



European Energy  
Regulators' Group for  
Gas and Electricity

2004 Annual Report



## Report of the European Energy Regulators' Group for Gas and Electricity (EREG)

Report of the European Regulators' Group for Electricity and Gas for the period 1 January 2004 to 31 December 2004 to the European Commission.

This document comprises a report made under Article 3 (8) of the Commission Decision of 11 November 2003 (2003/796/EC) as set out in the Official Journal of the European Union.

Further information on the EREG and the public documents referred to in this Annual Report can be found on the EREG website ([www.ereg.org](http://www.ereg.org)).

# Contents

1. Introduction	3
2. Chairperson's statement	4-5
3. Electricity	6-7
4. Gas	8-9
5. The ERGEG and the Council of European Energy Regulators (CEER)	10

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## **Appendix I**

European Commission Decision establishing the ERGEG	11-13
---	-------

## **Appendix II**

The ERGEG's performance against 2004 deliverables	14-15
---	-------

## **Appendix III**

The ERGEG Reports, Studies, Position Papers	16
---	----

## **Appendix IV**

Membership of the ERGEG	17
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## I. Introduction

### What is the ERGEG?

The ERGEG stands for the "European Regulators' Group for Electricity and Gas".

The ERGEG acts as an advisory group to the European Commission in consolidating the Internal Market for electricity and gas. Its members are the heads of the national energy regulatory authorities from the 25 Member States.

The European Commission is represented at a high level at the meetings of the Group and it also provides the Secretariat to the Group. The national energy regulators of the candidate countries and the EEA countries also participate in the meetings as observers.

### Why was the ERGEG set up?

The ERGEG was set up on 11 November 2003 by a European Commission Decision (2003/796/EC) to "give regulatory co-operation and co-ordination a more formal status, in order to facilitate the completion of the internal energy market".

The ERGEG was established to facilitate consultation, co-ordination and co-operation between regulatory authorities and between those regulatory authorities and the European Commission so as to ensure a consistent application in all Member States of the new legislative framework.

### The ERGEG's Chairperson and Vice Chairpersons

#### Chairperson



Mr Jorge Vasconcelos

#### Vice Chairpersons



Mr Jean Syrota



Sir John Mogg



## 2. Chairperson's statement

The year 2004 marked the first year of the European Regulators' Group for Electricity and Gas (ERGEG). In European circles, we witnessed a new European Commission, a new Parliament, the accession of 10 new Member States and the introduction of a new competition framework. Specifically within the area of energy legislation, 1 July 2004 was the deadline for the transposition of the second liberalisation package (Directive 2003/54/EC and Directive 2003/55/EC; and Regulation 1228/2003 on conditions for access to the network for cross-border exchanges in electricity).

For the ERGEG itself, 2004 was a busy year and this report outlines the key activities. The first tasks were organisational ones, such as agreeing the working rules of procedures, the appointment of Chairpersons, the creation of a website ([www.ergereg.org](http://www.ergereg.org)) and working groups (one for electricity and one for gas). Once these had been set up, the ERGEG set about deciding its priorities for 2004. This took the form of a Work Programme which was published in March 2004.

Not surprisingly, the Group's activities in 2004 had focused on advising the European Commission on what it considers to be key proposals and guidelines within the regulatory framework, which are necessary to support the new legislative framework for the internal energy market. I would like to draw attention to a few key elements of the ERGEG's work in 2004.

First, the Group recognises the importance of consultation in providing expert views in its policy recommendations to the European Commission. To this end, the Group even consulted upon its proposals for public consultation procedures, which were subsequently revised and approved by the ERGEG in August 2004. Transparent consultation rules are a pre requisite for effective regulation. Good consultation practices at national level, the Florence and Madrid Fora, and the experience resulting from some years of co-operation with the European Commission and with all interested parties were the basis for the design of the consultation procedures at EU level.

Second, with respect to electricity, the core focus was on the three sets of draft guidelines published by the European Commission on Congestion Management, Inter-TSO Compensation and Transmission Tarification respectively. The ERGEG's advice to the Commission took the form of detailed comments on the Commission's draft guidelines. This work will continue in 2005 with further refinement of the guidelines.

Third, concerning gas, the focus was on three issues: gas storage guidelines, cross-border tariffs and the monitoring of entry-exit tariffs. On the first point, the aim was to have in place, by April 2005, a set of good practice guidelines for gas storage system operators. It was hoped that consensus could be reached by all relevant stakeholders so that these Guidelines could form a voluntary agreement by gas storage operators concerning access to storage. However, despite extensive consultation, this has proved difficult. Nonetheless, given the importance of this issue for gas customers, the Regulators remain strongly committed to the implementation of transparent and non-discriminatory gas storage access rules in all Member states, independently of the access regime adopted.

Regarding cross-border tariffs, the ERGEG sees an urgent need for developing a more harmonised approach for cross-border trade in expectation of the implementation of a new Regulation on Conditions for Access to the Gas Transmission Networks in 2006. This year, the ERGEG has developed a draft report on tarification which, along with a position paper, is intended to be tabled to stakeholders in 2005. This is with a view to including these principles in the Annex to the above mentioned draft Gas Regulation.

Critically important for the realisation of the internal market is the monitoring of compliance with existing and new rules (including voluntary agreements) to assess the extent to which non-discriminatory network access is a reality on the ground, and of the actual level of competition in energy markets. As part of its monitoring and reporting activities, the ERGEG prepared a

Monitoring Report on the implementation of "Entry-Exit" guidelines which was presented at the VIII European Gas Regulatory Forum (Madrid) in July. In 2005, there will be enhanced monitoring by Regulators with the set up of new task forces dedicated to monitoring compliance with rules and the ERGEG's recommendations and the effective implementation of the legislation.

In 2005, in addition to continuing the detailed work on gas and electricity issues which had already commenced within the ERGEG or by the Council of European Energy Regulators (CEER), the ERGEG will also dedicate resources to customer specific issues, through the creation of a new Customer Focus Group. In this way regulators hope to increase customer awareness of the recent changes in the electricity and gas markets and the implications and benefits for customers, such as the provision relating to consumer protection (including vulnerable customers) and the freedom to choose a supplier in a fully liberalised market.

The European Union has a clear and comprehensive legal framework for the development of the largest, integrated, supra-national electricity and gas markets in the world. The internal energy market is a unique opportunity to improve the competitive position of both European energy consumers and European energy undertakings. The ERGEG is committed to facilitating the development of the internal energy market through the design and implementation of a flexible, transparent and consistent regulatory framework. This regulatory framework shall ensure that the EU legal framework applicable to electricity and natural gas translates into a coherent and efficient set of rules governing the behaviour of system operators, network operators, market operators and market participants in all Member states. We believe that, through close institutional co-operation between national regulatory authorities and the European Commission and extensive consultation of all interested parties, the internal energy market may deliver not only more competitive energy prices but also enhanced security of supply, better service and a positive contribution to sustainable development.

Finally, on a more personal note, I would like to thank the outgoing EC Vice-President, Loyola de Palacio, for her continuous support and extend a warm welcome to the new Energy Commissioner, Mr Andris Piebalgs, in his new role and look forward to continued good relations with Mr Lamoureux and his dedicated team in DG TREN. I also hope to strengthen our relations with the new Members of Parliament.

I would also like to pay tribute to the CEER who kindly made their expertise and their resources available to the ERGEG during 2004, and welcome the commitments given by the European Commission for the funding of certain ERGEG work in 2005.

Last, but by no means least, I would like to highlight that the ERGEG values its relations with all EU institutions, organisations, industry players, media and individuals who have shown interest in our work. This is why we remain committed to open dialogue. We hope to build on our work of this inaugural year and look forward to an even better 2005.



Jorge Vasconcelos  
ERGEG Chairperson

## 3. Electricity

### Introduction

In 2004, the Electricity Focus Group, which started its activities in March, concentrated on three main areas of work, namely Congestion Management, Inter-TSO Compensation and Transmission Tarification.

### Congestion Management

Congestion at interconnectors is an issue that needs special attention as it is an obstacle to the creation of an internal market. Several interconnectors across Europe are frequently congested and, therefore, it is important to develop transparent mechanisms to deal with this problem. Since 1 July 2004, at all borders, allocation mechanisms must be "market based", in compliance with the Electricity Regulation 1228/2003.

As a further development of the Electricity Regulation 1228/2003, the European Commission released, in February 2004, the first version of the Guidelines on Congestion Management. The proposed draft intended to provide a short to medium framework for dealing with congestion management until a long term method is developed and approved. In August 2004, the ERGEG, acting as an advisory body to the Commission, presented its comments, and views were later presented at the XI Florence Forum held on the 15th and 16th of September in Rome.

The European Commission released, on 1 September, a second version of the Draft Guidelines, taking into account the ERGEG and other stakeholders' comments. This second version was presented at the XI Florence Forum. As a result of discussion, and in order to better analyse existing situations, the Commission decided to set up a series of regional mini-fora for seven different regions to discuss, on a regional basis, this issue. The first of these mini-fora, for the Central Western European region (Belgium, Luxembourg, the Netherlands, France and Germany), took place on 17 December 2004. The first meetings of the other regional fora are scheduled for early 2005.

In 2005, the ERGEG will follow closely the regional mini-fora and will use the results to propose a refinement of the current Draft Guidelines on congestion management.

The ERGEG had also conducted, in 2004, a detailed analysis of the situation of congestion management at the borders of the EU Member States. From this report it emerged that, in many cases, market-based mechanisms are not in place.

### Inter-TSO Compensation

Since the elimination of import and export electricity tariffs, a temporary method, developed by ETSO, is being used for compensation between TSOs for transit flows across interconnector borders. As a further development of the Electricity Regulation 1228/2003, the European Commission proposed, in February 2004, a set of Guidelines for Inter-TSO Compensation (ITC).

The ERGEG presented its comments to the first version of the Draft Guidelines in August 2004. These were later presented at the XI Florence Forum. Following the ERGEG's and other stakeholders' comments, the EC released a second version of the Draft Guidelines on 1 September which were then presented at the XI Florence Forum.

Also in line with the ERGEG comments, there was a general consensus at the Forum that the Draft Guidelines needed further refinement. The Guidelines will not enter into force in 2005, but in the meantime the European Commission is conducting a study to develop a long term ITC model. The ERGEG will assist the EC in the follow-up of this study and will also be involved in the refinement of the current Draft Guidelines.

### Transmission Tarification

As a further development of the Electricity Regulation 1228/2003, the European Commission proposed in February 2004 a set of Guidelines for transmission tariffs harmonisation. The purpose of these guidelines is to

harmonise the charges imposed on Generators (G) and the Load (or Demand), proposing as a first step the harmonisation of G across Europe.

The ERGEG submitted its comments to the first version in August, which was later presented at the XI Florence Forum in September. Following the ERGEG and other stakeholders' comments, the Commission released a second version of the Draft Guidelines on 1 September which were then presented at the Florence Forum.

Also in line with the ERGEG comments, there was a general consensus at the Forum that the Draft Guidelines needed further refinement and that in any case the European Commission regards them as a complement to the Guidelines on ITC. Therefore, they will not enter into force in 2005. Further work in this area will be undertaken in 2005.

While work on these three core areas is set to continue in 2005, other workstreams envisaged for 2005 include: system security and reliability, balancing markets and also monitoring of the implementation of legislation, and rules and voluntary agreements.

## 4. Gas

### Introduction

In its work programme for 2004, the main gas issues for the ERGEG were on storage and network charges, including cross-border issues and tariff methodologies.

### Gas Storage

At the X European Regulatory Gas (Madrid) Forum in July, the European Commission presented an inventory of the state of play relating to non-discriminatory and transparent access conditions to storage facilities, pointing out the need for Guidelines for Good TPA Practice for Storage System Operators (GGPSSO). These guidelines are intended to be a set of minimum requirements to be met with respect to non-discriminatory and transparent access conditions to storage facilities complying with the relevant provisions of Directive 2003/55/EC. The key elements to be covered by these guidelines should include the range of services, capacity allocation and congestion management mechanisms, transparency and confidentiality requirements, and tariff structures and tariff derivations, using an approach similar to the one of the Guidelines for Good Practice II for access to gas transportation networks.

A proposed set of guidelines on good practice for gas storage operators were the subject of the first ERGEG public consultation process with industry and stakeholders, which closed on 12 November 2004. Following this, a revised set of guidelines (and an accompanying Position paper) was the sole agenda item at the December 2004 Madrid Forum. It was hoped that consensus could be reached among all relevant stakeholders and that the GGPSSO would form a voluntary agreement concerning access to storage in the EU. However, this proved difficult and the process is set to continue in 2005 with the aim of ensuring transparent and non-discriminatory access to gas storage in all Member states.

The guidelines are expected to be further developed during 2005 in line with the monitoring of the GGP implementation. To this end, a questionnaire would be disseminated in 2005. The deliverables would be agreed in co-operation with storage operators and storage users. Among others, storage users will be asked for their opinion as to whether there is competition with other flexibility services for each storage operator.

### Cross Border Transport

Where about 60 per cent of the gas consumed in the EU crosses two or more country borders, the development of the internal gas market is vitally linked to harmonisation of cross-border gas flows. Inconsistent and insufficient application has the effect of distorting cross-border trade or the functioning of markets.

Directive 2003/55/EC and the proposal for a "Regulation on the conditions for access to gas transmission networks" provides for a Third Party Access (TPA) regime (albeit on a regulated or negotiated basis) for cross-border transport and transit in transmission pipelines. The Commission proposal for a "Regulation on the conditions for access to gas transmission networks" (COM (2003) 741) provides common tariff structures including tariffs for cross border exchanges applied to Transmission System Operators (TSOs).

The ERGEG, therefore, sees an urgent need to develop a more harmonised approach for cross-border trade and to specify criteria according to which charges for access to the network are determined. Cost and tariffication rules related to cross-border gas flows have to be developed in the light of the implementation of the new draft Gas Regulation in 2006.

In 2004, the ERGEG, therefore, developed a draft report on regulated tariffs for "Cross border transport and transit", as well as a position paper. The latter gives a general overview of the report, summarising the recommendations and guidance and highlighting the specifics of national and regional markets. The aim of the position paper is to give recommendations and

guidance for methods for common tarification rules for cross-border flows. The position paper will be tabled with stakeholders in 2005.

## **Entry-Exit System Guidelines Monitoring Report**

At the September 2003 Madrid Forum, it was agreed that regulators and industry (through their representative organisations, CEER and GTE respectively) should monitor the implementation of entry-exit systems for gas transportation throughout the EU on the basis of the CEER report: "Entry-Exit System Guidelines". At the July 2004 Madrid Forum, the Regulators presented the Entry-Exit System Guidelines Monitoring Report, which was based on a check list and roadmap for entry-exit capacity. It consisted mainly of a questionnaire addressing TSOs and their compliance with entry-exit system guidelines, referring to the situation as of 1 January 2004. It included a number of components, the key ones being: Tariffs in general; Entry-Exit Tariffs; Capacity; Point-to-point capacity rights; and Entry-Exit capacity rights.

The report was welcomed as a basis for further work in stating the progress achieved, the identification of other key issues, and in ensuring that tariff and capacity systems promote the free flow of gas across the internal EU gas market.

Harmonisation of the rules related to cross border gas flows is an issue which was addressed by the regulators in 2004 and which will be rolled over into the ERGEG 2005 work programme. Other gas issues, which will form part of the ERGEG's 2005 work programme, include the benchmarking of gas transmission tariffs, the continued work on monitoring of the Guidelines for Good Practice, and developing guidelines for storage.



## 5. The ERGEG and the Council of European Energy Regulators (CEER)

Energy regulators have for several years been advocates of the liberalisation process and, alongside the European Commission, have taken a lead role in the establishment of the Electricity (Florence) and Gas (Madrid) Regulatory Fora. Even before the constitution of the ERGEG, European energy regulators had provided advice to the European Commission (principally DG TREN) outside any formal framework.

European energy regulators had already joined ranks, through an independent association, called the Council of European Energy Regulators (CEER), to foster the creation of competitive, efficient and sustainable internal markets for electricity and gas. As witness to this work, the European Commission formally established the European Regulators' Group for Electricity and Gas (ERGEG) in November 2003 to put the work of regulators on a more formal footing and to create a transparent platform for co-operation between energy regulators and the Commission.

While the ERGEG is the route by which European regulators provide formal advice to the European Commission, the CEER will continue to provide advice on other relevant issues through the development of policy positions on Internal Energy Market matters. In this way regulatory co-operation and co-ordination should flourish and hopefully lead to an appropriate regulatory framework that supports the practical and consistent implementation of the legislative framework, which is necessary for the realisation of a single energy market.

While many of the members are common to the two bodies, there is a clear distinction between the ERGEG and the CEER. There is no duplication of work by Regulators across the ERGEG and the CEER, with each having separate working groups (which in the ERGEG are called Focus Groups) and they work to separate work programmes. For full details of the work of CEER and the ERGEG in 2005, see their separate work programmes on their respective websites, [www.ceer-eu.org](http://www.ceer-eu.org) and [www.ergeg.org](http://www.ergeg.org).

## Appendix I: European Commission Decision establishing the ERGEG

14.11.2003

EN Official Journal of the European Union

L 296/35

### COMMISSION DECISION

of 11 November 2003

on establishing the European Regulators Group for Electricity and Gas

(Text with EEA relevance)

(2003/796/EC)

#### THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Whereas:

(1) Directive 2003/54/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in electricity and repealing Directive 96/92/EC (1), Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC (2) and Regulation (EC) No 1228/2003 of the European Parliament and of the Council of 26 June 2003 on conditions for access to the network for cross-border exchanges in electricity (3) establish a new regulatory framework for the internal markets for electricity and gas.

(2) Directives 2003/54/EC and 2003/55/EC require Member States to designate one or more competent bodies with the function of regulatory authorities, to carry out the regulatory tasks specified in those directives. These regulatory authorities have to be wholly independent from the interests of the electricity and gas industry.

(3) The detailed responsibilities and tasks of the national regulatory authorities are likely to differ between Member States, but all Member State will have to designate at least one regulatory agency to apply the rules of the new regulatory framework once they have been transposed into national law, in particular those concerning day-to-day supervision of the market.

(4) Directives 2003/54/EC and 2003/55/EC establish objectives to be achieved and provide a framework for action at the national level, but give flexibility in certain areas to apply the rules in the light of national conditions. Consistent application of the relevant rules in all Member States is essential for the successful development of a single European energy market.

(5) As regards common approaches to issues relevant for cross-border transactions the European Electricity Regulatory Forum and the European Gas Regulatory Forum have made important contributions. Whilst the two Forums will remain important as comprehensive discussion platforms involving all players from government, regulators and industry, it is now necessary to give regulatory co-operation and co-ordination a more formal status, in order to facilitate the completion of the internal energy market and in view of the forthcoming accession of new Member States.

(6) In those circumstances, a 'European Regulatory Group for Electricity and Gas' should be established to

1) OJ L 176, 15.7.2003, p. 37.

(2) OJ L 176, 15.7.2003, p. 57

(3) OJ L 176, 15.7.2003, p. 1

(4) OJ L 304, 16.12.1995, p. 57.

(5) OJ L 74, 20.3.1992, p. 43.

(6) OJ L 147, 12.6.1991, p. 37..

(7) OJ L 313, 13.11.1990, p. 30.

facilitate consultation, co-ordination and co-operation between the regulatory bodies in Member States, and between these bodies and the Commission, with a view to consolidating the internal market and ensuring the consistent application in all Member States of Directives 2003/54/ EC and 2003/55/EC and Regulation (EC) No 1228/2003.

(7) The members of the European Regulatory Group for Electricity and Gas should comprise the heads of the national authorities competent in the field of electricity and gas regulation in the Member States. The Commission should be represented at a high level.

(8) The European Regulatory Group for Electricity and Gas should maintain close co-operation with the Committees established under Article 30 of Directive 2003/55/EC and Article 13 of Regulation (EC) No 1228/2003. Its work should not interfere with the work of those Committees.

(9) It is appropriate to repeal Commission Decisions 95/539/EC (4) and 92/167/EEC (5) since these Decisions set up Committees in the context of Directives 91/296/EEC (6) and 90/547/EEC (7) on transit of natural gas and electricity, respectively, which were repealed by Directives 2003/54/EC and 2003/55/EC,

HAS DECIDED AS FOLLOWS:

Article 1

#### **Subject matter and activities**

1. An independent advisory group on electricity and gas, called the 'European Regulators' Group for Electricity and Gas' (hereinafter referred to as the 'Group'), is hereby established by the Commission.

2. The Group, at its own initiative or at the request of the Commission, shall advise and assist the Commission

in consolidating the internal energy market, in particular with respect to the preparation of draft implementing measures in the field of electricity and gas, and on any matters related to the internal market for gas and electricity. The Group shall facilitate consultation, co-ordination and co-operation of national regulatory authorities, contributing to a consistent application, in all Member States, of the provisions set out in Directive 2003/54/ EC, Directive 2003/55/EC and Regulation (EC) No 1228/2003, as well as of possible future Community legislation in the field of electricity and gas.

Article 2

#### **Membership of the Group**

1. The Group shall be composed of the heads of the national regulatory authorities or their representatives.

2. For the purpose of this Decision 'national regulatory authority' means a public authority established in a Member State pursuant to Directives 2003/54/EC and 2003/55/EC, according to which Member States shall designate one or more competent bodies with the function of regulatory authorities, to ensure non-discrimination, effective competition and the efficient functioning of the gas and electricity market and in particular to oversee the day-to-day application of the provisions of Directives 2003/54/EC and 2003/55/EC and Regulation (EC) No 1228/2003 in that respect.

3. Until 1 July 2004, if a Member State has not designated one or more competent bodies with the function of regulatory authorities, that Member State shall be represented in the Group by a representative of another competent public authority.

4. The Commission shall be present at the meetings of the Group and shall designate a high-level representative to participate in all its debates.

## Article 3

**Organisation of the Group**

1. The Group shall elect a chairperson from among its members.
2. The Group may set up expert working groups to study specific subjects, on the basis of a mandate and as it deems appropriate.
3. The Commission may attend all meetings of such expert working groups.
4. Experts from EEA States and States which are candidates for accession to the European Union may attend the meeting of the Group as observers. The Group and the Commission may invite other experts and observers to attend its meetings.
5. The Group shall adopt its Rules of Procedure by consensus or, in the absence of consensus, by a two-thirds majority vote, one vote being expressed per Member State, subject to the approval of the Commission.
6. The Commission shall provide the secretariat of the Group.
7. Travel and subsistence expenses incurred by members, observers and experts, in connection with the activities of the Group, shall be reimbursed by the Commission in accordance with the provisions in force within the Commission.
8. The Group shall submit an annual report of its activities to the Commission. The Commission shall transmit the annual report to the European Parliament and to the Council, where appropriate with comments.

Article 4 - **Consultation**

The Group shall consult extensively and at an early stage with market participants, consumers and end-users in an open and transparent manner.

Article 5 - **Confidentiality**

Without prejudice to the provisions of Article 287 of the Treaty, where the Commission informs the Group that the advice requested or the question raised is of a confidential nature, members of the Group as well as observers and any other person shall be under an obligation not to disclose information which has come to their knowledge through the work of the Group or its working groups. The Commission may decide in such cases that only members of the Group may be present at meetings.

Article 6 - **Repeal**

Decisions 95/539/EC and 92/167/EEC are repealed.

Article 7 - **Entry into force**

1. This Decision shall enter into force the day of its publication in the Official Journal of the European Union.
2. The Group shall take up its duties on the date of entry into force of this Decision.

Done at Brussels, 11 November 2003.

For the Commission  
Loyola DE PALACIO  
Vice-President



## Appendix II: The ERGEG's performance against 2004 deliverables

### Electricity issues

Description of Action/Issue	Expected Deliverable	Outcome
<b>Electricity Congestion Management</b>	Review of the principles and rules on congestion management to be applied under Regulation Guidelines.	ERGEG Comments on the proposal for guidelines on Congestion Management, August 2004. These were presented at the XI European Electricity Regulatory Forum in September 2004.
	Review of the principles and guidelines to be applied to merchant lines.	Report on the situation of Congestion Management at the Borders of the Members States. This work is being carried out by CEER.
	Analysis of existing or proposed congestion management methods.	This work is being carried out by CEER and will also be addressed in the Congestion Management mini-fora.
<b>Electricity Network Tariffs</b>	Assessment of implementation of 2004 Inter-TSO compensation mechanism.	ERGEG Comments on the proposal for guidelines on Inter-TSO Compensation, August 2004. These were presented at the XI European Electricity Regulatory Forum in September 2004.
	Comparison of network tariff structures in each Member State.	Further analysis on network tariff harmonisation and locational signals is part of the work programme 2005.
	Recommendation on network tariff harmonisation for the initial application of Guidelines under the Regulation.	ERGEG Comments on the proposal for guidelines on Transmission Tariffs, August 2004. These were presented at the XI European Electricity Regulatory Forum in September 2004.
	Analysis of options for locational signals and roadmap for implementation.	ERGEG Comments on the proposal for guidelines on Transmission Tariffs, August 2004.

## Gas issues

Description of Action/Issue	Expected Deliverable	Outcome
<b>Guidelines for Gas Storage</b>	<p>Proposals to DG TREN during the process of drafting Guidelines for Good Practice for Gas Storage (GGPSSO).</p> <p>Preparing a Position in time for next Madrid Forum.</p>	<p>ERGEG Draft GGPSSO on Third Party Access (TPA) to Storage.</p> <p>ERGEG Draft Position Paper on TPA to Storage was an agenda item at the VII Madrid Forum in July 2004.</p> <p>ERGEG Public Consultation on GGPSSO and Draft Position Paper during October - December 2004.</p> <p>The ERGEG intends to submit its formal advice to the European Commission in early 2005.</p>
<b>Entry - Exit System Guidelines</b>	ERGEG Report and Presentation to July 2004 Madrid Forum on implementation of Entry - Exit System Guidelines.	ERGEG Monitoring report 2004 on the implementation of the Entry-Exit recommendations and a presentation at the VII Madrid Forum in July 2004.
<b>Cross Border Transport and Transit</b>	<p>ERGEG Position Paper on (methods for) common tariffication rules.</p> <p>ERGEG Report on remaining issues related to facilitating efficient cross-border trade.</p>	<p>Draft Position Paper on "Guidelines for Tariffs and their underlying Methodologies of Calculation for Cross border transport and transit". This position paper will be tabled with stakeholders in 2005 after the initial approval process in the Gas Focus Group and the ERGEG.</p> <p>Draft Report is under discussion. The way forward is linked to the Position Paper on Tariffication rules.</p>



## Appendix III: The ERGEG Reports, Studies, Position Papers

Note: All the public documents referred to in this ERGEG Annual Report 2004 can be downloaded from the ERGEG website: [www.ergeg.org](http://www.ergeg.org).

### ERGEG Reports and Position Papers:

- Discussion paper on Negotiated and Regulated Third Party Access for Storage, presented at the VIII meeting of the European Gas Regulatory Forum (Madrid), July 2004
- ERGEG Position Paper on Third Party Access to Storage - presented at the VIII meeting of the European Gas Regulatory Forum (Madrid), July 2004
- Entry Exit System Guidelines Monitoring Report 2004 - presented at the VIII meeting of the European Gas Regulatory Forum (Madrid), July 2004
- Corrigendum to Entry-Exit System Guidelines Monitoring Report 2004 - presented at the VIII meeting of the European Gas Regulatory Forum (Madrid), July 2004
- Public Guidelines on the ERGEG Consultation Practices, August 2004
- ERGEG Comments on the proposal of Guidelines on Congestion Management Guidelines, drafted by the European Commission, August 2004
- ERGEG Comments on the proposal of Guidelines on Inter-TSO Compensation (ITC), drafted by the European Commission, August 2004
- ERGEG Comparison of the proposal of Guidelines on Inter-TSO Compensation with the CEER criteria for a long-term ITC mechanism, August 2004
- ERGEG Comments on the proposal of Guidelines on Transmission Tariffs, drafted by the European Commission, August 2004
- ERGEG Report on the Situation of Congestion Management at the Borders of the Members States, sent to the European Commission in September 2004

### ERGEG Presentations:

- Presentation on Further Work Developed by the ERGEG and CEER in 2004 - presented at the VIII meeting of the European Gas Regulatory Forum (Madrid), July 2004
- Presentation on Entry-Exit System Implementation - presented at the VIII meeting of the European Gas Regulatory Forum (Madrid), July 2004
- Presentation of the ERGEG Comments on the proposal of Guidelines on Congestion Management - presented at the XI European Electricity Regulatory Forum (Rome), September 2004
- Presentation of the ERGEG Comments on the proposal of Guidelines on Inter-TSO Compensation (ITC) - presented at the XI European Electricity Regulatory Forum (Rome), September 2004
- Presentation of the ERGEG Comments on the proposal for Guidelines on Transmission Tariffs drafted by the European Commission - presented at the XI European Electricity Regulatory Forum (Rome), September 2004

### Other Published documents:

- ERGEG Rules of Procedures, March 2004
- ERGEG Work Programme, March 2004

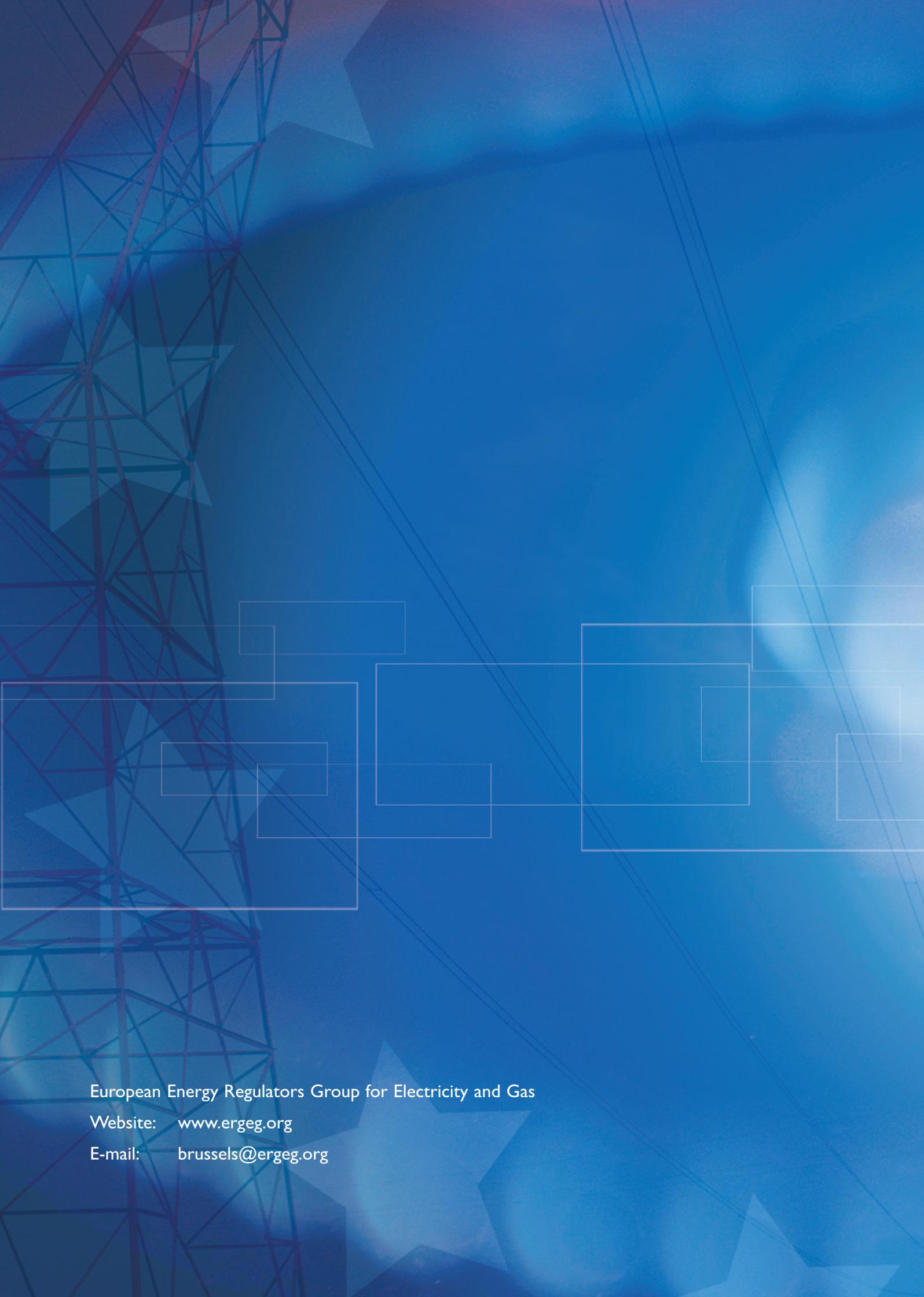
## Appendix IV: Membership of the ERGEG

### Members

Austria	Energie-Control GmbH (E-Control)
Belgium	Commission de Régulation de l'Electricité et du Gaz (CREG)
Cyprus	Cyprus Energy Regulatory Authority (CERA)
Czech Republic	Energy Regulatory Office (ERU)
Denmark	Danish Energy Regulatory Authority (DERA)
Estonia	Estonian Energy Market Inspectorate (EEMI)
Finland	Energy Market Authority (EMV)
France	Commission de Régulation de l'Energie (CRE)
Germany	The Regulatory Authority for Telecommunications and Posts (RegTP)
Greece	Regulatory Authority for Energy (RAE)
Hungary	Hungarian Energy Office (HEO)
Ireland	Commission for Energy Regulation (CER)
Italy	Italian Regulatory Authority for Electricity and Gas (AEEG)
Latvia	Public Utilities Commission (PUC)
Lithuania	National Control Commission for Prices and Energy (NCC)
Luxemburg	Institut Luxembourgeois de Régulation (ILR)
Malta	Malta Resources Authority (MRA)
The Netherlands	Office of Energy Regulation (DTe)
Poland	The Energy Regulatory Office (ERO)
Portugal	The Energy Services Regulatory Authority (ERSE)
Slovakia	Regulatory Office for Network Industries (URSO)
Slovenia	Energy Agency of the Republic of Slovenia (AGEN)
Spain	The National Energy Commission (CNE)
Sweden	Swedish Energy Agency (STEM)
United Kingdom	Office of Gas and Electricity Markets (Ofgem)

### Observers:

Bulgaria	State Energy Regulatory Commission (SERC)
Iceland	Orkustofnun
Norway	Norwegian Water Resources & Energy Directorate (NVE)
Romania	Romanian Electricity and Heat Regulatory Authority (ANRE)
Romania	National Regulatory Authority in Natural Gas Sector (ANRGN)
Turkey	Energy Market Regulatory Authority of Turkey (EMRA)



European Energy Regulators Group for Electricity and Gas

Website: [www.ergeg.org](http://www.ergeg.org)

E-mail: [brussels@ergeg.org](mailto:brussels@ergeg.org)