

ESTABLISHMENT OF THE PRIORITY LIST FOR THE DEVELOPMENT OF NETWORK CODES FOR 2012 AND BEYOND: EUROGAS RESPONSE TO CONSULTATION DOCUMENT**Introduction**

Eurogas supports the process to establish Network Codes and is an active participant in the ongoing consultations on Framework Guidelines and the consequent Codes. The Codes should offer pragmatic bases for making further progress in the internal gas market, and therefore

- should seek to build on market dynamics
- should reflect in their provisions the advice of the stakeholders who are engaged in meeting the needs of the market, short-term as well as long-term, improved liquidity as well as long-term security.

From this perspective, Eurogas addresses the questions set in the Consultation.

1. Are the priorities proposed for 2012 the correct ones?

As the consultation points out, work starting in 2011 will spill over into 2012. This must be completed efficiently, and work on the new FGs and Codes developed in a timely manner, complementary to the preceding tasks. We note that the work on interoperability has not started yet and this will presumably go on well into 2012.

The Commission is proposing as priority areas for 2012, operational procedures in an emergency, security and reliability rules, data exchange and settlement rules and rules for trading. Eurogas agrees that these are important follow-up areas. In particular, once the balancing rules are agreed, it would make sense to tidy up related rules for trading.

The list, however, begs some important questions. Regulation N°715/2009 Article 6 mentions that there should be network Codes on

- capacity allocation and congestion management rules
- transparency rules
- rules regarding harmonized transmission tariff structures

Eurogas would like to see Codes on these issues and does not agree that handling them upfront in a process to amend the Guidelines to the Regulation obviates this need, but this is implied by their non-mention. This is particularly an issue for tariffs. The question of how tariffs would eventually be handled was left open in the Madrid Forum.

Codes on the issues of transparency, congestion management, and tariffs, are fundamental to the objectives of a European market by 2014.

2. What should be the longer-term priorities for 2013 and beyond? Please also specify in your response the expectations you have for the scope of these priorities.

Whatever decision is taken on the above issue will affect the ranking of Codes still to be completed, but a Code on Third Party Access rules, should also be a priority. This Code should reflect key issues from other Codes, but also deal with identified gaps in the rule-making process.

- 3. In the 3-year-plan for electricity, several network codes are proposed for a single framework guideline. In gas, only one network code per framework guideline is foreseen. The Electricity and Gas Regulations do not specify whether a framework guideline has to be mirrored by a single network code or whether the issue can be divided into several sub-issues. Do you agree that keeping both options, as used by ENTSO-E on the one hand and ENTSG on the other hand, are viable? Do you agree with the order in which the sub-issues in electricity will be tackled under the framework guidelines for capacity allocation and congestion management, network connection and system operation? Do you agree that the sub-issues marked red in the 3-year-plan for electricity in Annex 1 are the essential ones to ensure completion of the single market by 2014?**

Eurogas would not recommend changing the process for Framework Guidelines and Codes already underway in ENTSG.