

ERGEG Gas Focus Group/Storage TF
Guidelines for Good Practice for Gas Storage System Operators
(GGPSSO)

Questionnaire for SSOs

8 February 2006

Introduction

On 15 September 2005, during the 10th Madrid Forum, ERGEG presented the preliminary results of its first monitoring exercise on the implementation of the GGPSSO. The Forum asked ERGEG to produce a follow-up report for the 11th Madrid Forum, to be held in May 2006. On 7 December 2005, ERGEG published the final results of its report on "Monitoring the implementation of the GGPSSO". In parallel, ERGEG proposed to undertake a second monitoring exercise assessing the effectiveness of the GGPSSO, and the functioning of the market for storage services.

The objective of this questionnaire is to collect information from SSOs to assist in monitoring the implementation of the GGPSSO as requested by the European Commission.

The deadline for the completion of the questionnaire is **8 March 2006**.

In order to ensure that all interested parties are consulted, ERGEG members will be required to prepare a contribution to be included in the report. Storage users will be consulted from May 2006, to gather their feedback on the implementation of the GGPSSO requirements after 1 April 2006. Their views will be particularly important in assessing implementation of the GGPSSO.

ERGEG intends to publish an initial report on the implementation of the GGPSSO in May 2006 and it expects to present its findings at the next Madrid Forum. ERGEG will issue a final report on implementation after it has an opportunity to consider responses to its initial report.

To help ensure transparency, responses to the questionnaire and other documents associated with the GGPSSO will be published on the ERGEG website. Any requests to keep information confidential will be considered in accordance with the relevant section of the GGPSSO that deals with the publication of the information. If you want any information to be treated as confidential this should be objectively justified and outlined clearly – taking into account the requirements of the GGPSSO. Any information that is to be treated as confidential should be placed in a separate appendix.

Please note that in order to allow for maximum common understanding of data, the answers provided by SSOs will be reviewed by the national regulatory authority.

Given that ERGEG's initial report will be published in May, SSOs may provide an addendum to their original submission if there are any significant changes to the information that they provide, between 8 March and 5 April. This will ensure that the report is as up to date as possible and avoid misrepresenting the position of the SSOs, taking into account that the deadline for implementing some of the GGPSSO requirements is 1 April 2006.

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Questionnaire

1 General

- 1.1 Business name of respondent: EEG –Erdgas Erdöl GmbH
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D-10117 Berlin
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2 Roles and responsibilities of Storage System Operators

- 2.1 Has the standard storage contract/storage code been developed in proper consultation with users (e.g. bilateral contacts, open consultation process, with some sort of public announcement, consultation process supervised by relevant national regulatory authority or other)? Please specify when users were last consulted (relating to GGPSSO 1.2.b):

24.02.2006

3 Necessary TPA services

- 3.1 If the figure for “available capacity” for your storage facility¹ is “0”, please specify until when (relating to GGPSSO 3.1):

2009

- 3.2 There may be some available capacity now (date of reference 8 March 2006). However, all the capacity may have been booked in advance, which means that sometimes in the future, there will be no capacity available. If this is the case, please specify when and for how long (relating to GGPSSO 3.1):

No capacity available until 2009

- 3.3 Please provide the link to your web pages presenting the commercial terms that you apply and in particular services offered (both the Directive² and the GGPSSO 6.4.a&b provide that this information is to be published). If you wish to be more specific, please use the space below (relating to GGPSSO 3.3):

www.eegmbh.de

¹ Storage facility means a facility used for the stocking of natural gas and owned and/or operated by a natural gas undertaking, including the part of LNG facilities used for storage but excluding the portion used for production operations, and excluding facilities reserved exclusively for transmission system operators in carrying out their functions (Article 2.9 of Directive 2003/55/EC).

² Article 19.3 of Directive 2003/55/EC of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC

3.4 Do you offer the following services on the primary market (GGPSSO 3.3, 3.5, 3.7):

	yes	no
(a) bundled services (SBU) of space and injectability/deliverability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(b) unbundled services supplementing SBUs at least for available storage capacity at the beginning of the storage year ³	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(c) long-term (>1 year) services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(d) short-term (<1 year) services ⁴	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(e) interruptible services ⁵	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(f) a service which includes an obligation for the SSO to allocate the gas which has been nominated	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(g) injection and withdrawal are possible at any time	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.5 If any of these services (please specify) has not been introduced, please explain why:

3.6 Please specify if services offered have been developed with consultation of storage users to take into account market demand. When were users last consulted (relating to GGPSSO 3.4.a):

4 Storage capacity allocation and congestion management

4.1 Please provide a description of the capacity allocation mechanism that you apply. Please specify if there is an order of priority and for which customers (relating to GGPSSO 4.1):

4.2 In case of contractual congestion, what kind of solution do you apply or plan to apply (GGPSSO 4.2)?

4.3 In case of physical congestion, what kind of solution do you apply or plan to apply (GGPSSO 4.2)?

4.4 In case of congestion, is there a system to balance the portion of storage capacity contracted under long-term contracts and short term contracts? Please specify the nature of these arrangements (GGPSSO 4.2.c):

³ You may provide an addendum before 5 April 2006.

⁴ You may provide an addendum before 5 April 2006.

⁵ You may provide an addendum before 5 April 2006.

5 Confidentiality requirements

5.1 Are the following items explicitly mentioned in the code of conduct/compliance programme (relating to GGPSSO 5.1.b):

	yes	no
(a) prohibition on SSO staff passing commercially sensitive information to other parts of any affiliate of the company in advance of being provided to all market participants	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(b) databases related to storage operations kept separate	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(c) new IT systems for the storage business developed separately	<input checked="" type="checkbox"/>	<input type="checkbox"/>

5.2 Please specify if there are other important items in the code of conduct/compliance programme:

5.3 Is the code of conduct/compliance programme published? If yes, provide a copy / internet link:

	yes	no
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Internet link:		

5.4 Is there a compliance officer supervising that the compliance programme is effectively implemented (GGPSSO 5.1.b)?

	yes	no
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

5.5 If other arrangements are in place to protect the confidentiality of information, please provide details below (relating to GGPSSO 5.1):

6 Transparency requirements

6.1 Please provide the link to the webpages presenting the information required by the GGPSSO in the transparency requirements (relating to GGPSSO 6.1):

6.2 Please specify how the historical utilization rate is calculated (relating to GGPSSO 6.5.b):

6.3 If you have not published information as required by the GGPSSO about the aggregate use of storage, did you notify the relevant national regulatory authority (GGPSSO 6.3)?

	yes	No
Relevant national regulatory authority was notified on 20 June 2005 with the answer to ERGEG's questionnaire for SSOs.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

6.4 Please specify how many users – if any – requested, via a correspondence, that you do not publish information about the aggregate use of storage (period of reference: 15 March 2006 – 15 March 2007) (relating to GGPSSO 6.2)?

7 Secondary markets

7.1 How many system users trade capacity rights on the secondary market (period of reference: 15 March 2005 – 8 March 2006⁶)?

None

7.2 Please indicate if you:

	yes	no
(a) allow for title transfer for both bundled and unbundled capacities (GGPSSO 9.1)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(b) allow the new owner to aggregate such storage capacity operationally (GGPSSO 9.1)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

7.3 Are registered users allowed to trade gas-in-store?

	yes	no
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

7.4 Please provide a description of rules applicable for storage capacity trade on the secondary market vis-à-vis the SSO (GGPSSO 9.1):

Rules regarding storage capacity trade on the secondary market were incorporated in new storage contracts and were developed in consultation with storage users (current and future ones). As both EEG and the storage users are short on experience regarding such storage capacity trade, these rules may be amended if the praxis shows that they are not adapted to the market demand.

Storage clients are entitled to sublet storage capacity rights (working gas volume or/and injection capacity or/and withdrawal capacity) to third parties with prior notice to EEG. The current prior notice time amounts to one month.

EEG endeavours to facilitate contacts between potential and current storage users.

During the time period concerned by such a subletting, EEG takes delivery of working gas from and delivers working gas to the third party notified by the primary client. Within the scope of the sublet storage capacity the secondary user has the same rights as the primary one. A contractual relation between EEG and the secondary user is excluded.

⁶ You may provide an addendum before 5 April 2006.

7.5 Please provide a copy of the clauses in the storage code/contract referring to or addressing secondary storage capacity trading explicitly (relating to GGPSSO 9.1):

- (1) Notwithstanding [rules related to assignment of rights and obligations], [the storage client] shall be entitled to sublet its storage capacity rights to third parties. Such subletting shall be valid only if it is notified by [the storage client] to EEG with a one (1) month written prior notice.
- (2) A notice of subletting of storage capacity rights shall include the contact data of the third party to whom the storage capacity rights are transferred, the time period concerned and the sublet storage capacity (working gas volume, maximal injection rate and maximal withdrawal rate). If one of this data is missing, EEG shall be entitled to refuse the subletting of storage capacity rights. EEG shall also be entitled to refuse the subletting of storage capacity rights if the third party is not able to fulfil the conditions for such a subletting, provided that EEG's refusal shall not be unreasonable. EEG's refusal shall be notified to [the storage client] in written form at the latest ten (10) days after receipt of [the storage client]'s notice.
- (3) During the time period concerned by such a subletting, the storage capacity [the storage client] is entitled to use amounts to the capacity agreed [...] less the sublet storage capacity (respectively for the working gas volume, the maximal injection rate and the maximal withdrawal rate). The other rights and obligations of [the storage client] under [the storage agreement] (in particular payment obligation and liability) shall remain unaffected by such a subletting.
- (4) During the time period concerned by such a subletting, EEG shall take delivery of working gas from and deliver working gas to the third party notified by [the storage client] under the provisions of [the storage agreement] excluding [rules regarding working gas volume, maximal injection rate and maximal withdrawal rate] as long as these quantities are within the scope of the sublet storage capacity. For the sake of clarity, there shall be no contractual relation between EEG and the third party.
- (5) The other rights and obligations of EEG under [the storage agreement] shall remain unaffected by such a subletting.

In the storage contracts terms in brackets are replaced through the name of the storage user or the article or agreement references.

Appendix

Definitions

Available storage capacity means the part of the technical storage capacity that is not contracted or held by storage users at that moment and still available to the storage users for firm and interruptible services, and is not excluded from TPA under Article 2(9) of the Gas Directive (Definition 1 of the GGPSSO)

Storage capacity is space (expressed in normal cubic meters or energy), injectability and deliverability (expressed in normal cubic meters or energy per time unit). All of them can be firm or interruptible (Definition 17 of the GGPSSO)

Storage facility means a facility used for the stocking of natural gas and owned and/or operated by a natural gas undertaking, including the part of LNG facilities used for storage but excluding the portion used for production operations, and excluding facilities reserved exclusively for transmission system operators in carrying out their functions (Definition 18 of the GGPSSO)

Technical storage capacity is the maximum storage capacity (injectability, deliverability and space) that the SSO can offer to storage users, excluding storage capacity for SSOs operational needs