

**Study on the Improvement of Interconnection,
Interoperability, Transparency and Harmonisation
of Operational Rules for Natural Gas Transportation
in the Energy Community
(2008)**

Summary of Key Findings

Objective • 1

Investigate operational developments of gas transmission under Third Party Access in Contracting Parties and the EU Member States with which they are interconnected, with a view to promote:

- full integration and interoperability between neighbouring CPs and EU Member States
- compliance with EC Regulation 1775/2005 on Conditions for Access to the Gas Transmission Networks
- good practice in gas transmission access and balancing, taking into account the relevant ERGEG guidelines
- eventual adoption of Common Business Practices defined by EASEE-gas

Objective • 2

- **Analyze current capacity availability as well as allocation and congestion management methodologies**
- **Identify the main related requirements including network enhancements, metering and other equipment, software, and the necessary personnel training**
- **Analyze current methods used for balancing transmission networks including resort to storage facilities, with a view to improve the viability of the network and facilitate trading and entry of new suppliers**

Key Findings • 1

- **There are no TSO to TSO Interconnection Agreements (IAs) at the respective transfer points in any of the Contracting Parties.**
- **Network Codes are currently being developed in all the Contracting Parties, apart from BH Gas in the Federation of Bosnia, but only by FYR of Macedonia provided a draft.**
- **It is therefore impossible to assess whether Regulation 1775 is being correctly implemented.**
- **Upstream capacity constraints in Hungary and Ukraine identified as issues in a number of the Contracting Parties and these are likely to limit market development.**
- **Diversification of both gas supply and transportation, away from traditional sources via Ukraine is an urgent requirement, particularly from a security of supply perspective**

Key Findings • 2

- **Lack of knowledge and expertise in the commercial and regulatory implications of the changing gas market environment in most TSOs and regulatory authorities.**
- **In Serbia main open issues are: congestion management, balancing charges and tolerances, and the separation of responsibilities between TSO and shippers.**
- **In FYR of Macedonia, the prospect of diversification of supplies and transportation may be longer term due to remoteness from other Contracting Parties**
- **In BiH complex structure with 3 TSOs may result in more barriers towards harmonization and investment required gas market growth.**
- **In Croatia, there is a lack of clarity in the respective roles of TSO and incumbent supplier**

Recommendations • 1

- **CP TSO Working Group should be set up to implement harmonisation and interoperability both within the Contracting Parties and with neighbouring EU Member States**
- **Common TSO to TSO Interconnection Agreements (IAs) should be put in place at all interconnection points both between Contracting Parties and also EU Member States, based on EASEE-gas common business practices (CBP)**
- **Network codes in the Contracting Parties TSOs should be harmonised with each other and with the proposed IAs to ensure that they do not conflict with each other and allow for the simple and effective transportation of gas across the Contracting Parties**
- **Details on contents provided in the Final Report**

Recommendations • 2

- TSOs should produce, annually, a collective “10 Year Development Statement”, covering demand and supply forecasts
- Contracting Parties TSOs should take responsibility for contracting capacity on upstream pipelines, with the gas suppliers / shippers, *if possible collectively*
- Metering to be improved in FYROM, BiH, also Serbia
- Current postage stamp tariffs are helpful to harmonisation and interoperability, any changes should be co-ordinated and harmonised
- Technical assistance to be provided to TSOs and regulators