GSE Views on the implementation of GGPSSO
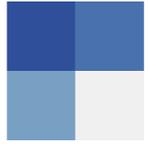
Madrid Forum XI

19 May 2006

Klaus-Dieter Barbknecht, GSE President

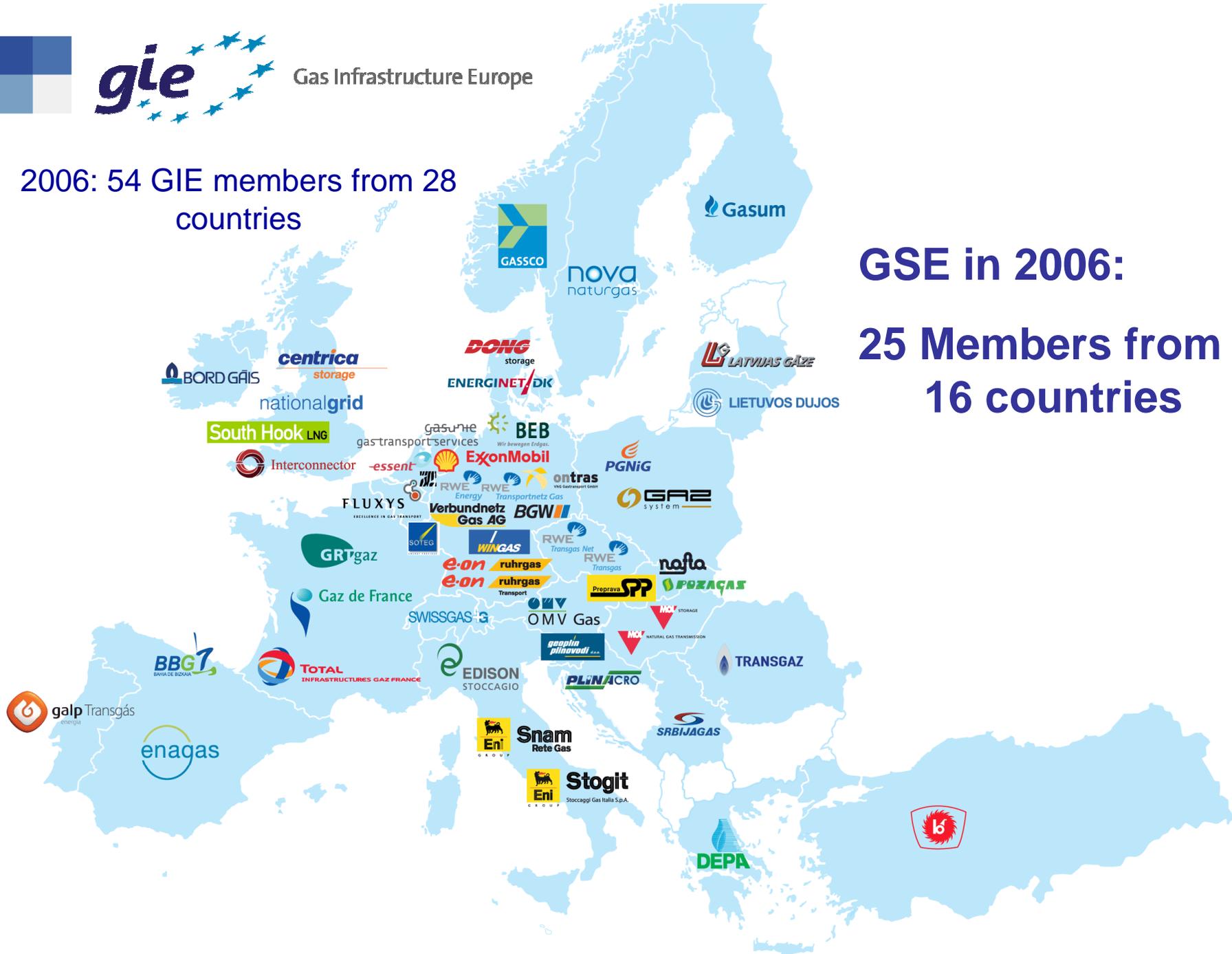# Agenda

1. Review of answers provided by GSE members on the ERGEG Questionnaire: main progress achieved
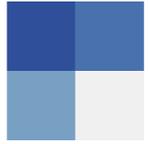
2. How to move on from here? What do we want to achieve?

2006: 54 GIE members from 28 countries

GSE in 2006:

25 Members from 16 countries

![gse Gas Storage Europe]

Review of answers provided by GSE members* on the 2006 ERGEG Questionnaire

Progress of implementation in all areas :

- – Necessary TPA Services
- – Storage capacity allocation and congestion management
- – Confidentiality requirements
- – Transparency requirements
- – Secondary markets

*Only those members that have sent their reply to GSE (21 questionnaires received)

Review of answers provided by GSE members: Necessary TPA Services

- SBU and long term services are offered where possible (e.g. Italian members hampered by Italian Regulatory framework)

- Injection/withdrawal at any time now offered by nearly all

- Nearly all the members are fully compliant with regard to the requirements to be implemented by 1st April 2006
  - Unbundled, short term services and interruptible services now offered by nearly all GSE members
  - IT developments in place

Review of answers provided by GSE members: Capacity allocation and congestion management

- The majority of the members have implemented transparent and non-discriminatory procedures for allocating capacity, either:
  - market-based system (either through auctions or first committed first served), or
  - mechanisms reflecting existing PSOs of suppliers

- Congestion management procedures are also implemented: provision of interruptible services, day-ahead release on non nominated capacity, etc., and will be further matured as the market develops

Review of answers provided by GSE members: Confidentiality requirements

- GSE has issued a framework / example of good practice for codes of conduct

- All the vertically integrated members have nominated a compliance officer and implemented a code of conduct providing:

  – Effective protection of commercially sensitive information

  – Separate development of new IT Systems with separation of storage related database

- Several GSE SSOs publish their Code of Conduct (although not required by GGPSSO)

Review of answers provided by GSE members: Transparency requirements

- Significant clarification of the transparency requirements during the November 2005 GSE Storage workshop

- GSE members have taken significant steps to deliver both operational and available storage capacity details
  - Commercial terms are published by all GSE Members
  - Improvements to GSE members websites

- Few GSE members are not allowed to publish some information following request from their customers (less than 3 storage users)

Review of answers provided by GSE members: Secondary trading

- Development of secondary markets promoted during the November 2005 Storage workshop

- Majority of GSE members have now implemented a bulletin board on their website

- Initiatives such as European IT platform to centralize available secondary storage capacities: "STORE-X" founded in February 2006

- Title transfer possibility for both bundled and unbundled capacities in place for most of GSE Members

How to move on from here?

- Progress of implementation by GSE members in all areas

- Implementation will further improve as the market matures

- GSE committed to increase common understanding of GGPSSO amongst its members

- Working Groups and workshops on further development of GGPSSO implementation

- GSE focussed on the implementation of the GGPSSO by its members; in the next months we will increase our efforts in informing and supporting non-members with the implementation

- Shared objective is to achieve a well functioning market

Madrid Forum

19 May 2006