

EFET Gas Committee

Guidelines for Good TPA Practice for Storage System Operators (GGPSO)

Scope and objective of the GGPSO

The GGPSO apply to all operators of storage systems under Article 19 of Directive 2003/55/EC.

The purpose is to ensure that Storage System Operators (SSOs) provide services needed by Storage Users on a fair and non-discriminatory basis and promote competition in gas supply. These guidelines apply to both regulated and negotiated TPA regimes.

Role and Responsibilities of SSOs

The SSO must be sufficiently separate from any affiliated supply companies to ensure non-discrimination, and shall:

- consult with potential storage users, design the services that the users need and ensure that the storage capacity available to potential users is maximised;
- provide information and third party access services on the same contractual basis to all storage users requesting access to storage, including its own affiliated companies;
- provide a financially firm service and avoid exposing users to undue risks beyond the user's control.

Necessary TPA services

Primary services must be put in place by 1st July 2004. Secondary services should be established by the following year.

The SSO shall offer to third parties all available storage capacity, other than that part of storage publicly declared and approved by the regulator as solely used for own use or for transmission or production needs or for PSOs.

Any market participant must be able to book storage (i.e. wholesale traders must have access).

The SSO shall offer at least a guaranteed firm service, with nominations kept whole, so that what is nominated is allocated, subject to Force Majeure.

Contract terms shall be transparent and non-discriminatory and allow flexible injection and withdrawal of gas (e.g. netting).

Storage capacity allocation and congestion management

Storage capacity allocation mechanisms shall:

- make all bundled and unbundled storage capacity available, if necessary by auction with a zero floor price for unsold storage capacity.



In case of congestion, non-discriminatory and market-based solutions shall be applied by the SSO. The SSO shall actively endeavour to discourage storage capacity hoarding and facilitate re-utilisation and trade of unused storage capacity (e.g. day-ahead release of non-nominated injectability and deliverability).

SSOs should encourage and facilitate secondary markets for storage services to ensure the maximum use of technical storage capacity.

The SSO shall facilitate secondary markets in unbundled services, on a short-term basis (e.g. daily injectability and deliverability).

Information on any reduction in capacity must be provided to the market as near to real time as possible, on a non-discriminatory basis.

Confidentiality requirements

SSO must guarantee non-discrimination and confidentiality for storage users' individual accounts.

In the case of an integrated company operating a storage business, this requirement should include a code of conduct for staff/compliance programme, supervised by a compliance officer.

Transparency requirements

Core requirements for annual and monthly information should be in place by July 2004 with a final target date of 1st July 2005 for all other information.

The SSO should implement user-friendly systems (e.g. on the Internet), to publish real-time information needed by storage users, in a timely manner, in the national language and in English. There must be transparency in all TSO and Storage Operator rights and processes.

The following are examples of information to be published on a daily, monthly, quarterly and annual basis in user-friendly, on-line information systems and being updated as required on a real-time basis:

- charges for each service offered (including prices for core nTPA storage standard products);
- aggregate storage inventory, all technical operating data (including current flows) and capacity information in energy units;
- all planned maintenance periods or other operations affecting storage users;
- plus any other commercial and operational information that might affect storage users.

Tariff structure and derivation

SSOs should have commercial freedom to design fair and non-discriminatory tariff structures, which for regulated access reflect efficiently incurred costs, facilitate competition and avoid cross subsidies for affiliates. Negotiated TPA tariffs must be transparent for standard products and all price offers must be non-discriminatory.

SSOs should not adopt any charging principles and/or tariff structures that would restrict market liquidity.

This document builds on the preliminary draft issued by the CEER gas focus group. Its purpose is to set out the most important, high level points for rapid adoption of the GGPSO.