

**European Federation of Energy Traders
23 May 2007**

**Summary of EFET view
on
the "less than 3 shipper rule" for TSOs**

1. EFET believes that the "less than three shipper rule" should not have been included in EC/1775/2005. At best the rule creates a procedure that slows down the provision of information to the market, and at worst it reinforces and perpetuates the position of monopoly or duopoly capacity holders at key entry and x-border points in Europe.
2. EFET does not accept that aggregate information on the availability, terms and conditions of access or actual usage of capacity at a 'relevant point' as defined in EC/1775/2005 should be considered confidential.
3. Indeed the failure to provide available capacity and aggregate capacity usage information to the market would be unfair discrimination against potential users.
4. To solve this problem in the short term, (i.e. until the "less than 3 shipper rule" is removed from EU gas legislation), EFET recommends that the TSO simply does not reveal the number of capacity holders.
5. The relevant Regulatory Authority should therefore reject all claims¹ that aggregate capacity information at a relevant point cannot be published on grounds of commercial confidentiality and should require at least all the information in EC/1775/2005 to be published, albeit without revealing the number of primary or secondary capacity holders.

¹ . The single area of possible concern about confidentiality might be if an end-user in a competitive manufacturing market were to be the sole user of capacity at an offtake, and hence their position as a manufacturer might be disadvantaged because of the knowledge given to their competitors. EFET does not however know of any such offtake among the relevant points in EC/1775/2005. If such a theoretical case were to exist then no doubt IFIEC or other representatives of major consumers would point it out.