



GTE comments on ERGEG Transparency Report 2007 (16 October 2007)

Introduction

GTE recognizes that transparency is a key element to the effective opening and operation of the gas market in Europe.

GTE will actively seek to contribute to improved access to information requested by the market in order to better facilitate the market and in providing the network users with the ability to better manage their supply/demand patterns through effective access to the market. Such information release should be subject to three qualifications:

- the information release will not prejudice any TSO customer or other industry stakeholder,
- the information release will not prejudice the TSO, and,
- the information provider should be rewarded for the publication.

GTE considers that the ERGEG Transparency Report - monitoring the implementation of the transparency requirements of Regulation 1775/2005/EC and, assessing the market requirements on transparency is a useful tool. This can be used to evaluate the transparency tasks that have been completed, and identify those tasks that are required in order to meet the aspirations of the market.

In this respect and with a view to actively contribute in the process, GTE would like to comment on some aspects of the Report that in our opinion require further clarity. Unfortunately, due to the short time at disposition between the publication of the updated version of ERGEG Transparency Report 2007 and the Madrid Forum, GTE comments in this paper refer to the Report Version 07 - 25 June 2007.

GTE Comments

Compliance - regulatory versus market information requirements

As a general comment on the structure of the assessment, GTE believes that in the Report a clear distinction (e.g. two sections) should be made between the monitoring of the information provision required by Regulation 1775/2005/EC and those provisions required by the market in addition to the Regulation. The Report should contain an explanation of the objectives and of the results, as the compliance to provisions that TSOs are legally required to fulfill and, an assessment of those additional transparency requirements that have been requested by the market.

As far as the introduction of additional market transparency requirements, GTE confirms its availability and willingness to facilitate the information provision that the market believes is required to operate effectively. Indeed, for this reason - in the framework of the development of its Transparency Platform - GTE has engaged in dialogue with the stakeholders to identify the type of information that is not already considered by the Regulation. However some market participants have expressed their concerns on the potential

distortionary effects that such information might have once it is available to the wider market and therefore it would be necessary to address, or overcome, these concerns prior to the release of such information.

TSOs are available to publish information to the market as requested however, for the avoidance of doubt, appropriate cost-recovery mechanisms for both the system development and any ongoing costs associated to the provision of such information need to be considered.

Representation of responses within the Report

Without entering into the merits of the responses provided for each TSO, GTE believes that some of the answers might have been misinterpreted and/or misrepresented within the Report and might draw the readers to make incorrect conclusions. For example, where responses have provided either a “Not Applicable”, “Not known” or, an empty cell to a question, it is apparent that this has been translated in the Report as the non-fulfillment of the Regulation. GTE does not believe it is appropriate to represent these types of response within the Report as non-fulfillment.

GTE considers that it might be appropriate to include within the Transparency Report the results of the monitoring for each of the questions - as “simple” charts to visualise the responses - together with further explanation where there is apparent non-fulfillment that is justified by the regime applied to the TSO; this would thus assist readers in their understanding of the overall position.

Finally, GTE believes that the ERGEG Transparency Report is an important tool when assessing the fulfillment of the Regulation and the aspirations of the market for further information. We consider that it is important that GTE continues to provide support to ERGEG in the production of this Report. To this end, and notwithstanding the concerns raised by GTE in this paper, we would hope that ERGEG would seek clarification from TSOs where it was considered by ERGEG that it could help in explaining any no fulfillment to the Regulation, before publishing the final version of the Report.