



## **EREG Gas Focus Group/Storage TF**

### **Guidelines for Good Practice for Gas Storage System Operators (GGPSSO)**

#### **Questionnaire for SSOs**

**8 February 2006**

#### **Introduction**

On 15 September 2005, during the 10th Madrid Forum, ERGEG presented the preliminary results of its first monitoring exercise on the implementation of the GGPSSO. The Forum asked ERGEG to produce a follow-up report for the 11<sup>th</sup> Madrid Forum, to be held in May 2006. On 7 December 2005, ERGEG published the final results of its report on "Monitoring the implementation of the GGPSSO". In parallel, ERGEG proposed to undertake a second monitoring exercise assessing the effectiveness of the GGPSSO, and the functioning of the market for storage services.

The objective of this questionnaire is to collect information from SSOs to assist in monitoring the implementation of the GGPSSO as requested by the European Commission.

The deadline for the completion of the questionnaire is **8 March 2006**.

In order to ensure that all interested parties are consulted, ERGEG members will be required to prepare a contribution to be included in the report. Storage users will be consulted from May 2006, to gather their feedback on the implementation of the GGPSSO requirements after 1 April 2006. Their views will be particularly important in assessing implementation of the GGPSSO.

EREGEG intends to publish an initial report on the implementation of the GGPSSO in May 2006 and it expects to present its findings at the next Madrid Forum. ERGEG will issue a final report on implementation after it has an opportunity to consider responses to its initial report.



**To help ensure transparency, responses to the questionnaire and other documents associated with the GGPSSO will be published on the ERGEG website. Any requests to keep information confidential will be considered in accordance with the relevant section of the GGPSSO that deals with the publication of the information. If you want any information to be treated as confidential this should be objectively justified and outlined clearly – taking into account the requirements of the GGPSSO. Any information that is to be treated as confidential should be placed in a separate appendix.**

Please note that in order to allow for maximum common understanding of data, the answers provided by SSOs will be reviewed by the national regulatory authority.

Given that ERGEG's initial report will be published in May, SSOs may provide an addendum to their original submission if there are any significant changes to the information that they provide, between 8 March and 5 April. This will ensure that the report is as up to date as possible and avoid misrepresenting the position of the SSOs, taking into account that the deadline for implementing some of the GGPSSO requirements is 1 April 2006.

[Please insert name, authority, phone number, email address]



## Questionnaire

### 1 General

#### 1.1 Business name of respondent:

**BEB Speicher GmbH & Co. KG**

### 2 Roles and responsibilities of Storage System Operators

#### 2.1 Has the standard storage contract/storage code been developed in proper consultation with users (e.g. bilateral contacts, open consultation process, with some sort of public announcement, consultation process supervised by relevant national regulatory authority or other)? Please specify when users were last consulted (relating to GGPSSO 1.2.b):

Details on consultation process: Bilateral meetings with users and prospects, presentation and consultations at conferences, press release and public announcement via internet. The consultation process especially bilateral consultation is a continuous process. The last BEB ShippersForum took place on January 25, 2006.

### 3 Necessary TPA services

#### 3.1 If the figure for "available capacity" for your storage facility<sup>1</sup> is "0", please specify until when (relating to GGPSSO 3.1):

On 2<sup>nd</sup> March 2006 (reporting date) the following capacity situation occurs:

Storage facility: Dötlingen:

there is no working gas volume available at the moment; it is entirely booked by storage users until 01.07.2006; injection and withdrawal capacity are still available

Storage facility: Harsefeld:

there is no working gas volume available at the moment; it is entirely booked by storage users until 01.04.2009, injection and withdrawal capacity are still available

Storage facility: Uelsen:

working gas volume, injection and withdrawal capacity are available

Current amount of available capacity is published on

[http://www.beb.de/cms/index.cfm?uuid=569279BC50224009D168298DEF291494&o\\_lang\\_id=2](http://www.beb.de/cms/index.cfm?uuid=569279BC50224009D168298DEF291494&o_lang_id=2)

#### 3.2 There may be some available capacity now (date of reference 8 March 2006). However, all the capacity may have been booked in advance, which means that sometimes in the future, there will be no capacity available. If this is the case, please specify when and for how long (relating to GGPSSO 3.1):

On 2<sup>nd</sup> March 2006 (reporting date) the following capacity situation occurs:

Storage facility: Uelsen:

working gas volume is entirely booked by storage users from 01.05.2006 until 01.04.2007; injection and withdrawal capacity are available

<sup>1</sup> Storage facility means a facility used for the stocking of natural gas and owned and/or operated by a natural gas undertaking, including the part of LNG facilities used for storage but excluding the portion used for production operations, and excluding facilities reserved exclusively for transmission system operators in carrying out their functions (Article 2.9 of Directive 2003/55/EC).



Current amount of available capacity is published on  
[http://www.beb.de/cms/index.cfm?uuid=569279BC50224009D168298DEF291494&o\\_lang\\_id=2](http://www.beb.de/cms/index.cfm?uuid=569279BC50224009D168298DEF291494&o_lang_id=2)

- 3.3 Please provide the link to your web pages presenting the commercial terms that you apply and in particular services offered (both the Directive<sup>2</sup> and the GGPSSO 6.4.a&b provide that this information is to be published). If you wish to be more specific, please use the space below (relating to GGPSSO 3.3):**

Link to BEB's websites containing storages information:  
[http://www.beb.de/cms/index.cfm?uuid=4724529B50224009D11DDC85FD636883&o\\_lang\\_id=2](http://www.beb.de/cms/index.cfm?uuid=4724529B50224009D11DDC85FD636883&o_lang_id=2)  
 The following link can be used as well:  
 General website: <http://www.beb.de> then click on gas storage

- 3.4 Do you offer the following services on the primary market (GGPSSO 3.3, 3.5, 3.7):**

	<i>yes</i>	<i>no</i>
(a) bundled services (SBU) of space and injectability/deliverability	X	<input type="checkbox"/>
(b) unbundled services supplementing SBUs at least for available storage capacity at the beginning of the storage year <sup>3</sup>	X	<input type="checkbox"/>
(c) long-term (>1 year) services	X	<input type="checkbox"/>
(d) short-term (<1 year) services <sup>4</sup>	X	<input type="checkbox"/>
(e) interruptible services <sup>5</sup>	X	<input type="checkbox"/>
(f) a service which includes an obligation for the SSO to allocate the gas which has been nominated	X	<input type="checkbox"/>
(g) injection and withdrawal are possible at any time	X	<input type="checkbox"/>

- 3.5 If any of these services (please specify) has not been introduced, please explain why:**

All services mentioned under 3.4 above are already implemented.

- 3.6 Please specify if services offered have been developed with consultation of storage users to take into account market demand. When were users last consulted (relating to GGPSSO 3.4.a):**

Please see answer to question 2.1

#### **4 Storage capacity allocation and congestion management**

- 4.1 Please provide a description of the capacity allocation mechanism that you apply. Please specify if there is an order of priority and for which customers (relating to GGPSSO 4.1):**

Individual bookings of storage services are made based on a standard storage contract concluded between BEB and the storage customer. Each storage contract is exclusively based on the General Terms and Conditions for provision of storage services (GBS) as effective at the time of the booking.  
 The capacity allocation mechanism that BEB applies is "First committed, first served". There is no additional order or priority.

<sup>2</sup> Article 19.3 of Directive 2003/55/EC of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC

<sup>3</sup> You may provide an addendum before 5 April 2006.

<sup>4</sup> You may provide an addendum before 5 April 2006.

<sup>5</sup> You may provide an addendum before 5 April 2006.

**4.2 In case of contractual congestion, what kind of solution do you apply or plan to apply (GGPSSO 4.2)?**

To overcome potential (contractual) congestion

- BEB offers interruptible capacity to the market. Provision of interruptible capacity ensures that the unused firm capacity of storage customers can be used by other storage customers.
- BEB applies an Use-it-or-Lose-it-principle according to its General Terms and Conditions for provision of storage services (GBS).

BEB allows capacity trading and facilitates the secondary market (e.g. bulletin board).

**4.3 In case of physical congestion, what kind of solution do you apply or plan to apply (GGPSSO 4.2)?**

In case of physical congestion BEB applies a pro rata allocation of available capacities.

**4.4 In case of congestion, is there a system to balance the portion of storage capacity contracted under long-term contracts and short term contracts? Please specify the nature of these arrangements (GGPSSO 4.2.c):**

BEB applies a market based allocation mechanism to balance long-term contracts and short-term contracts. To all customers the same rules apply. It is left to the storage customers to decide whether they prefer long-term contracts or short-term contracts. Experiences show that this mechanism works: (longest term within the present contract portfolio is 36 months and shortest contract term is 6 months). Any set up of an artificial portion of long term versus short term contracts would lead to an artificial additional congestion and hence not meet the market demand.

**5 Confidentiality requirements****5.1 Are the following items explicitly mentioned in the code of conduct/compliance programme (relating to GGPSSO 5.1.b):**

	<i>yes</i>	<i>no</i>
(a) prohibition on SSO staff passing commercially sensitive information to other parts of any affiliate of the company in advance of being provided to all market participants	X	<input type="checkbox"/>
(b) databases related to storage operations kept separate	X*	<input type="checkbox"/>
(c) new IT systems for the storage business developed separately	X*	<input type="checkbox"/>

\* the requirements of the GGPSSO concerning utilization of databases and the development of new IT-Systems are fulfilled in accordance with the confidentiality requirements determined in BEBs code of conduct/ compliance programme.

**5.2 Please specify if there are other important items in the code of conduct/compliance programme:**

Duties of compliance officer; treatment of complaints; observation of compliance; sanctions in case of non-compliance; yearly statement of employees to have acted in compliance with General Rules for conflicts of interests (see also 5.5).

**5.3 Is the code of conduct/compliance programme published? If yes, provide a copy / internet link:**

	<i>yes</i>	<i>no</i>
	X	<input type="checkbox"/>
<a href="http://www.beb.de/cms/index.cfm?uuid=8C396C6CD60EB4E27133AE6CD025EBBA&amp;o_lang_id=2">http://www.beb.de/cms/index.cfm?uuid=8C396C6CD60EB4E27133AE6CD025EBBA&amp;o_lang_id=2</a>		



- 5.4 Is there a compliance officer supervising that the compliance programme is effectively implemented (GGPSSO 5.1.b)?

	yes	no
Compliance officer is Wolfgang Knötsch; his contact data is published on the internet. See internet link above.	X	<input type="checkbox"/>

- 5.5 If other arrangements are in place to protect the confidentiality of information, please provide details below (relating to GGPSSO 5.1):

In addition to the code of conduct the following arrangements are in place: General Rules for the handling of commercially sensitive information; General Rules for conflicts of interests; personal statement of employees within the transport and storage business to comply with confidentiality requirements (see also 5.2).

## 6 Transparency requirements

- 6.1 Please provide the link to the webpages presenting the information required by the GGPSSO in the transparency requirements (relating to GGPSSO 6.1):

Internet link:  
[http://www.beb.de/cms/index.cfm?uuid=4724529B50224009D11DDC85FD636883&o\\_lang\\_id=2](http://www.beb.de/cms/index.cfm?uuid=4724529B50224009D11DDC85FD636883&o_lang_id=2)  
The following link can be used as well:  
General website: <http://www.beb.de> then click on "gas storage"  
The requested information can be found under the respective menu points (e.g. capacities or storage price calculator).

- 6.2 Please specify how the historical utilization rate is calculated (relating to GGPSSO 6.5.b):

We calculate the historical utilization rate as follows:  
The historical utilization rate express the ratio of nominations to booked capacities per respective storage.  
The data will be given on a daily basis for the preceding day.

- 6.3 If you have not published information as required by the GGPSSO about the aggregate use of storage, did you notify the relevant national regulatory authority (GGPSSO 6.3)?

	yes	no
*) Due to substantial IT-tools which are currently under development, the information according to the aggregate use of storage has not been published yet. However, BEB will publish this data as well as the calculation method relating to GGPSSO 6.10. on schedule from 1 April 2006 onwards.	X*	<input type="checkbox"/>

- 6.4 Please specify how many users – if any – requested, via a correspondence, that you do not publish information about the aggregate use of storage (period of reference: 15 March 2006 – 15 March 2007) (relating to GGPSSO 6.2)?

None



## 7 Secondary markets

7.1 How many system users trade capacity rights on the secondary market (period of reference: 15 March 2005 – 8 March 2006<sup>6</sup>)?

None
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<sup>6</sup> You may provide an addendum before 5 April 2006.

**7.2 Please indicate if you:**

	<i>yes</i>	<i>no</i>
(a) allow for title transfer for both bundled and unbundled capacities (GGPSSO 9.1)	X	<input type="checkbox"/>
(b) allow the new owner to aggregate such storage capacity operationally (GGPSSO 9.1)	X	<input type="checkbox"/>

**7.3 Are registered users allowed to trade gas-in-store?**

	<i>yes</i>	<i>no</i>
	X	<input type="checkbox"/>

**7.4 Please provide a description of rules applicable for storage capacity trade on the secondary market vis-à-vis the SSO (GGPSSO 9.1):**

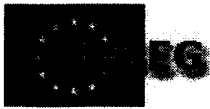
Storage customers are allowed to sell bundled units and/or unbundled services provided by BEB on the secondary market. In case buyer is a qualified storage customer no further prior consent of BEB is needed. In case designated buyer is not yet a qualified storage customer prior consent of BEB is needed. However consent shall not be unreasonably withheld. The buyer becomes responsible to BEB for all rights, obligations and liabilities.

**7.5 Please provide a copy of the clauses in the storage code/contract referring to or addressing secondary storage capacity trading explicitly (relating to GGPSSO 9.1):**

Excerpt from the General Terms and Conditions of BEB for the Storage of Gas as of 1 April 2004:

**Assignment or Sale of Unutilised Capacity / Succession**

1. The storage customer shall be entitled to assign for any period bundled units to which the storage customer is entitled to a qualified storage customer, provided that BEB will not bear any additional costs as a result of such assignment.
2. If the storage customer assigns bundled units to a qualified storage customer in accordance with paragraph 1, then the assignee shall become responsible to BEB for all of the storage customer's rights, obligations and liabilities under the terms of the respective storage contract associated with the assigned bundled units and BEB shall be responsible to the assignee for all of the storage customer's rights, obligations and liabilities under the terms of the respective storage contract associated with the assigned bundled units provided that the storage customer has given notice pursuant to paragraph 5.
3. Subject to paragraph 1 either party may transfer its rights and obligations under the storage contract wholly or in part to a third party with the prior consent of the other party provided that the other party will not bear any additional costs as a result of such assignment. Consent shall be given by the storage customer if the third party offers a secure guarantee of the fulfilment of the contractual obligations. Consent shall be given by BEB if the third party is accepted by BEB as a qualified storage customer. For the avoidance of doubt the partial assignment under this paragraph does not allow the assignment of working gas volumes and capacities not bundled in bundled units.
4. The transfer of rights and obligations according to paragraph 3 to affiliated companies is not subject to consent. Affiliated companies within the meaning of sentence 1 are defined as companies with a direct or indirect financial link to the transferring company of at least 50% of the capital shares or votes. However the storage customer may only transfer rights and obligations to qualified storage customer.
5. The parties shall notify each other immediately of an assignment according to this Section 24 and the contractual terms (e.g. assigned rights and obligations, duration) thereof.



## ***Appendix***

### ***Definitions***

**Available storage capacity** means the part of the technical storage capacity that is not contracted or held by storage users at that moment and still available to the storage users for firm and interruptible services, and is not excluded from TPA under Article 2(9) of the Gas Directive (Definition 1 of the GGPSSO)

**Storage capacity** is space (expressed in normal cubic meters or energy), injectability and deliverability (expressed in normal cubic meters or energy per time unit). All of them can be firm or interruptible (Definition 17 of the GGPSSO)

**Storage facility** means a facility used for the stocking of natural gas and owned and/or operated by a natural gas undertaking, including the part of LNG facilities used for storage but excluding the portion used for production operations, and excluding facilities reserved exclusively for transmission system operators in carrying out their functions (Definition 18 of the GGPSSO)

**Technical storage capacity** is the maximum storage capacity (injectability, deliverability and space) that the SSO can offer to storage users, excluding storage capacity for SSOs operational needs