

**Comments of Gaz de France – Direction des Grandes Infrastructures
to the ERGEG's initial report dated 7 September 2005**

**"ERGEG Report on Monitoring the implementation of the Guidelines for Good
TPA Practice for Storage System Operators (GGPSSO)"**

1. CHAPTER 4: ROLES AND RESPONSIBILITY OF STORAGE SYSTEM OPERATORS

1.1 Assessment against Paragraph (1.3), p.11

Paragraph 1.3 requires the SSO to "... draw up a document setting out all terms and conditions...to be made available to the relevant national authority upon request...".

Gaz de France – Direction des Grandes Infrastructures (Gaz de France – DGI) was quoted in the category of SSOs who "claim to have implemented this requirement". It does not appear in the category of SSOs "where the relevant national regulatory authority receives a copy of all storage contracts".

Gaz de France - DGI stresses that the French regulation authorities receive a copy of all the storage contracts. In particular, the contracts relating to the Supply branch of Gaz de France and to Gaz de France Réseau Transport are sent to the Minister responsible for gas and to CRE, at its request and in accordance with French law. Gaz de France - DGI should thus be included in the list of SSOs where the relevant national regulatory authorities receive a copy of all storage contracts.

2. CHAPTER 6: NECESSARY TPA SERVICES

2.1 Assessment of compliance against 3.1, p.18, 19

Paragraph 3.1 requires that "storage capacity not excluded from TPA pursuant to the Gas Directive, when technically and economically necessary for efficient access to the network, shall be offered to storage users on a non-discriminatory basis..." and that "exclusion of storage capacity from TPA shall be approved or monitored by the relevant national regulatory authority".

In addition to the reply provided to the question 3.1 of the questionnaire (storage capacity not available to TPA), Gaz de France - DGI stipulates that it does not have capacities excluded from TPA other than those which are so excluded under article 2(9) of the Directive and which exclusively concern the capacities reserved for Gaz de France Réseau Transport. The reserved capacities in this framework and the main corresponding provisions ("TSOs pre-emptive rights") are, in addition, published on the Internet site of Gaz de France - DGI, in accordance with the demands 6.5.a and 6.6.b of GGPSSO (as confirmed by the ERGEG report, notably on page 29).

It does not therefore appear to be desirable to imply that, in the case of Gaz de France - DGI, "the exclusion of capacity from TPA has not been approved or monitored by the relevant NRA" (p.18) or that "this means that it is essentially up to the SSO to determine how much capacity is being offered to third parties" (p.19). Moreover, as the activity of Gaz de France Réseau Transport is regulated, the provisions of the contract (in particular the corresponding reserved capacities) between Gaz de France Réseau Transport and Gaz de France - DGI have been discussed with CRE and the corresponding amount approved by CRE.

2.2 Assessment of compliance against 3.7, p.21

Paragraph 3.1 requires that *"injection and withdrawal of gas should, in principle, be possible at any time"*.

The report indicates that "Gaz de France makes a separate and additional charge for this service".

In this regard, Gaz de France - DGI indicated in its reply to question 3.7 of the questionnaire that its reversal of flow direction service was free of charge within the framework of an annual credit of changes. As this number is eighteen or twenty four, according to the group considered, it does not seem correct to consider as a basis that it "makes a separate and additional charge for this service".

3. CHAPTER 7: STORAGE CAPACITY ALLOCATION AND CONGESTION MANAGEMENT

3.1 Assessment of compliance against 4.1, p. 23

Paragraph 4.1 requires that storage capacity allocation and congestion management shall... *"[...] facilitate the development of competition, [...] being flexible and capable of adapting to evolving market circumstances and discourage hoarding"*; These procedures shall also *"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"*.

The wording on p. 23 "In 6 countries – Austria, France, Germany, the Netherlands, Poland and Slovakia capacity allocation is negotiated" does not reflect the French situation. Indeed, the allocating principles in France are described in the law of 9 August 2004 and will be clarified by a decree which is expected to be published by the end of 2005. In the meantime, Gaz de France - DGI has published on its web site "temporary allocation principles" which apply in identical fashion to all customers, through transparent and non-discriminatory procedures.

3.2 Assessment of compliance against 4.4, p. 25

Paragraph 4.4 requires that *"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 an interruptible basis of all unused capacity"*.

The report places Gaz de France - DGI in the category of SSOs which "not comply with such a requirement" and not in the category of SSOs which "use some other means to discourage hoarding and facilitate re-utilisation and trade of storage capacity", which is not in conformity with its replies to questions 4.7 (day-ahead release) and 4.8 (other means). Moreover, Gaz de France - DGI

stipulates that it should be placed at the latest by 1st April 2006 in the category of SSOs which fully comply with paragraph 4.4 and in particular as regards the supply "on an interruptible basis of all unused capacity".

4. CHAPTER 8: TRANSPARENCY REQUIREMENTS

4.1 Assessment of compliance against 6.5.b, p. 30

Paragraph 6.5.b requires the publication of "*aggregated inflows and outflows and historical utilization rates...*"

The report indicates: "it is unclear why storage users would need this information and it does not comply with the GGPSSO".

Gaz de France - DGI stresses that independently of the interest or otherwise that this information may have for users, it publishes on its web site the data corresponding to the drafting of §6.5.b, as approved by the various parties on completion of the negotiations on the drawing up of the GGPSSOs. Moreover, Gaz de France - DGI will take into account, in its subsequent developments, any exchanges that may take place with customers as regards this question (notably through the workshop organized by GSE) on the understanding that this will call for its information system to be adapted and human resources to be mobilized.

4.2 Assessment of compliance against 6.3, p. 32

Paragraph 6.3. requires the necessity of "*notifying the relevant NRA when information is not published...*"

Gaz de France - DGI duly notes the above request. In particular, it will inform in writing both the Minister responsible for gas, and CRE, as soon as the aggregated data for groups of less than three customers, have not been published. CRE has already been informed.