



San Donato Milanese, 13 December 2010

**“Existing transparency requirements in natural gas”
ERGEG Consultation Paper**

By means of this non confidential document Eni Spa Gas & Power division (eni) replies to the ERGEG public consultation on existing transparency requirements in natural gas.

We welcome ERGEG initiative to gather stakeholders' views on the adequacy of existing transparency requirements on natural gas, since an adequate and homogeneous level of transparency, particularly in access conditions, has to be considered an important step also towards the development of a single competitive European gas market.

Eni's response:

*1. **Question 1:** Do the existing legally binding and soon-to-be legally binding transparency requirements for transmission, LNG and storage satisfy your needs as a market participant? In case your answer is no, please specify what is missing in your view and why.*

In our opinion, the existing and soon-to -be legally binding transparency requirements could be further improved in order to reach an effective transparent system. We indicate hereinafter the crucial aspects that should be addressed to each infrastructure system and eventually become binding.



Concerning transmission systems, existing and soon-to-be legally binding transparency requirements are more detailed than for the LNG and storage systems. Nevertheless, we deem necessary to stress particularly the following elements since they are rarely timely available.

- TSOs should publish monthly updated data, specifically for each relevant point, and timely updated when any change occurs, concerning:
 - total technical capacity of the infrastructure;
 - available capacity on short and long term basis, both firm and interruptible.

- In order to allow shippers to manage efficiently their portfolio, information concerning physical flows of each relevant point should be published with the maximum available granularity (e.g. available at D-3 data of the day D, consistently with the balancing system). These characteristics should be adopted in the publication of aggregated data, open to all shippers, and particularly in the confidential communication (in this case the granularity of the provided data should be strictly consistent with the relevant balancing system) to each shipper of its own status.

- In order to allow shippers to organize their capacity needs, TSOs should communicate to them the network maintenance activity planned for the following year, at the beginning of it. If any change occurs, included not planned interruptions, the updated plan should be promptly notified to shippers with a specific alert; nonetheless, even if no unexpected change comes, it would be useful to receive, almost quarterly, a notification that confirms the maintenance intervention as it was previously planned.
The essential information needed concerns:
 - the relevant point affected by maintenance activity;
 - the type of the maintenance activity;
 - the percentage of capacity that will remain available or the percentage of the reduction of capacity;
 - the expected duration of the intervention.

Concerning the LNG, in order to allow shippers to timely plan their activity, we deem necessary that LSOs are legally bound to provide the following information.



- A promptly updated program of maintenance activity.
- A timely communication of any change in the gas delivery program (due to delays of ships, Force Majeure, unavailability...).
- Every month LSOs should provide exclusively to the terminal users active that month, the following information:
 - the total daily regasification production of the terminal and the part of natural gas delivered to the user concerned.
 - all slots booked (in an anonymous form) and available during the month concerned, in terms of quantity and duration.
 - quantity of LNG in the tank of the terminal at the beginning and at the end of the month concerned.
 - Standard calorific power of the gas injected at the entry point in the transmission network.

These communications should be provided at the beginning of the month with the best estimate available and every time there is a deviation of the unloading program.

In relation to storage, it would be useful for shippers to receive a communication of the allocated quantities (injected/withdrawal quantities and gas in storage) as soon as possible, at least three days after the day-D. This would have beneficial effects also on the general functioning of the market, since an appropriate evaluation on their allocated capacity can be an incentive for shippers to offer their unused capacity in the secondary market.

Question 2: *Are you satisfied with the current level of transparency provided for by system operators? In case your answer is no, please specify whether this is the case due to the lack of transparency requirements or the quality of publication.*



In our opinion, many informative barriers can be considerably removed, improving the quality of publication through a widely implementation of the following requirements/provisions:

- an english version of system operators' website;
- the availability of any data or information in both national and English language at the same time;
- the use of english also in bilateral communications;
- an accurate publication of data in consistent units
- besides a download format, the envisagement of a "download area" where the main commercial conditions of services offered and services available;
- a notification procedure in order to grant a prompt communication to system users of any updating or change of any conditions;
- A list of companies which are shippers in the relevant system.

Question 3: *Do the existing voluntary GGP for LNG System Operators¹ and GGP for Third Party Access for Storage System Operators² satisfy your needs as a market participant?*

We believe that data concerning exempted facilities should be made available (e.g. quarterly) in order to allow an adequate evaluation on the general functioning and status of the market.

Question 4: *Do you think that those transparency requirements in the GGP LNG and GGP SSO which are not covered by the 3rd Package should become legally binding?*

See answer to question 1.

Question 5: *Do you think that the voluntary GGP for LNG System Operators and GGP for Third Party Access for Storage System Operators shall include further transparency requirements? In case your answer is yes, please specify what is missing in your view.*



At present we believe that priority should be given to the implementation of transparency requirements expressed in the answer to the question 1 and question 2.

Question 6: *Is there an area along the gas value chain (production, transmission, LNG, storage, distribution, wholesale market) where in your view additional transparency requirements are needed? Please specify what you miss in your answer.*

Given the difficulties related to the metering activity, in our opinion, an area of improvement of transparency requirements can be the distribution system.

Question 7: *Do you think that further transparency is required for the production (upstream) sector if your answer is yes, please specify what is missing in your view, and what specific additional transparency requirements you would want to see? If your answer is no, please explain why.*