



***Eleventh Meeting of the European Regulatory
Forum
18th-19th May 2006***

***Regulation 1775/2005: Draft Explanatory Notes on
Congestion Management***



Eurogas emphasizes the importance of full, timely and correct implementation of the Regulation 1775/2005.

Eurogas welcomes the establishment of Explanatory Notes on the Regulation 1775/2005, in so far as they lead to a common understanding of the Directive's requirements.

Eurogas, however, would be concerned if they introduced elements which go beyond the Regulation.



Eurogas is not persuaded that Capacity Allocation Mechanisms and Congestion Management should be treated in two different papers.

Amalgamation of the two papers would give a clearer recognition of the interaction between these two important elements of the same activity, namely capacity usage.



Eurogas prepared papers in April 2003 and June 2004 on Capacity Allocation and Congestion Management.

Eurogas accepts that there can be variation in detailed rules among member states, but it is important for the confidence of network users in the system, and their ability to access and utilise capacity for their commercial needs, that common practice is based on more detailed principles.

The system should

- promote and support gas supply competition
- maximise the use of capacity
- provide clear rules for accessing capacity in the long and short-term
- address any short-term shortages in capacity availability



Main Comments : Congestion Management

Eurogas welcomes the recognition that investment should be the resolution to physical congestion.

Eurogas welcomes the inclusion of TSO buy-back as a legitimate and appropriate mechanism that TSOs should use. However, there needs to be clarity on apportionment of costs and revenues.

Eurogas welcomes the changes to the text in the revised version but still considers that the “rucksack” principle needs to be further clarified.

Eurogas notes changes to the text but still requires more clarity on how and when firm UIOLI, “temporary firm” UIOLI and basic UIOLI should apply and operate.

