

N/NW Operator Group Meeting

On the 2 of August, 18 operators from the North / North West region met to discuss the way forward with regard to the Gas Regional Initiative (GRI). The agreed messages from this meeting are as follows:

The Operators found the Implementation Group (IG) meeting on the 18 July very constructive and were pleased that the Regulators listened and accepted the concerns and proposals of the Operators. It was felt that a significant step forward had been taken and that a good working relationship between the Regulators and Operators had been fostered.

The Operators were therefore disappointed with the e-mail sent by DTe on the 28 July, which stated a different Operator position to that proposed by the Operators and accepted by the Regulators on the 18 July. In particular, the Operators did not agree to provide comments on the revised priority papers within one week.

The Operators would like to reconfirm their agreed position:

- to provide all comments on the papers by the 8 September and to produce two additional priority papers on investment and transit.
- to start immediate work on the transparency and regulatory co-ordination priorities, with some amendments to the respective papers.
- to allocate lead companies to each priority to act as a focal point, but not representatives of the other companies, for discussion and work on the respective priority;

The Operators recommend that the above approach is followed, in order that the work undertaken in the GRI is coherent and of sufficient quality to make a genuine contribution to the creation of a regional gas market. The Operators would like to make it clear that they are unable to provide a response by the 9 August and the lack of a response should not be interpreted as an agreement to the papers.

The Operators do not believe that the above approach will result in less progress; in fact they believe the opposite is true. By ensuring that the work plans developed are robust, achievable and supported by all operators, the GRI will make quicker, greater and sustainable progress. If it would be helpful, the Operators would be happy to have a further IG meeting in August to determine an acceptable way forward for all parties and re-establish the constructive and good working relationship developed at the first IG meeting.

On a general note, the Operators are concerned with the lack of timely input from other relevant stakeholders. The Operators believe that other stakeholders, e.g. shippers and producers should be included early in the process and comments should be sought from other stakeholders as soon as possible (a deadline of the 8 September would be appropriate) and that many of the work programmes especially the papers on hubs, transparency and secondary capacity should have a much greater level of stakeholder involvement. The Operators believe that caution must also be taken that the regional initiative is aligned with the scope of the Gas Directive and relevant regulations.

The Operators hope that this note will be accepted in the spirit that is intended, as constructive feedback that will strengthen and improve the GRI. The Operators would therefore request that this note is published on the ERGEG GRI website, including

the details of the lead companies for the priority areas listed below. For the remaining priority areas, lead companies will be assigned at the next Operator meeting on the 23 August. The Operators would also like to request that the regulators assign lead regulators to the two Operator initiated priorities; investment and transit.

Priorities and lead companies

Hubs:	Huberator & Energinet.dk
Transparency:	Centrica Storage
Gas Quality:	RWE Transport
Regulatory Co-ordination:	Gasunie
Primary Capacity:	E.ON Gas Transport & BEB
Investment:	GasTransportServices
Transit:	GRTgaz & Fluxys