



Newsletter

► Editorial

As the President of Eurogas, I am happy to introduce you the new Eurogas Newsletter.

Eurogas, the European Union of the natural gas industry promotes the interests of its members, which are companies and national federations involved in the supply, trading and distribution of natural gas under gaseous or liquefied form (LNG).

*Eurogas takes a stance on issues of **common interest** to the European natural gas industry with respect to the European Institutions and other international organizations. We monitor policy developments, programmes and regulatory initiatives and promote the development of natural gas.*

*Eurogas strongly supports the **completion of a well functioning internal energy market** and a EU wide **fair competition**. In this context an **effective regulatory regime** is important but there has to be a **balanced approach** in order to allow the impetus of market dynamics. The EU policy should fully recognize the increasing global nature of the gas business, the growing dependency of Europe on gas imports and the need to secure new gas supplies and infrastructure development to guarantee the future high-quality deliveries to European consumers.*

*Gas reserves are sufficient and **long-term availability** of gas supplies to meet growing demand can be guaranteed on condition that **adequate investments** in the gas chain are realized. Eurogas therefore encourages an **investment friendly regulatory framework for new infrastructures** like for example LNG terminals and interconnectors. Competitive companies capable of playing a leading role in the globalizing energy business will give Europe considerable strategic strengths. Our*

*members are therefore **supporting the dialogue between the major producing areas and the EU** in order to facilitate the business environment for the gas industry and to ensure the **global security of natural gas supply**.*

*Eurogas pleads for a **sustainable energy policy**, reducing the environmental impact of energy use. Natural gas is a significant part of the solution to climate change and can also contribute to air quality improvement and other environmental goals. In the 21st century natural gas will make its greatest contribution to meeting Europe's energy demands.*

In conclusion, the future energy scene presents important new challenges both for the policy makers and for the entire gas community. Eurogas will continue to contribute to the structured dialogue on these issues between the Member States, the European Institutions, the production countries and the European gas companies in order to achieve the strategic objectives of the natural gas industry and the European community.



Willy Bosmans
President of Eurogas



Avenue Palmerston 4

B-1000 Brussels

Phone +32-2-237 11 11

Fax +32-2-230 62 91

e-mail : eurogas@eurogas.org

internet : www.eurogas.org

► Eurogas General Assembly in Vienna 18-19 May

The Eurogas General Assembly took place on 18th-19th May in Vienna. It invited around 75 participants from companies and federations members of Eurogas but also from the International Gas union, Gas Infrastructure Europe (GIE) and Marcogaz and was co-organized with the Austrian Association of Gas and Heating, EVN, and OMV.

The first session of the assembly reported on the planned reorganization achieved by Eurogas, which is the result of a long restructuring process: the finalization of the new working organization and the new committee structure.

Eurogas has now three categories of committees: *the policy issues committees* (System Users, Strategy, Gas Supply and Markets and Gas Distribution), *the high level advisory committees* (Legal, Statistics, Taxation, External Communication and Social Affairs) and the *joint groups* which are composed by Eurogas members and Marcogaz and/or Gas Infrastructure Europe (GIE) representatives (Environment, Health and Safety and Security). The new structure will be operational from 1 October 2005.

The second session focused on policy introducing the key activities of Eurogas and adopting two important positions of Eurogas.

The "Customer Switching Processes in the Domestic Gas Market", is a review by the Gas Suppliers Group of Eurogas identifying certain key principles that should be observed in the design and operation of customer switching processes. The report gives an overview of national approaches.

The position paper on the Progress report 2005 on the creation of the internal gas market is Eurogas' contribution to the identification and determination of the issues to be considered in the European Commission's progress report which will outline the progress made in the development of the internal gas market as provided under the second gas directive.

Both documents are available on <http://www.eurogas.org/>

The session continued with some highlights of the global gas market by George Verberg, President of the International Gas Union, a presentation by Jacques Laurelut, Board member of Gas Infrastructure Europe (GIE) on the formal establishment up of this organization early this year and with an example of new gas applications in the field of natural gas

vehicles, by Eric Defago, CEO Gaznat, Switzerland.



Dr. Rudolf Gruber, Chairman of Austrian Delegation to Eurogas and CEO EVN AG, at the press conference held after the General Assembly

Election of Eurogas President and Visit of EU Energy Commissioner Piebalgs

Eurogas General Assembly has elected Mr. Willy Bosmans, Chairman of the Board of Distrigaz, Belgium as the new president of Eurogas. In his speech to the General Assembly he reaffirmed Eurogas' commitment to *"promote an efficient internal gas market with transparent and fair competition, taking into account the global nature of the natural gas business"* while stressing that *"one of Eurogas' major objectives is to continue a well defined input of the gas industry in a wide range of European policies"*. He added that Eurogas will continue to demonstrate the significant contribution that natural gas and natural gas companies will make to climate change policy and sustainability objectives.



From left to right, Willy Bosmans, newly elected President of Eurogas, EU Commissioner Andris Piebalgs, and Enrique Locutura, outgoing President of Eurogas.

The General Assembly then welcomed the second visit of Energy Commissioner Piebalgs since the beginning of his mandate. In his presentation, he underlined the important role played by gas in ensuring the European Union's security of energy supply.

The presentations held at this occasion can be downloaded from Eurogas' secure area part of the website at <http://www.eurogas.org/asp/loginframe2.asp>

► Joint International Energy Agency (IEA)/Eurogas Workshop on Hubs

Eurogas organized with the International Energy Agency (IEA) on 13th June in Paris a joint workshop entitled "Developing Gas Hubs in Continental Europe". It took place at the IEA's headquarters and was attended by 75 delegates both from Eurogas and from the International Energy Agency.

The workshop brought together traders, policy makers, industry representatives and regulators to talk about the specific challenges of hubs development. It explored the lessons that can be learned from practical experience in trading gas in the United Kingdom and North America as well as the specific challenges of developing traded gas markets in continental Europe. The objective was to share experience from liquid markets and also to chart the future development of hubs and identify potential issues with regard to their expansion.

Sharing experience and views and the information of the stakeholders about the financial requirements, the pricing issues affecting efficient market activity and the role of the policy makers and regulators making sure that the market works, were also part of the aims of the workshop.

Eurogas' position paper "Hub services from the Perspective of Gas suppliers" has been presented by Colin Lyle, Centrica, while Margot Loudon, Eurogas Deputy Secretary General underlined the importance of the role that hubs have to play in market development. "*Hubs should provide increased options to suppliers in their portfolio approach*", she said. She added that in order to contribute to the continuing dialogue on hubs issues Eurogas will refine and develop the existing position paper looking in particular at issues raised in the workshop. The position paper is available at <http://www.eurogas.org/>

The decision to organize this workshop was taken last February when the IEA approached Eurogas with the proposal to co-organize an event on gas hubs following the IEA's engagement to run a two years project funded by the Dutch Government on the development of gas trading in continental Europe. This project is not only studying the impact of hubs on gas trade but also long term contracts and investment in infrastructure.

The workshop presentations can be downloaded from Eurogas' secure area part of the website : http://www.eurogas.org/asp/loginframe_2.asp

► Joint European Commission DG TREN/Eurogas conference

Eurogas will organize its next annual conference jointly with the European Commission DG TREN on the 22 September 2005. The conference is entitled "The European Single Market in its Global Dimension".

It will take place in the European Commission "Borchette" building and opened by Energy Commissioner Andris Piebalgs, MEP Jerzy Buzek, Member of the European Parliament's Committee on

Industry, Research and Energy, and the Eurogas President Willy Bosmans.

This event will gather high level speakers from all backgrounds and different parts of the world and will target an audience of two hundred participants. This conference will involve not only speakers from the top level management of gas companies like BP, E. ON Ruhrgas, Gaz de France, ENI, OMF and Centrica but also the Commission's

'Transport and Energy' and 'Competition' general directorates.

The main subjects to be addressed will be:

- The global economy of natural gas
- The dialogue with major producing and transit areas
- The European Single Market
- European infrastructures, investments and competition

Stakeholders from industry customers, European Union, international organizations, Member states, NGO's and press will be given the opportunity to contribute to discussions and understanding of aspects related to gas

in the economy including investments, competition, regulatory matters, EU-policy and security of supply, both in the EU and in major producing areas.

Participants will have the opportunity to express their views and debate with senior executives of the natural gas industry on these key questions to share experience, exchange ideas and bring valuable information "back home".

In announcing this conference, the Eurogas Secretary General, Jean-Marie Devos underlined the role of this event in building a constructive dialogue on the real priorities and challenges of the European energy policy with special attention on the future needs for natural gas supply in the growing global competitive environment.

The program information and registration forms are available on our website at www.eurogas.org. This event is free of charge but registration is compulsory and limited to 200 participants.

► Meetings and Events - Dates

September 2005 – 22nd, Eurogas/European Commission conference, Brussels

October 2005 - 5th, Board Eurogas, Brussels

November 2005 - 30th, Board Eurogas, Brussels

December 2005 - 1st, General Assembly, Eurogas, Brussels

June 2005 - 22-23rd, Board and General Assembly, Bratislava