## Energy: internal market in natural gas, crossborder exchanges, access to the transmission networks

2003/0302(COD) - 28/09/2005 - Final act

PURPOSE: to set fair rules for access conditions to natural gas transmission systems taking into account the specificities of national and regional markets.

LEGISLATIVE ACT: Regulation 1775/2005/EC of the European Parliament and of the Council on conditions for access to the natural gas transmission networks.

CONTENT: the Council adopted a regulation setting rules for access conditions to natural gas networks in the EU with a view to ensuring the proper functioning of the internal gas market. The regulation aims at establishing harmonised principles on:

- the definition on tariffs for access to networks and on third party access services;
- capacity allocation mechanisms and congestion management procedures;
- transparency requirements;
- balancing rules and imbalance charges;
- trading of capacity rights.

The regulation sets up guidelines on access taking account of the differences between national gas systems. The guidelines establish minimal requirements in order to ensure non-discriminatory access to the network. It aims at setting non-discriminatory rules for access conditions to natural gas transmission systems taking into account the specificities of national and regional markets with a view to ensuring the proper functioning of the internal gas market.

This objective shall include the setting of harmonised principles for tariffs, or the methodologies underlying their calculation, for access to the network, the establishment of third party access services and harmonised principles for capacity allocation and congestion management, the determination of transparency requirements, balancing rules and imbalance charges and facilitating capacity trading.

Member States may establish an entity or body set up in compliance with Directive 2003/55/EC for the purpose of carrying out one or more functions typically attributed to the transmission system operator, which shall be subject to the requirements of this Regulation.

The Member States must lay down rules on penalties applicable to infringements of the provisions of the new regulation, which will apply from 1 July 2006.

The Commission shall monitor the implementation of this Regulation. In its report under Article 31(3) of Directive 2003/55/EC, the Commission shall also report on the experience gained in the application of this Regulation. In particular the report shall examine to what extent the Regulation has been successful in ensuring non-discriminatory and cost-reflective network access conditions for gas transmission networks in order to contribute to customer choice in a well functioning internal market and to long-term security of supply. If necessary, the report shall be accompanied by appropriate proposals and/or recommendations.

The regulation is aimed at complementing internal gas market directive 2003/55/EC, in parallel to regulation 1228/2003 on conditions for access to the network for cross-border exchanges in electricity, adopted in 2003 as a package.

The regulation also takes into account guidelines approved by the European gas regulatory forum (Madrid Forum).

ENTRY INTO FORCE : 23/11/2005.

DATE OF APPLICATION: It shall apply from 1 July 2006 with the exception of the second sentence of Article 9(2), which shall apply from 1 January 2007.