PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND THE COUNCIL ON CONDITIONS FOR ACCES TO THE GAS TRANSMISSION NETWORKS
APRIL 2004

GENERAL

Directive 2003/55/EC provides basic structural reforms for the further development and harmonisation of the internal market in natural gas. However there is no doubt that additionally detailed provisions for the operation of transmission systems are necessary to ensure that the objectives of Directive 2003/55/EC are met *in praxi.* The further development and success of the internal market in natural gas is vitally linked to harmonized transit procedures.

The European Gas Regulatory Forum (Madrid Forum) therefore agreed already in February 2002 (5th meeting of the Forum) on a set of guidelines usually referred to as "Guidelines for Good TPA Practice" (GGP I) recently revised at the 7th meeting of the Madrid Forum in September 2003 (GGP II). The GGP II provide a set of provisions concerning Transmission System Operator's (TSO) duties with regard to TPA services, capacity allocation and balancing and they set rules referring to tariffs and transparency requirements. Still these guidelines are agreed on a voluntary basis and can therefore not provide a binding framework for all market participants.

The 2nd report of the European Commission on compliance with the GGP I – presented at the 7th Madrid Forum in September 2003 - indicated a significant improvement with regard to compliance compared to the results of the 1st compliance report (October 2002). Though it is important to note that a considerable level of non-compliance is still remaining. For a proper development of the internal market in natural gas it is essential to ensure that the new GGP II is fully applied by all TSOs.

At the outset, it is worth recalling that the adoption of a Regulation for electricity cross-border trade last year has already set a precedent for the establishment of a European regulation as the best way to promote an appropriate regulatory framework. While the scope of this

Regulation rightly allows for subsidiarity in national regulatory decisions, where appropriate, it also recognises that harmonisation of approaches is necessary where inconsistent and insufficient application has the effect of distorting cross-border trade or the functioning of markets. Clearly, where about 60% of gas consumed in the EU crosses two or more country borders, the arguments for a Gas Regulation are equally if not more valid than in electricity, as stated in the CEER paper "Completing the Internal Energy Market: the missing steps" presented in October 2003 at the 2nd World Forum on Energy Regulation.

It is of strong European interest that the rules applied to the transportation of gas provide for effective non-discriminatory access in every country if the goal of a competitive single gas market is to be achieved. However, with existing industry structures and no firm legislative basis, the CEER´s experiences to date suggest that fully effective progress will unlikely be achieved in the absence of a regulation.

Vertically integrated Transmission System Operators (TSOs) – with supply interests and the profitability of their company as a whole to protect – are unlikely to support proposals aimed at enabling third party access to their networks for potential competitors. Similarly, TSOs operating in Member States with minimal or no direct regulation will naturally wish to resist proposals that aim to establish a greater degree of control over their activities. The CEER anticipates that some of these market structure issues will be potentially addressed once the recently adopted Gas Directive has implemented in every Member State. But the prospect of full and effective implementation remains some way off.

CEER therefore highly welcomes the European Commission´s initiative to set the provisions of the GGP II on a formal basis through a regulation of the European Parliament and the Council on conditions for access to the gas transmission networks (hereinafter referred to as the "Regulation"). CEER also strongly supports the approach that the Regulation should provide only a set of basic principles supplemented by detailed implementing rules in the guidelines annexed to the Regulation, which can be modified subject to market developments.

It is clearly important, as recognized in the Regulation, that the scope of these guidelines is well defined, namely strictly aimed at the minimum levels of harmonization of principles and standards for access to networks as needed for effective competition in the internal EU gas market. In this context and as anticipated in the Commission's Decision 2003/796/EC it is vital that the CEER, through the European Regulators Group for Electricity and Gas can play a full and effective role in this process.

Nevertheless CEER takes the opportunity of the present approval procedure to mention some possible improvements:

PROVISIONS IN DETAIL

[With regard to the following provisions of the Regulation modifications are proposed and motivated as hereinafter [text of Regulation in *italics*, amended text underlined, deletions marked as deleted (~~deleted~~) text]:]

- **RECITAL 1**

The recital should be amended as follows*: "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 has made a significant contribution towards the creation of an internal market for gas. It is now necessary to provide structural changes in the regulatory framework supplementing the provisions of Directive 2003/55/EC to tackle remaining barriers to the completion of the internal market. Additional technical rules are necessary, in particular regarding tariff principles, transparency, congestion management and balancing."*

MOTIVATION: Harmonization is better guaranteed if it is organized at Community level. According to the principle of subsidiarity, provisions for a harmonised framework should only be set where they are necessary. Directive 2003/55/EC – as well as already Directive 98/30/EG – clearly leaves it up to the Member States which detailed structures to choose by implementing the Third Party Access (TPA) model for distribution and transmission pipelines. Consequently existing TPA models implemented by the Member States in line with the existing Directive 2003/55/EC have to be acknowledged by this Regulation. So for avoid being contradictory to the national systems chosen by implementing the Internal Market Directive, should only supplement the provisions of Directive 2003/55/EC.

[NOTE: amended wording based on wording of Regulation 2003/1228 on conditions for access to the network for cross-border exchanges in electricity, recital 4].

- **RECITAL 7**

The recital should be amended as follows: *"Although physical congestion of networks is rarely a problem at present in the Community, it may become one for some Member States in the future. It is important therefore to provide the basic principle for the allocation of congested capacity in such circumstances".*

MOTIVATION: The situation in some Member States – e.g. Spain – is just the opposite, where there were problems of physical congestion in the past. However, there are no more congestion problems in the future expected as several investments in infrastructure are planned.

- **RECITAL 12**

This recital should be completed as follows: "*In the guidelines annexed to the Regulation, specific detailed rules implementing these principles are defined, on the basis of the second Guidelines for Good Practice. These rules will need to evolve over time, and be implemented by further rules on issues such as the alleviation of contractual congestion. Thus, the Regulation needs to provide for the adoption of such new rules in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers assigned to the Commission. The European Regulators Group for Electricity and Gas (ERGEG), established by the Commission decision 2003/769/EC of 11.11.2003, ERGEG should be consulted on any proposed new guidelines."*

MOTIVATION: An involvement of the national regulatory authorities should be formalized since these authorities are obliged to ensure compliance with the Regulation under Article 10.

- **NEW RECITAL**

Add new recital: "*Since the objective of the proposed action, namely the provision of a harmonised framework for gas transmission, cannot be achieved by the individual Member States, the Community may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve this objective. Therefore, the rules adopted are not aimed at preventing differences in national choices concerning the national TPA regimes implemented according to the provisions of Directive 2003/55/EC provided such differences do not prevent, distort or restrict the operation of an effective Single Market in Gas and are consistent with the objectives of this Regulation."*

MOTIVATION: s. motivation recital 1;

[NOTE: amended wording based on wording of Regulation 2003/1228 on conditions for access to the network for cross-border exchanges in electricity, recital 22].

- **ARTICLE 1 – SUBJECT MATTER AND SCOPE**

1. To be amended as follows: "*This Regulation aims at setting fair rules for access conditions to natural gas transmission systems taking into account the specifities of national and regional markets, to enable third party network users to move their gas from and across one transmission system to any other physically connected gas transmission system in the European Union and other mechanisms in support of trade thus enhancing competition within the internal gas market. This shall involve principles for charges for access to the network, the definition of necessary services, harmonised principles for capacity allocation and congestion management, the determination of transparency requirements balancing and imbalance charges, and the need of facilitating secondary markets for capacity trading".*

2. *"This regulation does not have as its aim the restriction of national choices or approaches to TPA according to the provisions of Directive 2003/55/EC, provided such differences do not prevent, distort or restrict the operation of an effective Single Market in Gas and are consistent with the objectives of this Regulation."*

MOTIVATION: According to the principle of subsidiarity, Directive 2003/55/EC – as well as already Directive 98/30/EG – clearly leaves it up to the Member States which detailed structures to choose by implementing the TPA model for distribution and transmission pipelines. Consequently existing TPA models implemented by the Member States in line with the existing Directive 2003/55/EC have to be acknowledged by this Regulation provided such national choices are consistent with the objectives of the Single Market in Gas and do not distort, restrict or prevent trade.

- **ARTICLE 2 – DEFINITION; GENERAL REMARK**

For clarity purpose it is suggested to put the definitions in alphabetical order.

- **ARTICLE 2 – DEFINITION 12, 16a**

Since there is no definition of the term "firm services" we suppose this term to be understood as the opposite of "interruptible services" under Article 2.1.? For clarity purpose we would anyway suggest:

- to retain the definition of the term "firm services" as included in a former version of the Regulation: *"firm services" mean services offered by the transmission system operator, in relation to the provision of firm capacity*"

- as well as modify the proposed definition of the term “interruptible services”: [new definition] “*interruptible services” mean services offered by the transmission system operator, ~~based on~~ in relation to the provision of interruptible capacity”*

- **ARTICLE 2 – DEFINITION 14, 15**

Article 2, definition 14 and 15 should moved to the annex.

MOTIVATION: The suitable limit between short and long term could evolve over time or could take into account regional disparities in market organization. The inclusion of such definition in the annex will allow to easier adapt it, knowing that at least one Member State has included already a different definition in its legislation.

- **ARTICLE 2 – DEFINITION 16**

The definition should be modified as follows: “*firm capacity” means gas transmission capacity contractually guaranteed ~~as uninterruptible~~ by the transmission system operator;*

MOTIVATION: For clarity purpose the wording “as uninterruptible” has to be deleted as it expresses a pleonasm and is not in line with the definition of the GGP II.

- **ARTICLE 2 – DEFINITION 23 AND 24**

Definition 23 and 24 should be deleted.

MOTIVATION: To avoid distortions of competition with unclear definition CEER suggests to delete this definition, especially as it is neither used in the GGP II nor in the Regulation itself.

- **ARTICLE 2 – NEW DEFINITION**

A new definition should be added: “*regulatory authorities” means the regulatory authorities referred to in Article 25(1) of Directive 2003/55/EC;*

MOTIVATION: As the regulation is directly applicable, it should be made clear who is meant and to whom it is addressed. Therefore, there is a need for adding a definition of the term ‘regulatory authorities', as it has also been done in the REGULATION (EC) No 1228/2003 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2003 on conditions for access to the network for cross-border exchanges in electricity.

- **ARTICLE 3.1 – TARIFFS**

Article 3.1 should be modified as follows: *"*[…] t*ariffs applied by network operators for access to network shall be transparent, take into account the need for network security and reflect ~~effectively~~ efficiently[(1)] incurred cost including appropriate return on investment to promote adequate and efficient investment in infrastructure. ~~w~~ Where appropriate ~~taking~~ international benchmarking of tariffs may ~~shall~~ be taken into account[(2)] and applied in a non-discriminatory manner*."

MOTIVATION:

(1) The Draft mentions 'effectively incurred costs'; this should of course be 'efficiently incurred costs'. The difference is that the latter implies the possibility for the regulator to reject costs which are not deemed reasonable.

(2) In general it should be emphasized that tariff benchmarking is not the primary way of defining the appropriate tariffs. Primary tool in regulation should be the efficiently incurred costs and the appropriate return on investment.

- **ARTICLE 4.1 – THIRD PARTY ACCESS SERVICES**

To be amended as follows: *"Transmission system operator shall offer third party access service on the same contractual basis to all network users, either using standard contracts and/or a common network code approved by the national regulatory authority or at least subject to regulatory control."*

MOTIVATION: To ensure that either standard contracts or a common network includes all necessary standards an approval by the national regulatory authority or at least regulatory control should be obligatory.

- **ARTICLE 4.2 – THIRD PARTY ACCESS SERVICES**

To be modified as follows*: "~~In the case of contractual congestion~~*(1) *Transmission system operator shall provide for*(2) *both firm and interruptible third party access services."*

MOTIVATION:

(1) In line with GGP II Article 4.2. should straighten out that transmissions system operators shall provide for both firm and interruptible TPA services in any case and not only in case of contractual congestion.

(2) The change suggested to ensure this is consistent with possible reforms in some Member States – e.g. GB – where at exit points (not entry) there will be universal firm service offered

by the TSO. But it will actually be the shipper who offers to become interruptible and will offer a market-based valuation to NGT. Under the NGT system operator price control, NGT will compare the costs of "paying" these interruptible discounts against other system operation options, which ultimately include additional system investment. Hence, these reforms will mean that there will be a mechanism for interruptible capacity at exit but this does not imply this will be taken up where there are more efficient options for the TSO. If the suggested textural change is not possible, perhaps the recitals could confirm such a mechanism would be consistent with the intent of the text.

- **ARTICLE 4.4 – THIRD PARTY ACCESS SERVICES**

To be modified as follows: "*Transportation contracts signed* ***outside of a natural gas year*** *with non-standard start dates or with a shorter duration than a standard* ~~***annual***~~ *transportation contract* ***on an annual basis shall not result in arbitrarily higher tariffs*** (1) *taking into account the principles of Art. 3.1*(2) ~~***not reflecting the market value of the service***~~"

MOTIVATION:

(1) The text set in **bold** was included in the initial proposal of the European Commission (COM (2003) 741 final). This wording is line with the GGP II and should be included again. The requirement that transportation contracts signed outside of a natural gas year with non-standard start dates or with a shorter duration than a standard transportation contract on an annual basis shall not result in arbitrarily higher tariffs is a key requirement of the GGP II and calculation of fair tariffs.

(2) It is understood that the principles of Article 3.1 are also applied on transportation contracts signed outside of a natural gas year with non-standard start dates or with a shorter duration than a standard transportation contract on an annual basis. For clarification purpose it should be amended in Article 4.4.

- **ARTICLE 5.2 – PRINCIPLES OF CAPACITY ALLOCATION MECHANISMS AND CONGESTION MANAGEMENT PROCEDURES**

To be modified as follows: *"When transmission system operators conclude new transportation contracts or re-negotiate existing transportation contracts*(1)*, these contracts shall take into account the following principles,* ~~*which shall apply in cases of contractual congestion:*~~ (2)**"**

MOTIVATION:

(1) There is clear agreement regarding the provision that TSOs should not conclude new agreements that prevent them from complying with the provisions of the Regulation. This should also be obligatory for re-negotiations of existing agreements since otherwise a prolongation of provisions, hampering competition could be evoked in case of re-negotiations of existing agreements.

(2) The current intent of the Article is not clear. It appears that there is some idea that the use-it-or-lose-it measures envisaged refer to the release of firm capacity where it is unused. Article 5.2 should straighten out, that network users can re-sell or sub-let their unused capacity on the secondary market even if there is no contractual congestion. In line with the Guidelines set out in the Annex also TSOs´obligation to offer capacity expected to be unused on the primary market should apply at the very least in cases of contractual congestion. Resulting, for clarification purpose we suggest to delete the text passage *"…which shall apply in case of contractual congestion*".

- **ARTICLE 5.2.a – PRINCIPLES OF CAPACITY ALLOCATION MECHANISMS AND CONGESTION MANAGEMENT PROCEDURES**

We totally agree that there is an urgent need to develop rules defining how to free up unused capacity as already noticed in recital (6) and provided in Article 5 of the Regulation. Anyway, Article 5.3 cannot provide any parameters how to handle the use-it-or-lose-it mechanisms as long as there is no criteria defining capacity as "unused". For that reason there is a clear necessity to include a definition or a calculation methodology of "unused capacity" in the annexed guidelines. CEER will prepare a proposal to be included in the annexed guidelines.

- **ARTICLE 5.2.b – PRINCIPLES OF CAPACITY ALLOCATION MECHANISMS AND CONGESTION MANAGEMENT PROCEDURES**

To be modified as follows: "*network users who wish to re-sell or sublet their unused contracted capacity on the secondary market shall be entitled to do so; the transmission system operator must be informed at least in case of re-sale."*

MOTIVATION: TSOs being responsible for reliable operation of the system must be informed about the capacity status of their systems in order to be able to ensure that the transport of natural gas may take place in a efficient manner. For that reason e.g. Article 8 of Directive 2003/55/EC obliges TSOs to provide other TSOs sufficient information. This should even

apply to network users: the TSO has to be informed at least about any re-sell of capacity on the secondary market.

- **ARTICLE 5.3 – PRINCIPLES OF CAPACITY ALLOCATION MECHANISMS AND CONGESTION MANAGEMENT PROCEDURES**

To be modified as follows : **"***The transmission system operators shall actively endeavour to discourage capacity hoarding. If in spite of the measures provided in Article 5(2)(a) and (b) ~~When~~ capacity contracted under existing transportation contracts remains unused and significant and prolonged contractual congestion occurs, the competent authorities may require the transmission system operator to introduce additional mechanisms to free up this capacity. ~~transmission system operators shall apply Article 5(2)(a) and (b) unless this would infringe the requirements of the existing transportation contracts. Where this would infringe the existing transportation contracts, transmission system operators shall submit a request to the network user for the use on the secondary market of unused capacity, following, in consultation with the competent authorities, endeavour to free up this capacity, in order for the principles laid down in Article 5 in accordance with paragraph (2)(a) and (b) to be applied."~~*

MOTIVATION:

(1) Article 5.2 should refer to the usual market mechanisms (secondary capacity market and "day-ahead" capacity offer) and should always apply: not only in case of contractual congestion. Article 5.3 instead, aims the cancellation of contractual capacity, and is an exceptional measure. The implementation of such a measure needs a case by case analysis by the competent authorities. As long as capacity is offered on the secondary market at a price which is not higher than the regulated price such measure should not apply.

(2) The Third Party Access imposed by the Directive 2003/55/EC implies a reduction of the rights of the owners of transmission infrastructure. The owners are no more absolutely free to do what they want with their network: they have to grant access to third parties on a regulated basis. The counterpart is that these third parties, the shippers, must also accept limitations in their rights. The network user who objectively does not use the capacity he has booked, should not be allowed to hoard it and to speculate.

Without the proposed provision 5.3, there would be an imbalance between the rights of the shipper and the owner of the infrastructure. Even worse, the whole principle of TPA laid down in the Directive could be by-passed. An owner could sell all his capacity to one shipper, on the primary market against regulated tariffs, and this shipper could resell the capacity against abusive prices on the non-regulated secondary market.

(3) The proposed provision imposes an active involvement of the transmission system operator. A first consequence of this is to make sure that future transportation contracts explicitly refer to the anti-hoarding measures, and to the powers of the competent authority in this respect. For the existing transportation contracts the transmission system operator should negotiate the amendments, necessary to be in line with new contracts. If the anti-hoarding measures are stipulated in national law of public order, they will be automatically applicable to all contracts.

(4) The interpretation of "prolonged and significant non use of contracted capacity" is an important question, for which the intervention of the competent authority is required. Possibly the Annex of this Regulation could give some guiding principles in the future. This anti-hoarding measure is not applicable to short term contracts.

- **ARTICLE 5.4 – PRINCIPLES OF CAPACITY ALLOCATION MECHANISMS AND CONGESTION MANAGEMENT PROCEDURES**

To be amended as follows: **"**[...] *The regulatory treatment of revenues arising from congestion should not provide a disincentive for TSOs to address that congestion. Such mechanisms should aim to provide appropriate signals concerning congestion and incentives for efficient investment together with alternative efficient mechanisms to address congestion and meet network users' needs".*

MOTIVATION: This should aim to reflect the need for providing appropriate signals concerning congestion and incentives for efficient investment.

- **ARTICLE 6.3 – TRANSPARENCY REQUIREMENTS**

To be amended as follows*:* "[...] *They shall include all entry points and at least the most important exit points of a given transmission system…"*

MOTIVATION: It is important to include all entry points but to limit the number of exit points by criteria which have to be defined in the annexed guidelines.

- **ARTICLE 6.4 – TRANSPARENCY REQUIREMENTS**

To be amended as follows: *"Where a transmission system operator considers that it is not entitled for confidentiality reasons to publish all the data required, ~~he shall seek the agreement of the national regulatory authority.~~ exemptions to limit publication for the point or*

points in question can only be applied subject to a case by case approval by the national regulatory authority."

MOTIVATION: It is understood that while obligating TSOs to publish data and provide informations due regard has to be taken to confidentiality limits. It is clear that informations could only be provided as far as permissible within (national) legal duties to observe confidentiality. Even Directive 2003/55/EC refers to necessary confidentiality and legal duties to disclose information. However a high standard of transparency is a key requirement. For this reason the Regulation should set an obligatory publication of all data required and define limited publications as exemption to be approved by the national regulatory authority subject to a case by case decision and (national) legal duties to observe confidentiality.

- **ARTICLE 7.2 – BALANCING RULES AND IMBALANCING CHARGES**

To be amended as follows: "[…] *Tolerance levels shall reflect genuine system need taking into account the resources available to the transmission system operator and the detailed rules applied for capacity and imbalance tolerance level described in the annexed guidelines."*

MOTIVATION: It is necessary to clarify the difference between capacity and imbalance tolerance level. This has to be clarified in the annexed guidelines.

- **ARTICLE 7.5 – BALANCING RULES AND IMBALANCING CHARGES**

To be amended as follows: "*Penalties which exceed the ~~effectively~~ efficiently incurred balancing costs shall be re-distributed to the network users on a non-discriminatory basis…."*

MOTIVATION: The Regulation mentions 'effectively incurred costs'; this should of course be 'efficiently incurred costs'. The difference is that the latter implies the possibility for the regulator to reject costs which are not deemed reasonable.

- **ARTICLE 7.6 – BALANCING RULES AND IMBALANCING CHARGES**

To be amended as follows: *"*[...] *If any, charges for the provision of such information shall be approved by the national regulatory authority…".*

MOTIVATION: A high standard of transparency is a key requirement to enable network users to gain efficient and non-discriminatory TPA. Only in case of extraordinary expenses for requests or information not linked to general TSO roles a charge for the information provided

could be justified. This charge has to be approved by the national regulatory authority and shall be published (s. as well GGP II, chapter 5.1).

- **ARTICLE 7.6 – NEW PARAGRAPH**

Add new paragraph: "*While taking appropriate account of the operational capabilities of the system to retain sufficiently secure balance over the relevant timeframe, balancing periods should not be excessively short, which should be judged in terms of the ability for network users within such a period technically and/or economically to manage their imbalances. Balancing periods shall reflect the detailed rules provided in the annexed guidelines.*"

MOTIVATION: There is a need to take into account the work made by the CEER on balancing, and in particular with regard to the fact that balancing rules can be used to close the market to new entrants. Actually, balancing rules are necessary for the well functioning of the transmission grid. However, balancing rules can also be used to close the market by imposing to new shippers very drastic rules such as hourly balancing and/or heavy penalties and/or costly measures to keep their position into balance. Those systems should be prohibited and it should be said that shippers should be allowed to balance their position on the largest possible time period, preferably daily balancing, as long as this does not threaten the well functioning of the grid. In any case, information procedures and balancing means should be designed to allow shippers and in particular small shipper to deal in the best possible conditions and at the lowest possible cost with the balancing rules.

- **ARTICLE 8 – SECONDARY MARKET**

Add following sentence: *"... They shall publish in a user-friendly manner the offer of capacity on the secondary market whenever requested by the holder of capacity."*

MOTIVATION: An important condition to make the secondary market more effective is to help the network users to compare the offer on the primary and the secondary market

- **ARTICLE 9.1 – GUIDELINES**

- To be amended as follows: " … *shall specify at least principles of":*
- (a) – (f): cancel term *"details of"*

MOTIVATION: The new guidelines and rules should be limited to those strictly necessary in terms of harmonisation or minimum requirements in terms of access to networks to achieve

single gas market objectives and not harmonisation and additional rules simply for its own sake (where appropriate the principle of subsidiarity should apply).

- **ARTICLE 10 – REGULATORY AUTHORITIES**

To be amended as follows: *"When carrying out their responsibilities under this Regulation, the regulatory authorities* established under Article 25 of Directive 2003/55/EC *of the Member States shall ensure compliance with this Regulation and the Guidelines adopted pursuant to Article 9. The European Regulators Group for Electricity and Gas (ERGEG), established by the Commission decision 2003/769/EC of 11.11.2003, shall define harmonized criteria for the implementation of such responsibilities. Where appropriate they shall cooperate with each other and with the Commission."*

MOTIVATION: This more binding formulation of harmonised regulatory behaviour is necessary to prevent national interpretations that may hamper market opening under pressure from national interests, notably after new regulatory authorities enter CEER and ERGEG later this year.

- **ARTICLE 14 – COMMITTE**

Add new paragraph*: "Prior to submitting draft guidelines or amendments to the Committee, the Commission shall consult the European Regulators Group for Electricity and Gas set up pursuant to Commission Decision 2003/796/EC and will forward to the Committee the opinion received".*

MOTIVATION: An involvement of the national regulatory authorities should even be realized since these authorities are obliged to ensure compliance with the Regulation.