

European Regulators' Group for Electricity and Gas
28 Rue le Titien
1000 Bruxelles

Assen, 19 January 2007

Subject: ERGEG Consultation on Draft Guidelines of Good Practice on Open Season Procedures

Dear Sir, Madam,

With this letter Nederlandse Aardolie Maatschappij B.V. (NAM) responds to the Draft Guidelines for Good Practice on Open Season Procedures (GGPOS) issued for consultation by ERGEG on December 6, 2006. A fundamental issue for NAM concerns the scope of the proposed Guidelines. Below we elaborate.

The Madrid Forum in May 2006 noted as an issue that further clarity was needed "concerning the role of an open season and an open subscription period in the context of the application of the Regulation". In the context of Regulation 1775, applying to transmission, open seasons are specifically appropriate to address long-term congestion, for, in accordance with Art 2.4 of Directive 2003/55/EC, it is the responsibility of the Transmission System Operator to "... ensure the long-term ability of the system to meet reasonable demands for the transportation of gas". Open seasons can help provide the TSO with a view regarding the long-term expected demand for transmission capacity and help underpin investment decisions.

There is no equivalent obligation in Articles 2.10 and 2.12 of Directive 2003/55/EC that would require Storage or LNG System Operators to "... ensure the long-term ability of the system to meet reasonable demands ...". We note that an attempt is made in the paper (page 6, footnote 4) to extend the definition of a 'system operator', including such obligation also for the functions of storage and LNG. In our view this is however not consistent with the aforementioned articles in Directive 2003/55/EC.

Open season procedures for transmission therefore have a different basis, and different objectives, than for storage and LNG. Although we do not exclude that open season procedures could not also be formulated for storage and LNG, such different basis and objectives should be appropriately reflected and relevant aspects taken into account. There are also practical reasons why such procedures should be different, e.g. resulting from the very different nature of (dimensioning) transmission and (pore) storage capacity.

In light of the above, NAM therefore recommends to limit the presently proposed GGPOS to the scope of Regulation 1775.

Yours sincerely,
Nederlandse Aardolie Maatschappij B.V.



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