

*GTE-CEER Common Workshop
on Transit*

24th January 2007

Contribution from Eurogas



Overall Perspective (1):

The gas market has evolved in such a way that in most Member States there is already no distinction between volumes of gas in transit and other volumes transported.

Eurogas supports this trend.

- A weakening distinction between transport and transit allows greater discretion for suppliers in maximising their portfolios.
- It should also allow TSOs greater flexibility in network operations management.



Overall Perspective (2):

Eurogas believes that the distinction between transit gas and other transported gas will probably weaken further as the market develops.

Under the current situation, there is still a separate regime for some transit. For such cases, non-discriminatory access and competition must not be impaired. Transparency has to be assured and there should be no abuse of the transit label.

Eurogas welcomes its involvement in these discussions and the role of its System Users Committee.



What is expected:

- Regulation calls for cost-reflective charging,
- Allows for bench marking, but ...
- Currently based upon single TSO/National perspective
- Tariffs encourage new investment
- Tariffs ensure existing capacity is available



The Concern:

For long-distance/transit of gas, with the Entry/Exit Model, there is the possibility of the cumulative tariffs across different TSOs or charging zones not reflecting costs incurred/imposed by the flows, especially of TSO administration costs



We therefore need to:

- avoid undue discrimination in charging e.g. by cross-subsidisation of transit by national flows,
- avoid inefficiencies in networks (e.g. by-passing),
- consider role of “one-stop-shop” service,
- consider role of back-haul,
- avoid undermining use of Entry/Exit as preferred model,
- recognise differences between markets as to transit and transmission volumes,
- ensure regulatory co-operation and co-ordination allows delivery.

