

WOC 4 Study Group 1: Regulation on Third Party Access to Gas Distribution Networks – A Standard Approach

- Examination of the development of regulation over the last decade in different countries
 - Access of gases other than natural gas
 - Development of marketing/charging areas
 - Change of energy balancing and transfer options for costs
 - Unbundling of distribution companies
 - Training and qualification of personnel
 - ...
- Preparation of an “IGU Network Code”

IGU WOC 4 SG 4.1: Participants

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IGU WOC4 SG4.1: Initial Views

- Third party access
 - is a key instrument for market liberalization
 - Consumer choice
 - Fair competition
 - Several suppliers
 - Environmental benefits (carbon reduction & green gas!)
 - Avoid duplication of infrastructure
 - Regulation requirements
- Third party access can be described:
 - Customers being able to use a system to transport gas for their own use or for resale
 - Suppliers being able to use a system to transport gas for sale to customers
 - Injection (**supplier, shipper & retailer perspectives**) and off take (**customer perspective**) connections

IGU WOC4 SG4.1: Initial Views

■ Connections

– Technical Aspects

- Physical connection
 - Purpose of the connection
 - » Off take gas or,
 - » Injection
 - » Implies different technical issues
- Pressure regime (minimum at customer side)
- Flow
- Length, diameter
- O&M responsibilities
- Quality of the gas

– Economical Aspects

- Costs
- Costs split (customer x DSO)
- Regulation framework
- Economical evaluation

■ Tariffs

- approved prior to their entry
- Published tariffs and conditions
- Applicable to all eligible customers – NO DISCRIMINATION

IGU WOC 4.1: Initial Views

- **Costs (via Tariffs)**
 - Recovery of costs:
 - connection to the network
 - utilisation of the network – maintaining and operating
 - Shared between all users (costs allocation)
 - Third party users
 - Other customers
 - Objective and justifiable
- **Refusal of third party access**
 - Lack of capacity
 - Based on technically and economically objective criteria
 - Return of investments
 - Exclusivity rights periods
 - Others
- **Legislation**
 - EU Gas and Electricity Directives (article 32)
 - Other regions (Non EU countries, Americas, Asia, etc..)
- **Independent regulatory authority**
- **IGU network code: call it “IGU network code guidelines”**

IGU WOC 4 SG4.1: Action Plan (to São Paulo meeting)

- Definition of third party access
- Define what are the Key Aspects of the regulatory framework of third party access to be studied by the SG4.1
- Regulatory overview across regions & countries - “initial draft”
 - Key aspects of the legislation & regulation
 - Comparison of the different regulation
 - EU, Non EU countries (eg Russia), Asia (Japan, Korea, China, India), North America (US and Canada), Australia, New Zealand, etc..
- Define the basic content of the “IGU Network Code Guideline”
- Analyse Real cases
 - Injection and off take
 - Actual process
 - Issues
 - Benefits

IGU WOC 4 SG4.1: Action Plan (to São Paulo meeting)

- Study of the Region & Countries legislation
 - Japan: Makoto
 - Korea: Seong
 - EC/Non EC/India: José Catela
 - Brazil and South America: Walter
 - US / Canada: José Carlos
 - UK: Rosemary
 - Central Europe / Australia / New Zealand: Peter
 - France / China: Benoit
- Action: Summarize key elements / definition of third party access / scope / what is included / not included / etc..
- Dates:
 - 20/12/12: by email to José Carlos
 - 23/01/13: Draft of a template by José Carlos
 - 28/02/13: Draft of the “Key Aspects”
- São Paulo meeting
 - Evaluate the info obtained
 - Decision about the questionnaire
 - Presentation of real cases
 - Starting discussion about the content of the IGU Network Code Guideline
- Real cases
 - Brazil: Walter and José Carlos
 - Slovakia: Peter
 - UK: Rosemary
 - Japan: Makoto