proportionate and do not constitute any undue market entry barrier.</p>	<p>to ensure efficient and secure operation of storage and transportation networks;</p> <p>g. when asking guarantees to storage users with respect to their creditworthiness, ensure that these guarantees are non-discriminatory, transparent and proportionate and do not constitute any undue market entry barrier.</p>	
<p>2. <u>Role of Storage Users</u></p> <p>2.1. Storage users shall among others:</p> <p>a. be responsible for making nominations to the SSOs and for the injection and withdrawal of gas from storage facilities in accordance with prevailing contractual specifications, technical rules and agreed procedures;</p> <p>b. provide all data required that is necessary for the SSO to carry out its duties as specified in the storage code and/or in the storage contract;</p> <p>c. not use capacity rights in a manner that is intended to restrict, distort or prevent competition, for example through capacity hoarding;</p> <p>d. put relevant IT in place in order to be able to communicate with SSOs via agreed interfaces and standards.</p>	<p>2. <u>Role of Storage Users</u></p> <p>2.1. Storage users shall among others:</p> <p>a. be responsible for making nominations to the SSOs and for the injection and withdrawal of gas from storage facilities in accordance with prevailing contractual specifications, technical rules and agreed procedures;</p> <p>b. provide all data required that is necessary for the SSO to carry out its duties as specified in the storage code and/or in the storage contract;</p> <p>c. not use capacity rights in a manner that is intended to restrict, distort or prevent competition, for example through capacity hoarding;</p> <p>d. put relevant IT in place in order to be able to communicate with SSOs via agreed interfaces and standards.</p>	<p>In general the principle should apply, that the storage user is free to decide on the utilization of capacities (e.g. for capacities for security of supply reasons only used on a few days per year). Furthermore the “store or pay if not stored”-principle gives incentive to the maximum capacity.</p> <p>However the right for the storage user to freely decide on the capacity utilization shall not be misused by hoarding of capacities only dedicated to prevent competition.</p>

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<p><u>3. Necessary TPA services</u></p> <p>3.1. Storage capacity not excluded from TPA pursuant to Article 2(9) of the Gas Directive, when technically and economically necessary for efficient access to the network, shall be offered to storages users on a non-discriminatory basis that promotes competition and facilitates trade. Therefore, the SSO shall offer to storage users the maximum available storage capacity (i.e. technical storage capacity), apart from that part of the storage capacity used for operational needs related to transmission and/or production, according to rules made transparent by the national regulatory authorities. Exclusion of storage capacity from TPA shall not be the decision of the SSO and/or the beneficiary of the storage capacity exempted from TPA and shall be approved by the national regulatory authorities, with the publication of substantiated reasons.</p> <p>3.2. The amount of storage capacity needed for PSO and security of supply, when imposed on storage users should be offered on a TPA basis; requirements of non discrimination still apply. Whichever party is responsible for PSOs, it shall demonstrate upon request to the national regulatory authority that their requested capacity reservation is no more than what is required to satisfy the relevant PSO.</p> <p>3.3. The SSO shall offer to storage users the storage capacity in a form that facilitates competitive, non-discriminatory, and efficient access to best meet storage users' needs and that facilitates trade in storage services in secondary markets. Specifically the SSO shall offer in the primary market, pursuant to its responsibilities under § 1, in consultation with storage users and taking into account storage technical constraints, a menu of services, including the following:</p> <p style="padding-left: 40px;">a. bundled services (SBU) of space and injectability/deliverability with</p>	<p><u>3. Necessary TPA services</u></p> <p>3.1. Storage capacity not excluded from TPA pursuant to Article 2(9) of the Gas Directive, when technically and economically necessary for efficient access to the network, shall be offered to storages users on a non-discriminatory basis that promotes competition and facilitates trade. Therefore, the SSO shall offer to storage users the maximum available storage capacity (i.e. technical storage capacity), apart from that part of the storage capacity used for operational needs related to transmission and/or production, according to rules made transparent by the national regulatory authorities. Exclusion of storage capacity from TPA shall not be the decision of the SSO and/or the beneficiary of the storage capacity exempted from TPA and shall be approved by the national authorities, with the publication of substantiated reasons.</p> <p>3.2. Whichever party is responsible for PSOs, it shall demonstrate upon request to the national authority that their requested capacity reservation is no more than what is required to satisfy the relevant PSO.</p> <p>3.3. The SSO shall offer to storage users the storage capacity in a form that facilitates competitive, non-discriminatory, and efficient access to best meet storage users' needs and that facilitates trade in storage services in secondary markets. Specifically the SSO shall offer in the primary market, pursuant to its responsibilities under § 1, in consultation with storage users and taking into account storage technical constraints, a menu of services, including the following:</p> <p style="padding-left: 40px;">a. bundled services (SBU) of space and injectability/deliverability with determined technical ratios;</p> <p style="padding-left: 40px;">b. unbundled services in an appropriate range with SBUs;</p>	<p><u>It is not the task of the SSO to promote or create competition but to facilitate it.</u></p> <p>Principle:</p> <ul style="list-style-type: none"> - storage user has to fulfill the PSO according to subsidiarity - storage user has to book the corresponding capacities and to decide on a capacity reserve <p>The whole technically available storage capacity should be offered on a TPA basis. To define the amount of storage capacity which the storage user need for PSO seems to be difficult because of different flexibility services offered at the market to fulfill the traders' PSO. Further more to reserve a proportion of the available capacity for defined usage would restrict the optimal use of storage capacities.</p>

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<p>determined technical ratios;</p> <p>b. unbundled services in an appropriate range with SBUs;</p> <p>c. an appropriate range of both long-term (> 1year) and short-term firm services (<1year) down to a minimum period of one day;</p> <p>d. short term interruptible storage contracts and services.</p> <p>3.4. When compatible with the balancing regime of the interconnected gas transportation system, the SSO shall offer a service which includes an obligation to allocate the gas which has been nominated.</p> <p>3.5. SSOs shall offer services that are consistent with the use of the interconnected gas transportation systems.</p> <p>3.6. Taking into account technical constraints and if consistent with PSOs obligations, the SSO shall offer all services without restrictions on the starting date and the actually prevailing physical flow. With the same constraints, injection and withdrawal of gas should, in principle, be possible at any time. Limits on the required minimum size of storage capacity rights shall be justified on the basis of technical constraints and permit small shippers to gain access to storage services. Storage users should be allowed to pool with each other with a view to overcome potential technical capacity thresholds.</p> <p>3.7. The SSO should develop information systems and electronic communication to provide adequate data to storage users and simplify transactions (such as nominations, capacity booking and transfer of capacity rights between storage users).</p> <p>3.8. Deadline for the implementation of such requirements is 1 April 2005; if SSOs have problems in implementing measures envisaged under § 3, in particular with regard to IT systems, they shall</p>	<p>c. an appropriate range of both long-term (> 1year) and short-term firm services (<1year) down to a minimum period of one day;</p> <p>d. short term interruptible storage contracts and services.</p> <p>3.4. When compatible with the balancing regime of the interconnected gas transportation system, the SSO shall offer a service which includes an obligation to allocate the gas which has been nominated.</p> <p>3.5. SSOs shall offer services that are consistent with the use of the interconnected gas transportation systems.</p> <p>3.6. Taking into account technical constraints and if consistent with PSOs obligations, the SSO shall offer all services without restrictions on the starting date and the actually prevailing physical flow. With the same constraints, injection and withdrawal of gas should, in principle, be possible at any time. Limits on the required minimum size of storage capacity rights shall be justified on the basis of technical constraints and permit small shippers to gain access to storage services. Storage users should be allowed to pool with each other with a view to overcome potential technical capacity thresholds.</p> <p>3.7. The SSO should develop information systems and electronic communication to provide adequate data to storage users and simplify transactions (such as nominations, capacity booking and transfer of capacity rights between storage users).</p>	<p>To make it more sufficient SSO shall endeavor to meet a certain period of time instead to fix a deadline.</p>

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<p>provide an explanation to the national regulatory authorities setting out the problems in implementing this deadline and present a concrete action plan for their implementation, taking into account, if applicable, the size of the company.</p>		
<p>4. <u>Storage capacity allocation management and congestion management</u></p> <p>4.1. Storage capacity allocation mechanism and congestion management procedures shall:</p> <ul style="list-style-type: none"> a. facilitate the development of competition and liquid trading of storage capacity and be compatible with market mechanisms including spot markets and trading hubs while being flexible and capable of adapting to evolving market circumstances and discourage hoarding; b. take into account the integrity of the storage system concerned as well as security of supply where relevant legal rules are incumbent upon the SSO; c. not create undue barriers to market entry and not prevent market participants, including new market entrants and companies with a small market share, from competing effectively. d. ensure the maximum availability and efficient use under economic and non discriminatory conditions of technical storage capacity; e. generate the right signals for investment in new infrastructures; f. be subject to consultation with 	<p>4. <u>Storage capacity allocation management and congestion management</u></p> <p>4.1. Storage capacity allocation mechanism and congestion management procedures shall:</p> <ul style="list-style-type: none"> a. facilitate the development of competition and liquid trading of storage capacity and be compatible with market mechanisms including spot markets and trading hubs while being flexible and capable of adapting to evolving market circumstances and discourage hoarding; b. take into account the integrity of the storage system concerned as well as security of supply where relevant legal rules are incumbent upon the SSO; c. not create undue barriers to market entry and not prevent market participants, including new market entrants and companies with a small market share, from competing effectively. d. ensure the maximum availability and efficient use under economic and non discriminatory conditions of technical storage capacity; e. generate the right signals for investment in new infrastructures; f. be subject to consultation with 	<p>Not create undue barriers to market entry should not imply special rules for new market participants which discriminate other storage users. Generally the SSO should not have an influence how the storage user uses the contracted capacity. As long as enough capacity is available the capacity should be allocated according to the “first committed – first served” principle. In case of congestion WINGAS will optimize the allocation of the narrow capacity in terms of quantity, duration etc. Market-based solutions should not enable market participants to contract capacities for speculation purpose which could encourage storage users to capacity hoarding</p>

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<p style="text-align: center;">storage users.</p> <p>4.2. In case of physical congestion, non discriminatory, market-based solutions shall be applied by the SSO or by the national regulatory authorities, where appropriate. Also, the SSO or the national regulatory authorities shall appropriately balance the portion of storage capacity contracted under multi-annual long-term contracts and short term contracts, with the aim of promoting effective competition. Alternative allocation procedures such as pro-rata mechanisms may be considered if they ensure equivalence in terms of non-discriminatory and competitive access.</p> <p>4.3. The SSO shall actively endeavour to discourage hoarding and facilitate re-utilisation and trade of storage capacity by all reasonable means, including at least the offer on interruptible basis of all unused capacity (e.g. day-ahead release of non-nominated injectability and deliverability).</p> <p>4.4. If, in spite of the measures aimed at preventing any commercial incentives to hoard capacity, namely secondary market and interruptible storage services, capacity contracted under existing storage contracts remains unused and significant and prolonged contractual congestion occurs, the national regulatory authorities shall require the SSO to introduce additional mechanisms to free up this capacity.</p>	<p style="text-align: center;">storage users.</p> <p>4.2. In case of contractual congestion, non discriminatory, market-based solutions shall be applied by the SSO or by the national regulatory authorities, where appropriate. Alternative allocation procedures such as pro-rata mechanisms may be considered if they ensure equivalence in terms of non-discriminatory and competitive access.</p> <p>4.3. The SSO shall actively endeavour to discourage hoarding and facilitate re-utilisation and trade of storage capacity by all reasonable means, including at least the offer on interruptible basis of all unused capacity (e.g. day-ahead release of non-nominated injectability and deliverability).</p> <p>4.4. If, in spite of the measures aimed at preventing any commercial incentives to hoard capacity, namely secondary market and interruptible storage services, capacity contracted under existing storage contracts remains unused and significant and prolonged contractual congestion occurs, the national regulatory authorities shall require the SSO to introduce additional mechanisms to free up this capacity.</p>	<p>Long-term storage contracts are linked to long term supply and delivery contracts (e.g. for security of supply reasons). Limitation of the proportion of long term contracts would restrict the planning reliability for supplies and their capability to guarantee security of supply. Furthermore it should be pointed out, that it is the free decision of the final customer to vote for either long or short term contracts based on their individual requirements but also based on their individual scenarios on future supply/demand of natural gas.</p> <p>The SSO should not be obliged to judge if storage users abuse storage capacities. To facilitate re-utilisation of unused capacity the SSO should offer the unused capacity to the market but only for short term capacities and on an interruptible basis, provided that corresponding provisions are agreed between the SSO and the storage user (e.g. within the standard contract).</p>
<p>5. Confidentiality requirements</p> <p>5.1. The SSO shall meet the confidentiality provisions of Article 10 of Directive 2003/55/EC, by:</p>	<p>5. Confidentiality requirements</p> <p>5.1. The SSO shall meet the confidentiality provisions of Article 10 of Directive 2003/55/EC, by:</p>	<p>WINGAS supports confidentiality requirements.</p>

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<p>a. ensuring that information available to the SSO concerning its storage and processing business is not passed to other possible parts of the group in advance of being provided to all market participants; staff working for the affiliate business if any (e.g. supply) should have no access to information which could be commercially advantageous, such as details on actual or potential storage users, and is not made available to all market parties;</p> <p>b. when there are no separate database systems, specific confidentiality duties must be clearly defined; the relevant national regulatory authorities <i>may at least require sufficient evidence from companies concerned so as to prove an effective establishment of Chinese walls between the SSO and the supply branch of the vertically integrated companies</i>¹. The arrangements to implement this requirement should include a code of conduct for staff/compliance programme which should embody the principles behind the Chinese walls concept. The SSO and the supply business should be located in separate building, provided such a measure is proportionate given the size of the activity concerned.</p>	<p>a. ensuring that information available to the SSO concerning its storage and processing business is not passed to other possible parts of the group in advance of being provided to all market participants; staff working for the affiliate business if any (e.g. supply) should have no access to information which could be commercially advantageous, such as details on actual or potential storage users, and is not made available to all market parties;</p> <p>b. when there are no separate database systems, specific confidentiality duties must be clearly defined; the relevant national regulatory authorities <i>may at least require sufficient evidence from companies concerned so as to prove an effective establishment of Chinese walls between the SSO and the supply branch of the vertically integrated companies</i>². The arrangements to implement this requirement should include a code of conduct for staff/compliance programme which should embody the principles behind the Chinese walls concept.</p>	<p>There is no need for being located in different buildings to fulfill the Chinese walls principle.</p>

¹ As stated in the CEER Recommendations on Implementation of TPA to Storage and Linepack, approved by the CEER General Assembly on 5th of December 2003.

² As stated in the CEER Recommendations on Implementation of TPA to Storage and Linepack, approved by the CEER General Assembly on 5th of December 2003.

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<p>6. <u>Transparency requirements</u></p> <p>6.1. SSOs should implement user-friendly systems to publish the information needed by storage users in a timely manner in the national language and in English on the Internet. Information should be provided on a real time basis, if required by storage users. Information shall be disclosed in a meaningful, quantitatively clear and easily accessible way and on a non-discriminatory basis.</p> <p>6.2. Information relating specifically to a storage user's account must be kept confidential. Non confidential information must be provided promptly and on the same time scale as to all users on a non discriminatory basis. Where a SSO considers that it is not entitled for confidentiality reasons to make public all the data required, it shall provide clear evidence to the national regulatory authorities and seek its authorization to limit publication. The relevant national authorities shall grant or refuse the authorization on a case by case basis and publish the substantiated reasons. This assessment should be renewed on a regular basis.</p> <p>6.3. The SSO shall submit for approval to the national regulatory authorities any request not to publish specific data (e.g. for reasons of costs or to avoid any potential market abuse). The relevant national authorities shall grant or refuse the authorization on a case by case basis and publish the substantiated reasons.</p> <p>6.4. The following commercial terms should be published with online information system:</p> <p style="padding-left: 40px;">a. in rTPA, the tariffs for each service offered shall be published ex ante with the derivation criteria attached (i.e. the underlying technical and economic reasons for establishing them). In nTPA, the main commercial conditions including the</p>	<p>6. <u>Transparency requirements</u></p> <p>6.1. SSOs should implement user-friendly systems to publish the information needed by storage users in a timely manner in the national language and in English on the Internet. Information shall be disclosed in a meaningful, quantitatively clear and easily accessible way and on a non-discriminatory basis.</p> <p>6.2. Information relating specifically to a storage user's account must be kept confidential. Non confidential information must be provided promptly and on the same time scale as to all users on a non discriminatory basis. Where a SSO considers that it is not entitled for confidentiality reasons to make public all the data required, it shall provide clear evidence to the national regulatory authorities and seek its authorization to limit publication. The relevant national authorities shall grant or refuse the authorization on a case by case basis and publish the substantiated reasons. This assessment should be renewed on a regular basis.</p> <p>6.3.</p> <p>6.4. The following commercial terms should be published with online information system:</p> <p style="padding-left: 40px;">a. in rTPA, the tariffs for each service offered shall be published ex ante with the derivation criteria attached (i.e. the underlying technical and economic reasons for establishing them). In nTPA, the main commercial conditions including the prices for core standard services must be published and updated whenever the SSO changes them; prices and underlying criteria should be made available to the national authorities at least in case of disputes;</p>	<p>WINGAS agrees to support storage users with transparent and user-friendly systems, but the following principles should apply:</p> <ul style="list-style-type: none"> - the cost-value-ratio should be considered in order to avoid extraordinary costs - confidentiality requirements of storage users should be respected - only information which is required by customers should be provided <p>In nTPA the relevant national law should be applicable.</p>
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<p>prices for core standard services must be published and updated whenever the SSO changes them; prices and underlying criteria should be made available to the national regulatory authorities at least in case of disputes;</p> <p>b. services offered, the storage code (if applicable) and/or the main standard conditions for each service outlining the rights and responsibilities for all users including flexibility tolerances (e.g. counter flows during injection or withdrawal) and the rules of transfer storage capacity in case of final customer switching;</p> <p>c. method of determining available storage capacity and the operational parameters including transparency on the rules of ownership and use of working gas;</p> <p>d. storage capacity allocation, congestion management and anti-hoarding and re-utilization provisions, including auctions terms where applicable and rules applicable for storage capacity trade on the secondary market vis-à-vis the SSO;</p> <p>e. the rules and the charges applicable to storage penalties due by storage users and compensation payments by the SSO to storage users.</p> <p>6.5. The following operational information shall be published with online information system (in energy units, according to interoperability criteria) to provide system users with sufficient and timely information in</p>	<p>b. services offered, the storage code (if applicable) and/or the main standard conditions for each service outlining the rights and responsibilities for all users including flexibility tolerances (e.g. counter flows during injection or withdrawal) and the rules of transfer storage capacity in case of final customer switching;</p> <p>c. method of determining available storage capacity and the operational parameters including transparency on the rules of ownership and use of working gas;</p> <p>d. storage capacity allocation, congestion management and anti-hoarding and re-utilization provisions, including auctions terms where applicable and rules applicable for storage capacity trade on the secondary market vis-à-vis the SSO;</p> <p>e. the rules and the charges applicable to storage penalties due by storage users and compensation payments by the SSO to storage users.</p> <p>6.5. The following operational information shall be published with online information system (in volume or energy units, according to interoperability criteria) to provide system users with sufficient and timely information in order to gain effective and efficient access to storage facilities:</p> <p>a. storage level, including working gas, technical, booked and available storage capacity (firm and interruptible where applicable);</p> <p>b. the customer's daily aggregated</p>	<p>Volume units are needed e.g. for capacity data.</p> <p>The costs for providing “timely” information should be considered.</p>

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<p>order to gain effective and efficient access to storage facilities:</p> <ul style="list-style-type: none"> a. storage level, including working gas, technical, booked and available storage capacity (firm and interruptible where applicable); b. daily aggregated inflow and outflows and historical utilization rates; c. user-friendly instruments for calculating charges for a specific service (e.g. tariff calculator) and for verifying online the level of available capacity, including net and available firm and interruptible capacities; d. maps indicating the location of their storage facilities and the connecting points of the storage facilities to the relevant network; e. the rules (if any) of transfer of storage capacity and injection and withdrawal capacity in case of customer switch. <p>6.6. Information described in § 6.3 and § 6.4 shall be made available and updated whenever changed as relevant on a real time, daily, monthly, quarterly or annual basis.</p> <p>6.7. The SSO shall publish at least once a year, by a predetermined deadline, all planned maintenance periods that might affect storage users' rights from storage contracts and the corresponding operational information with adequate advance notice. Where unplanned disruptions in access to the storage facility occur, the SSO shall ensure actual system users are notified of that disruption as soon as possible. The SSO shall maintain and make available to the national regulatory authorities and/or to those</p>	<p>inflow and outflows and historical utilization rates <u>on a monthly basis</u>;</p> <ul style="list-style-type: none"> c. user-friendly instruments for calculating charges for a specific service (e.g. tariff calculator) and for verifying online the level of available capacity, including net and available firm and interruptible capacities; d. maps indicating the location of their storage facilities and the connecting points of the storage facilities to the relevant network; e. the rules (if any) of transfer of storage capacity and injection and withdrawal capacity in case of customer switch. <p>6.6. Information described in § 6.3 and § 6.4 shall be made available and updated whenever changed as relevant on a real time, daily, monthly, quarterly or annual basis.</p> <p>6.7. The SSO shall publish at least once a year, by a predetermined deadline, all planned maintenance periods that might affect storage users' rights from storage contracts and the corresponding operational information with adequate advance notice. Where unplanned disruptions in access to the storage facility occur, the SSO shall ensure actual system users are notified of that disruption as soon as possible. The SSO shall maintain and make available to the national regulatory authorities and/or to those affected by any disruption upon request, a daily log of the actual maintenance and disruptions that have occurred.</p> <p>6.8. At least the provisions of § 6.5.a, b, and d shall apply also to any storage capacity not required to provide TPA according to Article 19 of the Gas Directive or any other storage facility connected to a transmission</p>	<p>To publish the level of working gas would be in most cases inconsistent with confidentiality requirements of storage users. Therefore only his data should be provided to each storage user.</p>

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<p>affected by any disruption upon request, a daily log of the actual maintenance and disruptions that have occurred.</p> <p>6.8. At least the provisions of § 6.5.a, b, and d shall apply also to any storage capacity not required to provide TPA according to Article 19 of the Gas Directive or any other storage facility connected to a transmission system and for which there is no TPA..</p> <p>6.9. Storage users shall not be separately charged for information requests and transactions associated with their contracts according to standard rules and procedures (e.g. nominations). Expenses for requests not linked to general SSO's roles and responsibilities and transparency requirements can be separately charged.</p> <p>6.10. SSOs shall comply with these provision by 1 April 2005; if SSOs have problems in implementing measures envisaged under §6, in particular with regard to IT systems, they shall provide an explanation to the relevant national authority setting out the problems in implementing by this deadline and present a concrete action plan for the implementation taking into account, if applicable, the size of the company.</p>	<p>system and for which there is no TPA..</p> <p>6.9. Storage users shall not be separately charged for information requests and transactions associated with their contracts according to standard rules and procedures (e.g. nominations). Expenses for requests not linked to general SSO's roles and responsibilities and transparency requirements can be separately charged.</p> <p>6.10. SSOs shall comply with these provision by 1 July July 2005; if SSOs have problems in implementing measures envisaged under §6, in particular with regard to IT systems, they shall provide an explanation to the relevant national authority setting out the problems in implementing by this deadline and present a concrete action plan for the implementation taking into account, if applicable, the size of the company.</p>	<p>Where IT-investments are needed implementation should be made not later than 2007.</p>
<p>7. <u>Tariff structure and derivation</u></p> <p>7.1. Where regulated, tariffs structure of the SSO should:</p> <ul style="list-style-type: none"> a. reflect efficiently incurred costs of access to storage facilities including fair return on investment, both in the case of direct access to a specific storage and access to virtual storages; b. reflect the geological nature of storages; c. avoid cross subsidies between storage users; 	<p>7. <u>Tariff structure and derivation</u></p> <p>7.1. Where regulated, tariffs structure of the SSO should:</p> <ul style="list-style-type: none"> a. reflect efficiently incurred costs of access to storage facilities including fair return on investment, both in the case of direct access to a specific storage and access to virtual storages; b. reflect the geological nature of storages; c. avoid cross subsidies between storage users; 	<p>Tariffs should generate an appropriate rate of return based on commercial and technical risks of the SSO.</p>

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<p>d. promote efficient commercialisation and use of storage;</p> <p>e. promote adequate and efficient investments according to users' needs, feasibility and technical constraints;</p> <p>f. be clear, transparent and reviewed on a regular basis taking into account developments in the market;</p> <p>g. where appropriate, international benchmarking of tariffs may be taken into account and applied in non discriminatory manner.</p> <p>7.2. Where negotiated, SSOs shall not adopt any charging principles and/or tariff structures that would restrict market liquidity of storage capacity, create undue barriers to market for new entrants, cross-subsidies between system users or hamper system enhancements and integrity. Pursuant to Article 19 of the Gas Directive, in case of disputes, the relevant regulatory authority shall determine appropriate arrangements. The SSO shall maintain records to enable the regulator to determine costs of provision and prices already levied on other users of that facility for the similar services. In nTPA regimes, charges shall:</p> <p>a. be non-discriminatory; prices should be the same for any storage user for the same service contracted for at the same time and under the same conditions; they should only vary subject to adaptations/changes on the grounds of varying circumstances;</p> <p>b. promote efficiency and facilitate competition in the use of storage services;</p>	<p>d. promote efficient commercialisation and use of storage;</p> <p>e. promote adequate and efficient investments according to users' needs, feasibility and technical constraints;</p> <p>f. be clear, transparent and reviewed on a regular basis taking into account developments in the market;</p> <p>g. where appropriate, international benchmarking of tariffs may be taken into account and applied in non discriminatory manner.</p> <p>7.2. Where negotiated, SSOs shall not adopt any charging principles and/or tariff structures that would restrict market liquidity of storage capacity, create undue barriers to market for new entrants, cross-subsidies between system users or hamper system enhancements and integrity. Pursuant to Article 19 of the Gas Directive, in case of disputes, the relevant regulatory authority shall determine appropriate arrangements. The SSO shall maintain records to enable the regulator to <u>look</u> prices already levied on other users of that facility for the similar services. In nTPA regimes, charges shall:</p> <p>a. be non-discriminatory; prices should be the same for any storage user for the same service contracted for at the same time and under the same conditions; they should only vary subject to adaptations/changes on the grounds of varying circumstances;</p> <p>b. promote efficiency and facilitate competition in the use of storage services;</p> <p>c. provide for appropriate incentives</p>	<p>Negotiated TPA should be based on transparent and non-discriminating procedures and tariffs. Only in case of disputes the commercial conditions should be made available to national authorities.</p>

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<ul style="list-style-type: none"> c. provide for appropriate incentives on new investments according to users' needs, feasibility and technical constraints; d. negotiations should happen in a time frame compatible with commercial needs; 	<ul style="list-style-type: none"> on new investments according to users' needs, feasibility and technical constraints; d. negotiations should happen in a time frame compatible with commercial needs; 	
<p>8. <u>Storage penalties</u></p> <p>8.1. Storage penalties may be established to ensure that the SSOs and the storage users respect their contractual obligations.</p> <p>8.2. Storage penalties may apply to :</p> <ul style="list-style-type: none"> a. SSOs for compensation to be paid to the storage users in the event that the SSO fails to fulfil contractual obligations, as set out in the storage code/contract; and/or to b. storage users for providing effective incentive to ensure that they nominate and use storage capacity consistently with the capacity rights they have procured either on the primary or secondary market. <p>8.3. Storage penalties shall:</p> <ul style="list-style-type: none"> a. be designed in a non discriminatory and transparent manner, based on objective criteria; b. be aimed at providing effective incentive on storage users to ensure the safe functioning of storages and where necessary, to ensure that PSOs are met; 	<p>8. <u>Storage penalties</u></p> <p>8.1. Storage penalties may be established to ensure that the SSOs and the storage users respect their contractual obligations.</p> <p>8.2. Storage penalties may apply to :</p> <ul style="list-style-type: none"> a. SSOs for compensation to be paid to the storage users in the event that the SSO fails to fulfil contractual obligations, as set out in the storage code/contract; and/or to b. storage users for providing effective incentive to ensure that they nominate and use storage capacity consistently with the capacity rights they have procured either on the primary or secondary market. <p>8.3. Storage penalties shall:</p> <ul style="list-style-type: none"> a. be designed in a non discriminatory and transparent manner, based on objective criteria; b. be aimed at providing effective incentive on storage users to ensure the safe functioning of storages and where necessary, to ensure that PSOs are met; 	<p>Storage penalties should give storage users incentives to act inline with their contractual obligations. Therefore penalties should cover the costs of the SSO, but should also include an incentive element.</p> <p>In case that storage is used for balancing the transmission balancing and storage compete with each other. Therefore there is no need to ensure compatibility of storage penalties with transmission balancing regimes by regulatory authorities.</p>

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<p>c. not hamper the entry of new participants into the market;</p> <p>d. ensure that, in case of penalties collected by the SSO, the SSO remains broadly cost neutral; penalties over and above the actual efficiently incurred costs, shall be redistributed to the storage users on a non discriminatory basis, any costs that cannot be targeted should be allocated back to users in a non discriminatory manner.</p> <p>8.4. When needed, national regulatory authorities should ensure compatibility of storage penalties with transmission balancing regimes.</p>	<p>c. not hamper the entry of new participants into the market;</p> <p>d. ▼</p>	
<p>9. <u>Market based mechanisms such as secondary market</u></p> <p>9.1. The SSO shall allow and facilitate bundled and unbundled services to be freely tradable between registered shippers in a secondary market without any undue restrictions and develop standardised contracts and procedures on the primary market to facilitate secondary trade and recognise the transfer of rights where notified by storage users. SSO must allow the new owner to aggregate such storage capacity with its existing storage capacity operationally.</p> <p>9.2. Where requested and paid for by storage users, SSOs shall provide cost-reflective services (such as an electronic platform or bulletin board) to facilitate secondary storage capacity trading and associated transfer of storage capacity rights between storage users.</p>	<p>9. <u>Market based mechanisms such as secondary market</u></p> <p>9.1. The SSO shall allow and facilitate bundled and unbundled services to be freely tradable between registered shippers in a secondary market without any undue restrictions and develop standardised contracts and procedures on the primary market to facilitate secondary trade and recognise the transfer of rights where notified by storage users. SSO must allow the new owner to aggregate such storage capacity with its existing storage capacity operationally.</p> <p>9.2. Where requested and paid for by storage users, SSOs shall provide cost-reflective services (such as an electronic platform or bulletin board) to facilitate secondary storage capacity trading and associated transfer of storage capacity rights between storage users.</p>	
<p>10. <u>Cooperation with TSOs</u></p> <p>10.1. SSOs and TSOs should co-operate in order to ensure interoperability between both systems, e.g.:</p>	<p>10. <u>Cooperation with TSOs</u></p> <p>10.1. SSOs and TSOs should co-operate in order to ensure interoperability between both systems, e.g.:</p>	<p>WINGAS supports the cooperation between TSO and SSO. An OBA as applicable between TSOs should be</p>

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<ul style="list-style-type: none"> a. provide services consistent with those offered by the adjacent TSO and required so as to ensure the efficient use of the interconnected transmission system; b. render operational procedures, such as nomination, compatible with those of the adjacent TSOs; c. ensure re-nomination procedures match market participants requirements; d. ensure consistency in matching relevant storage arrangements with the balancing requirements of the adjacent transmission system. 	<ul style="list-style-type: none"> a. provide services consistent with those offered by the adjacent TSO and required so as to ensure the efficient use of the transmission systems; b. render operational procedures, such as nomination, compatible with those of the adjacent TSOs; c. ensure re-nomination procedures match market participants requirements; d. ensure consistency in matching relevant storage arrangements with the balancing requirements of the adjacent transmission system. 	<p>implemented to ensure interoperability between TSO and SSO.</p>

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