

GAS ACTION PLAN

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

TABLE OF CONTENTS

1	Roadmap structure	1
2	Action Plan.....	4
3	Checklist/ Guidelines for each action.....	10

1 ROADMAP STRUCTURE

The proposed structure, as described below is also presented for easier reference in the diagram (see page 3).

Chapter 1 - Acquis communautaire

This chapter aims to ensure that the provisions of the Directive 2003/55/EC are transposed. The information required in this chapter is a reference to the national legislation indicating both the legal disposition and the relevant articles, in case that the Directive's provisions were adopted accordingly.

The overall deadline for the transposition of the gas acquis is the 1st July 2007, except for the eligibility calendar which is January 2008 for non-household consumers and January 2015 for household consumers

Chapter 2 – Market Structure

The chapter addresses market concentration and to propose, if deemed necessary, measures.

It also pursues effective unbundling of system operators

Chapter 3 – Wholesale market

This chapter addresses the wholesale market design and rules in order to achieve competitive market. Competition in the wholesale market shall be ensured by transparency provisions and the regarding market monitoring. The necessary balancing regime is being covered as well as the required licensing and authorization process.

Chapter 4 – Retail market

This chapter aims to ensure that the retail market opening measures in terms of eligibility thresholds and time schedules are being implemented.

The customer switching process and the payment reform is being addressed, as well as customer protection.

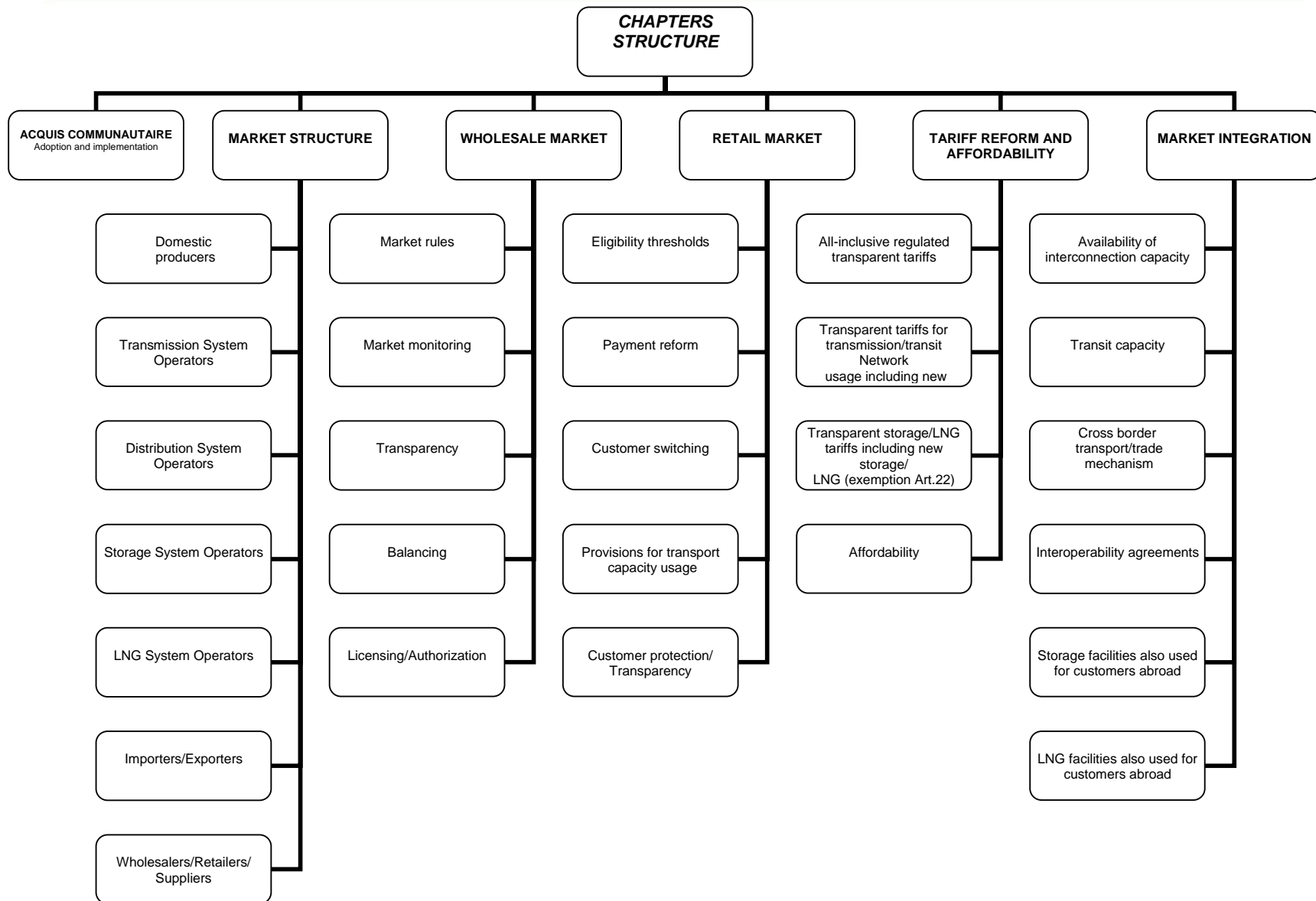
Chapter 5 – Tariff reform and Affordability

This chapter covers the issue of cost reflectivity in all inclusive tariffs, network usage tariffs (transmission and distribution networks) as well as the exemption criteria for new infrastructure. Tariffs for storage facilities and affordability issues are also being covered.

Chapter 6 – Market integration

This chapter includes a description of issues related in particular to cross border trade and cross border transport. The key issues to be solved at regional level include the methodology for capacity allocation, the tariffs for transit and for storage/LNG facilities which also serve for abroad and the licensing provisions that are mutually recognised.

This chapter's actions should be regarded as of regional level and should be agreed upon by regional bodies.



2 ACTION PLAN

Chapter 1 - Adoption of the acquis communautaire – ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
1. 1 to 1.6	General rules 1.1 Imposition on undertakings 1.2 Customer protection 1.3 Public Service Obligations 1.4 Authorisation 1.5 Security of Supply 1.6 Technical Rules	Develop and implement General Rules for the impositions on undertakings, customer protection, public service obligations, authorisation process, monitoring of security of supply and technical rules	July 2007	<p>The entities performing the following activities, regarding gas sector, have public service obligations imposed by the Article 6 of the Energy Law (Official Gazette of RM, no.63/06):</p> <ol style="list-style-type: none"> 1. transmission of natural gas; 2. operation of the natural gas transmission system; 3. distribution of natural gas; 4. operation of the natural gas distribution system; 5. supply of natural gas for tariff customers connected to the transmission system ; 6. supply of natural gas for tariff customers connected to the distribution system. <p>The public interest in the performance of the energy activities listed above shall be provided by the relevant entity through provision of the public service in a manner and procedure as determined with the license for pursuing the adequate energy activity, and in compliance with Law or other regulation.</p> <p>The public service obligations ensure that all consumers of electricity on the territory of the Republic of Macedonia and all consumers of natural gas, thermal and geothermal energy connected to a natural gas transmission or distribution network in a specified geographic service territory in the Republic of Macedonia, have access and connection to the appropriate network and reliable, safe, quality and uninterrupted dispatch and supply of energy on the relevant territory on which the service is being provided, under same conditions, prices and tariffs, as previously approved and published by the Energy Regulatory Commission, which shall include the costs for provision of such services, as well as for efficient utilization of the energy resources, environmental and climate protection</p>		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans) and promotion.	Deadline	Responsible Institution
				<p>Security of supply of certain type of energy shall be provided, particularly, through attaining balance between the offer and demand on the market of the relevant type of energy on the relevant territory on which the service is being provided, timely forecast of the anticipated future demand of the relevant type of energy and the possibilities for satisfying the anticipated needs regarding the available energy resources and capacities, timely undertaking of measures for construction of new energy capacities, quality and top level of maintenance of the energy systems, as well as measures for covering the high loadings and measures for tackling the impossibility for dispatch of the relevant type of energy.</p> <p>If the legal person that performs energy activity of public interest performs energy activity that is not of public interest, that person is obliged in the accounting to supply separate accounting for each energy activity performed of public interest. The legal person that performs energy activity of public interest submits the annual audited financial reports to the Energy Regulatory Commission as well as consolidated accounts for the other activities and balances with review of the incomes, expenditures, financing sources, the manner of financing of the investments and the results of the working for each of the activities separately.</p> <p style="text-align: center;">“Article 16</p> <p>The needs for the total quantity of energy and of specific types of energy in Republic of Macedonia, regarding a certain period of time, as well as the possibilities for meeting thereof, through generation and import, shall be laid down in the Energy Balances of the Republic of Macedonia.</p>		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>The annual energy balance of the Republic of Macedonia, regarding the following year, shall be adopted by the Government of the Republic of Macedonia, by the end of the current year.</p> <p>The producers, suppliers, users of energy and other entities shall, within 30 days upon the receipt of the request, submit to the Ministry the data requisite for preparation of the energy balance pertaining to the following year.</p> <p>The Minister of the competent ministry in the area of energy sector shall lay down the manner and the contents of the request for submission of data.</p> <p>The Ministry shall monitor the realization of the energy balance and if required propose measures to the Government of Republic of Macedonia, and thus ensure realization thereof. more efficient use of the available energy, additional import, more intensive use of the available production capacities or similar.</p> <p>Having regard to the realization of the energy balances, the energy entities, shall, if required, submit data to the ministry."</p> <p>Ministry of economy should give answer on authorization procedure, as its competence.</p>		
1.7 to 1.10	Transmission, Storage and LNG 1.7 Designation of system operators 1.8 Tasks of system operators 1.9 Unbundling of TSO 1.10 Confidentiality of TSO	Develop and implement the provisions regarding the designation of system operators, tasks of system operators, unbundling of TSO(s)	July 2007	<p>The joint stock company, (50 % state-owned, 50 % owned by the private company AD Makpetrol) AD "GA-MA" has the licences for performing the following energy activities:</p> <ul style="list-style-type: none"> - Transmission of the natural gas (Natural Gas Transmission Assets Owner); - Operation of the natural gas transmission system (Natural Gas Transmission System Operator). 		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>According to Article 86 of the Energy Law (Official Gazette of RM, no.63/06) the natural gas transmission system operator is liable to:</p> <ul style="list-style-type: none"> - provide operational management of the natural gas transmission system of the assets owner; - provide natural gas transmission on a non-discriminatory and transparent basis; - provide transit of natural gas through the natural gas transmission system in the specified geographic service territory of the Republic of Macedonia in which it operates, so long as capacity is available and the transit does not adversely affect system reliability; - confirm customer nominations and develop transmission schedules in accordance with its transmission grid code; - establish the protocols for, and make data available on, the availability of capacity on the natural gas transmission system; - enter into interconnection agreements and natural gas transmission agreements with natural gas transmission owners and operators in adjoining geographic service territories within the Republic of Macedonia and in neighboring countries; - prepare overhaul schedule for the natural gas transmission system in accordance with its grid code; - provide reliable and secure functioning of the natural gas transmission system and necessary system services; - resolve the overloads of the natural gas transmission system in an objective, non-discriminatory and transparent manner, pursuant to its natural gas transmission grid code; - calculate the received and transmitted natural gas; - balance the deviations between the actual and scheduled natural gas consumption according to transparent, non-discriminatory 		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<ul style="list-style-type: none"> - and market-based procedures; - provide supervision of technical and technological development and natural gas transmission system maintenance; and - ensure confidentiality of the commercial and business data of the natural gas transmission grid users. <p>A natural gas transmission system operator is liable to submit plans, studies and other information to the Energy Regulatory Commission, regarding the natural gas transmission capacity increases or existing transmission facility substitutions, including an expenses financial plan for the increase and replacement.</p> <p>A natural gas transmission system operator is liable to submit to the Energy Regulatory Commission a report for the financial and physical range of realized services, in a manner and under the terms and conditions determined in the license.</p> <p>A natural gas transmission system operator is liable to keep record of the transmission capacity's operation, make a natural gas demand forecast in its geographic territory and prepare a report regarding the natural gas needs and the new transmission capacity needs, and notify the Energy Regulatory Commission of the above upon request.</p> <p>Upon approval from the Energy Regulatory commission, the natural gas transmission system operator adopts and publishes in the "Official Gazette of the Republic of Macedonia" natural gas transmission grid code that specifically govern:</p> <ul style="list-style-type: none"> - technical conditions for connecting natural gas distributors, direct customers of natural gas, and other natural gas transmission systems to the natural gas transmission system; - technical and other conditions for secure and safe functioning of the natural gas 		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<ul style="list-style-type: none"> - transmission system; - transmission system planning, maintenance and development; - measures, activities and procedures in case of breakdown; - terms and conditions for third party access to the natural gas transmission system; - functional requirements and precision class of measuring devices, - natural gas quality standards; - criteria for providing system services; - natural gas nomination and scheduling procedures; - data collection and communications protocols; and - supervision and control of operational management systems. <p>A natural gas transmission system operator because of supervision and control of the measuring instruments and regulation of the natural gas and/or in order to confirm the quantity of the transported natural gas, has the right to access the measurement stations that are located on the properties of the customers directly connected to the transmission system.</p> <p>The Article 120 of the Energy Law (Official Gazette of RM, no.63/06) gives the following provision on the confidentiality of the business data and information: The entities pursuing energy activities of public interest shall be obligated to ensure and guarantee confidentiality of the business data and information that have been gathered from the users during the period of pursuing the activity. The obligation for ensuring confidentiality of the information pertains to the following:</p> <ul style="list-style-type: none"> - information that are not publicly disclosed, - information for which there is a written consent from the person concerned by the information, - information that the license holder shall 		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>provide pursuant to the license, decision by the competent court or upon request by a state body,</p> <ul style="list-style-type: none"> - information that is required in the fulfillment of the obligations that arise from this license. <p>The entities pursuing energy activities of public interest shall not misuse the business secrets and information that have been gathered from third persons in the pursuing of the activities due to acquiring business benefits, as well as for undertaking discriminatory activities on behalf of third parties.</p>		
1.11 to 1.15	Distribution and Supply 1.11 Designation of DSOs 1.12 Tasks of DSOs 1.13 Unbundling of DSOs 1.14 Confidentiality of DSOs 1.15 Combined operator	Develop and implement the provisions regarding the designation of distribution system operators, tasks and unbundling of distribution system operators, and the combined operator(s)	July 2007	<p>There is no distribution network yet in Macedonia, but there are provisions given by the Energy Law (Official Gazette of RM, no.63/06) concerning the natural gas distributor:</p> <p style="text-align: center;">Article 15</p> <p>For safe, reliable and good quality of natural gas, thermal and geothermal energy for citizens and other consumer, the municipalities and the City of Skopje, are competent for this activities:</p> <ul style="list-style-type: none"> - Distribution of natural gas, - Management with the system for distribution of natural gas, - Supply with natural gas of the tariff consumers, - Production of heating energy, - Distribution of heating energy, - Distribution of geothermal energy, - Supply of heating energy, and - Supply of geothermal energy. <p style="text-align: center;">Article 87</p> <p>A natural gas distributor is liable to:</p> <ul style="list-style-type: none"> - provide safe and secure functioning of the natural gas distribution assets it owns in a specified geographic service territory; - connect users located in its geographic service territory in accordance with the connection rules in the distribution grid code; - ensure development and maintenance of its 		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>distribution system and the other capacities that are in the function of the distribution system, pursuant to the natural gas distribution system operation rules and the system development plans;</p> <ul style="list-style-type: none"> - take all measures provided for safety during the use of the natural gas distribution system and other capacities that are in function of the natural gas distribution system, as well as environmental protection measures; - distribute natural gas through its distribution system from the connection point with the natural gas transmission system to the natural gas consumers connected to the distribution system, under the terms and conditions and in a manner determined with this law, other regulations and pursuant to the terms and conditions determined in the license; and - quality supply of natural gas through its distribution system. <p style="text-align: center;">Article 90</p> <p>If two or more of the licenses for natural gas transmission, operation of the natural gas transmission system, natural gas distribution, operation of the natural gas distribution system and retail natural gas supplier for tariff customers, are held by a single entity, then:</p> <ul style="list-style-type: none"> - the persons responsible for management of the natural gas transmission system may not participate in the day-to-day operation of the natural gas distribution system or in retail natural gas supply for tariff customers connected to the natural gas distribution system; - the persons responsible for management of the natural gas distribution system may not participate in the day-to-day operation of the natural gas transmission system or in retail natural gas supply for tariff customers 		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<ul style="list-style-type: none"> connected to the natural gas distribution system; - separate accounts shall be maintained for the activities of natural gas transmission, natural gas distribution and retail natural gas supply for tariff customers; and - the natural gas transmission system operator shall establish a compliance program to ensure that discriminatory behavior between users of the transmission system is excluded. 		
1.16 to 1.17	Unbundling/transparency of accounts 1.16 Rights of access to accounts 1.17 Unbundling of accounts	Develop and implement the provisions regarding rights of access to and unbundling of accounts	July 2007	According to the Article 6 of the Energy Law, If the legal person that performs energy activity of public interest performs energy activity that is not of public interest, that person is obliged in the accounting to supply separate accounting for each energy activity performed of public interest. The legal person that performs energy activity of public interest submits the annual audited financial reports to the Energy Regulatory Commission as well as consolidated accounts for the other activities and balances with review of the incomes, expenditures, financing sources, the manner of financing of the investments and the results of the working for each of the activities separately.		
1.18 to 1.25	Organisation of access to the system 1.18 Third Party Access 1.19 Access to Storage 1.20 Access to upstream pipelines 1.21 Refusal to access 1.22 New Infrastructure 1.23 Market opening and reciprocity 1.24 Direct Lines 1.25 Regulatory Authorities	Develop and implement the provisions for the third party access to the regarding infrastructure, including exemption provisions, the establishment of the regulatory authorities, incl. the competences, and provide market opening provisions – taking reciprocity into account	July 2007	The following provisions regarding the Third Party Access are given by the Energy Law: Article 114 The system operator in the corresponding grid code shall establish rules for connection to the corresponding grid and methodology for connection expenses calculation. Connection rules shall take into account: consequences caused by the connection which will affect the other grid users, as well as the plant connection point, facilities and devices for which the connection is required, and the type of the required installation for connecting to the grid.		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>The system operator is obligated to provide the entities, which request connection to the corresponding grid, with detailed assessment of the expenses related to the connection. Grid connection expenses shall include the expenses for the grid expansion, which is needed for connection of the preferential electricity producers...</p> <p style="text-align: center;">Article 115</p> <p>Entities which request connection to the grid shall obtain consent from the corresponding system operator, according to the corresponding connection rules, and shall bear the expenses for connection determined with the connection rules. The entities which request connection to the grid may be: direct consumers, qualified consumers, electric power generators, natural gas distributors, thermal power generators, licensed electric power distributor and licensed natural gas distributor.</p> <p style="text-align: center;">Article 116</p> <p>The system operator in the corresponding grid code shall foreseen deadline for decision making in relation to the request for issuing of consent for connection and deadline for implementation of the connection to the grid.</p> <p>Market opening The following provisions are given by Article 92 of the Energy Law:</p> <p>“The following consumer categories can be qualified as eligible natural gas customers:</p> <ul style="list-style-type: none"> - customers that consume over 10.000.000 m³ of natural gas per calendar year; and - a natural gas retail tariff customers supplier. <p>As an exception from paragraph 1 of this Article, the government can extend the categories of those that can be qualified as eligible customers with a Decree based on criteria that may include consumption, pressure, consumer groups or connection spot.</p>		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>The eligible customers are announced with a decree by the Energy Regulatory Commission within 60 days of the day of submitting the request for acquiring a status of an eligible customer.</p> <p>Regarding the construction of new energy transmission and distribution facilities the following provisions are given by the Energy Law:</p> <p style="text-align: center;">Article 60</p> <p>Construction of new energy transmission and distribution facilities for fulfilling the obligation for supply of public service is carried by the owner of the license for distribution of electricity pursuant to this Law, the suitable net rules and the obligations determined by the license.</p> <p style="text-align: center;">Article 61</p> <p>The construction of new facilities for distribution of natural gas, distribution of heating energy and distribution of geothermal energy is done by persons who acquired the right for construction of these facilities on certain area within the frames of the municipality, that is, the city Skopje. The council of the municipality, that is the Council of the city Skopje after launching public appeal delivers decision for granting a right for construction of new facilities for distribution of natural gas, distribution of heating energy and distribution of geothermal energy in certain area. Against the decision in point 2 of this Article can be filed complaint in the jurisdictional Court. Right for construction of new facilities for distribution of natural gas, distribution of heating energy and distribution of geothermal energy in certain area can not be transferred to other person without consent of the council of the municipality, that is, the council of the city Skopje.</p> <p style="text-align: center;">Article 62</p> <p>The construction of the direct lines for supply with</p>		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>electricity is regulated by suitable net rules.</p> <p>Article 65 The decision for granting the right for construction of new facilities for distribution of natural gas, distribution of heating energy and distribution of geothermal energy cease to be valid if:</p> <ul style="list-style-type: none"> - the owner of the right within period of 2 years from the entry into force of the decision for granting the right for construction does not start the construction of the distribution net. - does not construct the facility in compliance with the dynamics determined by the decision for granting the right for construction, - the owner loses the economic, technical or operational abilities, - the owner of the right transfers the right for construction of object to another person without consent of the municipality, that is, the city Skopje. <p>Energy Regulatory Commission The activities pertaining to the regulation of the energy activities are carried out by the Energy Regulatory Commission of the Republic of Macedonia. The Energy Regulatory Commission operates and makes decisions independently, and at least once a year informs the Assembly of the Republic of Macedonia and the Government of the Republic of Macedonia on the operation of the Energy Regulatory Commission. www.erc.org.mk</p> <p>The Energy Regulatory Commission consists of five members. The members and the President of the Regulatory Commission, who is one of the members, on a proposal of the Government of the Republic of Macedonia, are appointed by the Parliament of the Republic of Macedonia on July</p>		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>23rd, 2003. The practical operation of the Regulatory Commission started from 1st of January, 2004.</p> <p>The Energy Regulatory Commission is an independent body regarding the operation and decision taking process within the scope of its competencies. The Energy Regulatory Commission have capacity of a legal entity.</p> <p>According to the Article 19 of the Energy Law the Energy Regulatory Commission have the following scope of competencies:</p> <ul style="list-style-type: none"> - monitors the energy market operations and proposes measures for its promotion due to ensuring non-discrimination, efficient competition and efficient functioning of the market; - monitors any mechanisms used to deal with congested capacity on the electricity system and on the natural gas pipelines within the Republic of Macedonia; - ensures promotion of the protection of the rights of the energy users; - delivers regulations on price formation of certain types of energy and services in relation to pursuing of regulated energy activities; - prescribes Tariff systems for certain types of energy. - adopts decisions for the prices of specific types of energy in compliance with the price setting methodologies and tariff systems for relevant types of energy and services related to the pursuing of different energy activities; - issues, amends, revokes and monitors the compliance of the licensees in the pursuit of certain activities within the energy sector; - participates in the resolution or resolves disputes that may arise among the 		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>participants on the energy market including cross-border disputes;</p> <ul style="list-style-type: none"> - establishes cooperation with the competent state authorities, local self-government units, energy entities, energy users and other organizations and institutions; - proposes to the relevant authorities undertaking of measures, within the scope of their competencies and in a procedure as defined by this law, against the entities that pursue the activity contrary to the provisions of this law; - gives initiative and proposes adoption of new and amendment to the existing laws and other regulations, - participates in relevant regional and international organizations and cooperates with other regulatory authorities so as to contribute to the development of regional energy markets; - adopts statute, rules of procedure and other internal acts pertaining to its operation, and - issues regulations to carry out its responsibilities under the Energy Law and performs such other tasks as are required by this or other law. <p>The Energy Regulatory Commission adopt decisions with majority of the votes from the total number of members. The decisions of the Energy Regulatory Commission are published in the "Official Journal of the Republic of Macedonia".</p> <p>The activities of the Energy Regulatory Commission are financed from own sources provided through collection of the license fees and through collection of a fee from the total income of the license holders for pursuing of energy activities.</p>		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
1.26 to 1.32	Final Provisions 1.26 Safeguard Measures 1.27 Derogations: Take or pay com. 1.28 Emergent and Isolated Markets 1.29 Review Procedure 1.30 Committee 1.31 Reporting	Develop and implement the provisions regarding the safeguard measures, the derogations in relation to take or pay commitments, the emergent and isolated markets, the reporting requirements	July 2007	<p>According to Article 17 of Energy Law:</p> <p>The relevant act adopted by the Government of the Republic of Macedonia, upon proposal of the Ministry, shall govern the criteria and requirements for declaration of crisis, as well as the manner of supply of certain types of energy in such circumstances, the rights and obligations of the license holders regarding the pursuing of energy activities pursuant to the Law on Crisis Management.</p> <p>The measures taken to safeguard the energy markets and energy systems of the Republic of Macedonia in the event of a crisis shall be temporary and shall cause the least possible disturbance to the functioning of the national and regional energy markets and shall not be wider in scope than necessary to remedy the difficulties which have arisen.</p> <p>The Energy Regulatory Commission, no later than 31 March of each subsequent year, submits to the Parliament of the Republic of Macedonia and the Government of the Republic of Macedonia a detailed annual report on the operations of the Energy Regulatory Commission, and the material and financial matters, for the previous calendar year.</p> <p>The annual report on the operations of the Energy Regulatory Commission is published in one of the public newspapers.</p>		

Chapter 2 – Market Structure – ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
2.1	Domestic production/Storage-/LNG operator/ importer, trader, retailer	Analyse and assess markets including market concentration in each Party's gas industry applying the commonly used indicators	July 2007/ December 2007	<p>No domestic production of natural gas. The entirety of supply is imported from Russia since 1997, via a pipeline from Bulgaria.</p> <p>The joint stock company, (50 % state-owned, 50 % owned by the private company AD Makpetrol) AD "GA-MA" has the licences for performing the following energy activities:</p> <ul style="list-style-type: none"> - Transmission of the natural gas (Natural Gas Transmission Assets Owner); - Operation of the natural gas transmission system (Natural Gas Transmission System Operator). <p>The private, joint stock company MAKPETROL AD has the licences for performing the following energy activities:</p> <ul style="list-style-type: none"> - Supply of natural gas for tariff customers connected to the transmission system (Retail natural gas supplier for tariff customers directly connected to the transmission system); - Trade with natural gas (Natural gas trader). <p>Natural gas is used by industrial customers and for district heat generation.</p>		
2.2	Domestic production/Storage-/LNG operator/ importer, trader, retailer	Based on the results obtained in action 2.1 propose measures, if necessary, to adapt the market structure to the requirements of the gas market liberalisation process	July 2007	Makpetrol is only one firm at the moment who is importer and trader of natural gas in Republic of Macedonia. Makpetrol is a private company whose activities are only import and trade of oil, oil derivatives and natural gas. Prices of natural gas are regulated by Energy Regulatory Commission.		
2.3	Transmission-system operators	Analyse trade, including cross border trade conditions regarding hurdles. Ensure unbundling and	December 2007	The joint stock company, (50 % state-owned, 50		GA-MA

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
		implementation of technical rules (network code)		<p>% owned by the private company AD Makpetrol) AD "GA-MA" has the licences for performing the following energy activities:</p> <ul style="list-style-type: none"> - Transmission of the natural gas (Natural Gas Transmission Assets Owner); - Operation of the natural gas transmission system (Natural Gas Transmission System Operator). <p>Upon approval from the Energy Regulatory commission, the natural gas transmission system operator adopts and publishes in the "Official Gazette of the Republic of Macedonia" Natural Gas Transmission Grid Code that specifically govern:</p> <ul style="list-style-type: none"> - technical conditions for connecting natural gas distributors, direct customers of natural gas, and other natural gas transmission systems to the natural gas transmission system; - technical and other conditions for secure and safe functioning of the natural gas transmission system; - transmission system planning, maintenance and development; - measures, activities and procedures in case of breakdown; - terms and conditions for third party access to the natural gas transmission system; - functional requirements and precision class of measuring devices, - natural gas quality standards; - criteria for providing system services; - natural gas nomination and scheduling procedures; - data collection and communications protocols; and - supervision and control of operational management systems. 		
2.4	Distribution system operators	Analyse trade and ensure effective unbundling, if obliged to do so, and ensure adoption of technical	July 2007	There is no distribution network yet in Macedonia. A natural gas distribution system operator is		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
		rules		liable, upon approval from the Energy Regulatory Commission, to adopt and publish in the "Official Gazette of the Republic of Macedonia" the natural gas distribution grid code that especially governs: <ul style="list-style-type: none"> - technical and technological conditions for connecting the users to the natural gas distribution system; - technical and other conditions for safe, secure and non-discriminatory functioning of the natural gas distribution system; - measures, activities and procedures in case of breakdown; - terms and conditions of third party access to the natural gas distribution system; - functional requirements and class of precision of measuring devices as well as, manner of natural gas measuring; and - manner of providing system services using transparent, non-discriminatory and market-based procedures. 		

Chapter 3 – Wholesale market – ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
3.1	Market rules	Develop and implement non-discriminatory market rules fostering competition, supporting trade, including cross border trade/transport	December 2007			
3.2	Transparency	Provide and publish data including services offered to the market	December 2007	<p>According to Article 91 of Energy Law: A natural gas trader is liable to:</p> <ul style="list-style-type: none"> - operate pursuant to the regulations determined by the Energy Regulatory Commission, transmission grid code, distribution grid code, market code and operation manuals, in order to meet the obligations towards the customers; and - submit to the Energy Regulatory Commission information and reports regarding the executed and upcoming transactions and business activities in a previously determined timeframe.” <p>The Energy Regulatory Commission has issued the following rulebooks regarding natural gas sector:</p> <ul style="list-style-type: none"> - “Rulebook on the method and conditions for regulating prices for transport, distribution and supply with natural gas” (“Official Gazette of the Republic of Macedonia”, no. 94/05); - Tariff system for transport of natural gas (“Official Gazette of the Republic of Macedonia”, no. 94/05); - Tariff system for selling natural gas to tariff customers (“Official Gazette of the Republic of Macedonia”, no. 94/05). <p>The “Rulebook on the method and conditions for regulating prices for transport, distribution and supply with natural gas”, issued by the Regulatory Commission on 1.11.2005, has been published at the “Official Gazette of the Republic of Macedonia”, no. 94/05.</p>		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
				This Rulebook determines the method for establishment, approval and control of the regulated prices for transport, distribution and supply with natural gas.		
3.3	Market monitoring	Elaborate and implement an efficient market monitoring system in order to obtain reliable data for further development of the competitive market.	December 2007	<p>The Energy Regulatory Commission monitors the fulfillment of the obligations deriving from the license by means of reports on the operation on regular and extraordinary bases that the license holder is liable to submit, reviews and controls through direct inspection of operation to the license holder under official duties or on the basis of a request and/or information from other government bodies, organizations, institutions, legal and natural entities and news media, as well. The license holder is liable to allow upon the request made by the Regulatory Commission free access to do its job necessary to monitor the execution of obligations deriving from the license and upon its request to submit the entire documentation to it in manner, scope and form as defined by the Energy Regulatory Commission. The license holder is liable to submit to the Energy Regulatory Commission an annual report for the operation in the previous year by 31 March at the latest in the current year and other interim reports and in manner, scope and form as defined in the license.</p> <p>According to the Law on protection of the competition ("Official Gazette of the Republic of Macedonia" no. 04/2005), on the basis of a request from the Assembly, the Government of the Republic of Macedonia, other government bodies, companies or under official duties, the Commission for protection of the competition may give expert opinion on issues regarding the competition policy and protection of the market competition. The Commission for protection of the competition collaborates with other government bodies on issues regarding protection of the</p>		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
				competition. The Commission for protection of the competition and the regulatory bodies are obligated to exchange the necessary data and information in accordance with their authorizations. There are also penalties given at the Law on protection of the competition in case of abuse of market power.		
3.4	Balancing	Elaborate and implement a non-discriminatory, balancing regime fostering competition and cross border trade/transport	December 2007	The issue shall be evaluated in the Network Code.		
3.5	Licensing and Authorization	Elaborate and implement a licence/authorization system, harmonized also for a regional access	December 2007	<p>In June 2005, the Energy Regulatory Commission has issued the "Rulebook on conditions, method and procedures for granting, modification and revocation of licenses for performing energy activities" ("Official Gazette of the Republic of Macedonia", no. 47/2005).</p> <p>During the preparation of the "Rulebook on conditions, method and procedures for granting, modification and revocation of licenses for performing energy activities", the Energy Regulatory Commission followed the experiences from the other countries of the South East Europe and made few benchmarking reports.</p> <p>This Rulebook is based on principles of objectivity, non-discrimination and transparency and it sets down:</p> <ul style="list-style-type: none"> - the conditions, method and procedures of granting, extension, amendment, termination, suspension and revocation of the licenses for performing energy activities; - the subject of the license; - the process of monitoring of compliance of the obligation set out in the licenses; and record keeping of the licenses. <p>The term of the license is determined by the Energy Regulatory Commission in compliance with the time-limits as provided under the law, and in relation to the type of the energy activity, the scope of the resources necessary for</p>		For licensing – Energy Regulatory Commission.

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
				<p>performing the energy activity, the time duration of the right to use the energy resource, insuring the public interest, as well as the request of the performer of the energy activity.</p> <p>The time duration of the license for the energy activities related to the generation, transmission, distribution and transit of different types of energy, as well as operation of the transmission and distribution systems of different types of energy may be up to 35 years, while for the rest of the energy activities, the time duration of the license may be up to 10 years.</p> <p>The Energy Regulatory Commission monitors the fulfillment of the obligations deriving from the license by means of reports on the operation on regular and extraordinary bases that the license holder is liable to submit, reviews and controls through direct inspection of operation to the license holder under official duties or on the basis of a request and/or information from other government bodies, organizations, institutions, legal and natural entities and news media, as well.</p> <p>The license holder is liable to submit to the Energy Regulatory Commission an annual report for the operation in the previous year by 31 March at the latest in the current year and other interim reports and in manner, scope and form as defined in the license.</p> <p>Regarding the natural gas sector, the Energy Regulatory Commission issued the following 5 licenses for performing energy activities:</p> <ul style="list-style-type: none"> - 1 license for Operation of the natural gas transmission system (AD GA-MA) - 1 license for Transmission of natural gas (AD GA-MA); - 1 license for supply of natural gas for tariff customers connected to the transmission system (AD Makpetrol); - 2 licenses for Trade with natural gas (AD 		

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
				Makpetrol, DOOEL Makgas)		

Chapter 4 – Retail market – ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
4.1	Eligibility thresholds	Elaborate and implement market opening measures in terms of eligibility thresholds and time schedules	December 2007	<p>The following provisions are given by Article 92 of the Energy Law:</p> <p>“The following consumer categories can be qualified as eligible natural gas customers:</p> <ul style="list-style-type: none"> - customers that consume over 10.000.000 m³ of natural gas per calendar year; and - a natural gas retail tariff customers supplier. <p>As an exception from paragraph 1 of this Article, the government can extend the categories of those that can be qualified as eligible customers with a Decree based on criteria that may include consumption, pressure, consumer groups or connection spot.</p> <p>The eligible customers are announced with a decree by the Energy Regulatory Commission within 60 days of the day of submitting the request for acquiring a status of an eligible customer.</p> <p>The Government of the Republic of Macedonia adopts the Decree referred to in paragraph 2 of this Article based on the liabilities arising from the ratified international agreements, the system security impact, the system planning conditions, as well as the possibility to finance investments related to changing their impact over tariffs.</p> <p>The resolutions determining acquiring the qualification of an eligible customer adopted on the basis of the decree referred to in paragraph 3 of this Article are held valid from the first day of the following calendar year.</p> <p>Changing the status of an eligible customer into a status of a tariff customer, i.e. the status of a tariff customer into a status of an eligible customer, cannot be execute prior to the expiration of the term of one year from the day of the last status change.</p> <p>The entity that has not been an eligible natural</p>		Government of the Republic of Macedonia, Energy Regulatory Commission

				<p>gas consumer, annexes to the request for acquiring status of an eligible customer, the appropriate documentation presenting the planned level of natural gas consumption.</p> <p>When changing the status of a natural gas tariff customer into the status of an eligible customer, the appropriate documentation presenting the planned natural gas consumption level is annexed to the request for acquiring a status of an eligible customer.</p> <p>The Energy Regulatory Commission sets the close conditions regarding the manner and the procedure for acquiring and ceasing of the eligible customer status and records, maintains and publishes the list of eligible customers.</p> <p>The eligible customers are liable to report planned quantities of natural gas for the following year to the natural gas transmission system operator and the Energy Regulatory Commission, as well as the natural gas distribution system manager if they are supplied through the distribution grid, to a date not exceeding the month of October of the current year. "At present natural gas is used by industrial customers and for district heat generation.</p>		
4.2	Payment reform	Elaborate and implement measures for a non-discriminatory transparent payment reform	December 2007			
4.3	Customer switching	Elaborate and implement a non-discriminatory transparent customer switching process minimizing transaction cost and disputes	December 2007			
4.4	Transport capacity usage	Elaborate and implement a non-discriminatory transparent methodology for capacity allocation supporting customer switching and avoiding capacity hoarding	December 2007			
4.5	Customer protection	Elaborate and implement non-discriminatory transparent measures for customer protection in particular vulnerable customers which also minimize disputes	December 2007	<p>According to Article 85 of Energy Law:</p> <p>A natural gas transmission assets owner can temporary switch off the natural gas supply by reason of planned review, examination and controlling measurements, overhauls and reconstructions and expansion of the buildings, devices and installation.</p> <p>Temporary switch off a natural gas transmission assets owner can execute in time appropriate for</p>		

			<p>consumers when they have lowest damage, in accordance with the schedule for maintains of the buildings, devices and plants and annual balance.</p> <p>A natural gas transmission assets owner is liable to announced the consumers and proper ministry for energetic for the date, our and time period of the temporary switch off seven days before switch off.</p> <p>According to Article 87 of Energy Law:</p> <p>A natural gas distributor can temporary interrupt the natural gas delivery because of planned revisions, testing and controlling measurements, overhauls and reconstructions and expansion of the buildings, devices and installation.</p> <p>The temporary interruption the natural gas distributor shall be executed when the damage that will suffer the customers is as low as possible, in accordance with the schedules for maintenance of the buildings, devices and plants and the annual energy balance.</p> <p>A natural gas distributor shall inform the affected customers, the natural gas distribution system operator and the ministry authorize for energy about the date, hour and duration of the temporary interruption with at least seven days of anticipation.</p> <p>A natural gas distributor shall inform the households and small consumption customer via public media at least three days prior to the interruption.</p>		
--	--	--	---	--	--

Chapter 5 – Tariff reform and Affordability – ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the actions and references (laws, national plans)	Deadline	Responsible institution
5.1	All inclusive regulated tariffs	Elaborate and Implement non-discriminatory transparent all inclusive tariffs, reflecting costs	December 2007	<p>The Energy Regulatory Commission has issued the following rulebooks regarding natural gas sector:</p> <ul style="list-style-type: none"> - “Rulebook on the method and conditions for regulating prices for transport, distribution and supply with natural gas” (“Official Gazette of the Republic of Macedonia”, no. 94/05); - Tariff system for transport of natural gas (“Official Gazette of the Republic of Macedonia”, no. 94/05); - Tariff system for selling natural gas to tariff customers (“Official Gazette of the Republic of Macedonia”, no. 94/05). <p>The “Rulebook on the method and conditions for regulating prices for transport, distribution and supply with natural gas”, issued by the Regulatory Commission on 1.11.2005, has been published at the “Official Gazette of the Republic of Macedonia”, no. 94/05.</p> <p>This Rulebook determines the method for establishment, approval and control of the regulated prices for transport, distribution and supply with natural gas.</p> <p>The regulation of natural gas prices according to the method and procedure laid down in this Rulebook aims to ensure:</p> <ul style="list-style-type: none"> - protection from abuse of dominant and monopoly position of companies; - protection of natural gas consumers and provision of a secure, continuous and safe supply with natural gas; - conditions for continuous and successful operation of the companies by determining a level of regulated return on capital; - the future development of the companies by regulation based on incentives for improving 		Energy Regulatory Commission

				<p>productivity and efficient operation;</p> <ul style="list-style-type: none"> - improvement of the quality of services provided by the companies; - stable and anticipated natural gas market relations, providing favorable conditions for attracting investors; - conditions for sustainable development; and - conditions for applying the principles of objectivity, non-discrimination and transparency. <p>natural gas through the natural gas transportation system are set.</p> <p>The Tariff system has objective to ensure quality supply with natural gas to tariff customers, to initiate rational consumption and economy in supply with natural gas to tariff customers.</p>		
5.2	TPA tariffs for transmission/distribution networks	Elaborate and Implement non-discriminatory transparent tariffs for third party access for transmission-/distribution networks reflecting costs	December 2007			
5.3	Transit network use	Elaborate and Implement non-discriminatory transparent tariffs for third party access for transit networks	December 2007			
5.4	Tariff for new infrastructure. Art. 22 being applied.	Elaboration and implement criteria and institutions for the exceptions to general rules of TPA including cross border infrastructure	December 2007			
5.5	Tariff for new infrastructure no exemption	Elaborate and Implement non-discriminatory transparent tariffs for third party access to new infrastructure; no exemption in accordance with Art.22	December 2007			
5.6	Tariff storage (regulated/negotiated)	Elaborate and implement transparent tariffs being non-discriminatory and supporting competition	December 2007			
5.7	Affordability	Elaborate and implement a support scheme for the vulnerable customers, including incentives for economic energy use	December 2007			

Chapter 6 – Market Integration – ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				
No	Subchapter	Action	Deadline	Responsible institution
6.1	Interconnection/ transmission- /Transit capacity	Elaborate and implement a non-discriminatory transparent methodology for capacity allocation supporting cross border trade/competition	Not yet decided	Not decided (probably ECRB)
6.2	Cross border transport	Elaborate and implement a transparent non-discriminatory process facilitating cross border transport	Not yet decided	Not decided (probably ECRB)
6.3	Storage/LNG facilities if also used abroad; regulated/negotiated access	Elaborate and implement non-discriminatory transparent published tariffs and or terms for storage/ LNG usage which facilitate cross border gas trade and competition	Not yet decided	Not decided (probably ECRB)
6.4	Licensing	Analyze the compatibility of licensing and develop and implement licensing provisions which foster cross border trade/transport	Not yet decided	Not decided (probably ECRB)

3 CHECKLIST/ GUIDELINES FOR EACH ACTION

CHECKLIST/GUIDELINES to Chapter 1 – Acquis communautaire

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES		
No.	Subchapter	Checklist/Guidelines
1.1	General rules/ Imposition on undertakings	<ul style="list-style-type: none"> • If applicable, description of the possible impositions on gas undertakings of Public Service Obligations: Description of the provision and reference to national legislation
1.2	General rules/ Customer protection	<ul style="list-style-type: none"> • Final customer protection and to ensure high levels of consumer protection: • Protection of vulnerable customers (including measures to avoid disconnection) • Protection customers in remote areas • Dispute settlement mechanism • Economical and social cohesion • Supplier of last resort
1.3	General rules/ Public Service Obligations (PSO)	<ul style="list-style-type: none"> • Report immediately after the implementation of the Public Service Obligations provisions • Reporting every two years on any changes regarding the Public Service Obligations
1.4	General rules/ authorisation	<ul style="list-style-type: none"> • Authorisation criteria for building and/or operation of gas facilities or supply of natural gas • Motivation of refusals to applicants and appeal procedures • Refusal if existing or proposed capacity is not saturated
1.5	General rules/ Monitoring Security of Supply	<ul style="list-style-type: none"> • Provisions monitoring of Security of Supply: supply/demand balance; expected future demand and available supplies, capacity being planned or under construction level of maintenance of the existing infrastructure, etc • Identification responsible Institution for the monitoring • Report every year outlining the findings
1.6	General rules/ Technical rules	<ul style="list-style-type: none"> • Technical rules regarding connection to the LNG facilities, storage facilities, other transmission and distribution systems and direct lines to ensure interoperability of systems. • Objective and non-discriminatory rules • Publication and notification of the technical rules
1.7	Transmission, storage and LNG/ Designation of system operators	<ul style="list-style-type: none"> • Designation of one or more system operators either by the country or by natural gas undertakings which own transmission, storage or LNG facilities
1.8	Transmission, storage and LNG/ Tasks of system operators	<ul style="list-style-type: none"> • Define the tasks of the system operators (s) in line with art. 8: <ul style="list-style-type: none"> - Operate, maintain, develop under economic conditions transmission, storage and/or LNG facilities - Provide sufficiently information to any other system operator - Objective balancing rules - Procure energy needed for carrying out their functions on a transparent market based procedure
1.9	Transmission, storage and LNG/ Unbundling of TSO	<ul style="list-style-type: none"> • Independent at least in terms of legal form, and organisation and decision-making from other activities not relating to transmission. • Implementation of minimum independent criteria according to Art. 9.2 including establishment of a compliance programme
1.10	Transmission, storage and LNG/Confidentiality for TSO	<ul style="list-style-type: none"> • Each transmission, storage and/or LNG system operator shall preserve confidentiality of commercial sensitive information

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES

1.11	Distribution and Supply/Designation of distribution system operator	<ul style="list-style-type: none"> Designation of one or more distribution system operators either by the country or by natural gas undertakings which own transmission, storage or LNG facilities
1.12	Distribution and Supply/Tasks of DSOs	<ul style="list-style-type: none"> Define the tasks of the distribution system operators (s) in line with art. 12: <ul style="list-style-type: none"> Operate, maintain, develop under economic conditions a secure reliable efficient system Provide sufficiently information to any other system operator Objective balancing rules including charging of system users
1.13	Distribution and Supply/Unbundling of DSOs	<ul style="list-style-type: none"> Independent at least in terms of legal form, and organisation and decision-making from other activities not relating to distribution. Implementation of minimum independent criteria according to Art. 13.2 including establishment of a compliance programme; exception possible if less than 100 000 customers
1.14	Distribution and Supply/Confidentiality for DSOs	<ul style="list-style-type: none"> Each distribution system operator shall preserve confidentiality of commercial sensitive information
1.15	Distribution and Supply/Combined operator	<ul style="list-style-type: none"> Operation of a combined transmission, LNG, storage and distribution system possible if combined operator is independent at least in terms of legal form, and organisation and decision-making from other activities not relating to transmission, LNG, storage and distribution system operations
1.16	Unbundling and transparency of accounts/Right of access to accounts	<ul style="list-style-type: none"> Designate competent authorities, including regulatory authorities, to have right of access to the accounts of gas undertakings Preserve the confidentiality of commercial sensitive information
1.17	Unbundling and transparency of accounts/Unbundling of accounts	<ul style="list-style-type: none"> Gas undertakings to draw up, submit to audit and publish their annual accounts according to rules defined in accounting acquis Internal accounting: Separate accounts for each of their transmission and distribution LNG and storage activities; separate accounts for supply activities for eligible and non-eligible customers
1.18	Organisation of access to the system/Third party access	<ul style="list-style-type: none"> Ensure third party access to the transmission-, distribution and LNG facilities based on published tariffs, applicable to all eligible customers TSO shall have for purpose of carrying out their functions access to other network of other TSO Compliance of long term contracts with competition rules
1.19	Organisation of access to the system/Access to storage	<ul style="list-style-type: none"> Regulated or negotiated access (or both) to storage facilities Provisions shall not apply to temporary storage that are related to LNG facilities and necessary for re-gasification process If negotiated access natural gas undertakings and eligible customers shall be able to negotiate access to storage facilities, based on published tariffs and main conditions If regulated access natural gas undertakings and eligible customers shall have a right to access to storage based on published tariffs and terms
1.20	Organisation of access to the system/Access to upstream pipeline networks	<ul style="list-style-type: none"> Gas undertakings and eligible customers shall be able to obtain access to upstream networks taking the provisions of paragraph 2 into account Refusal in accordance with determined criteria Establishment of a dispute settlement arrangements, including cross border disputes
1.21	Organisation of access to the system/Refusal of access	<ul style="list-style-type: none"> Access to the system can be refused in accordance with the criteria of paragraph 1 like lack of capacity etc. Enhancements of capacity by gas undertakings if it is economic to do so and the potential customer is willing to pay for
1.22	Organisation of access to the system/New infrastructure	<ul style="list-style-type: none"> Exemption from the provisions of art. 18, 19, 20 and 25(2), (3) and (4) for new infrastructure or significant increases of capacity in existing infrastructure Exemption mechanism and criteria in accordance with art. 22 (1)

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES

		<ul style="list-style-type: none"> Decision on case by case basis by regulatory authority; formal decision of another relevant body is possible
1.23	Organisation of access to the system/Market opening and reciprocity	<ul style="list-style-type: none"> Eligible customers are all non-household customers from 1 January 2008 and all customers from 1 January 2015 To avoid imbalance in the opening of the gas markets reciprocity shall be taken into account
1.24	Organisation of access to the system/Direct lines	<ul style="list-style-type: none"> Supply of eligible customers shall be enabled in accordance with the relevant criteria to be determined by a competent authority
1.25	Organisation of access to the system/Regulatory authorities	<ul style="list-style-type: none"> Designation of competent body(ies) with the function of regulatory authorities which is independent of the interests of gas industry Regulatory authority ensure effective competition and the efficient functioning of the market, responsible for fixing or approving at least methodologies used to calculate or establish terms and conditions for tariffs and the provision of balancing services etc. Act as dispute settlement authority, taking cross border disputes into account
1.26	Final provisions/ Safeguard measures	<ul style="list-style-type: none"> In the event of a sudden crisis the responsible authority may take necessary safeguard measures, causing the least possible disturbance to the functioning of the market
1.27	Final provisions/ Derogations in relation to take or pay commitments	<ul style="list-style-type: none"> Derogation from Art. 18 in relation to take or pay commitments. Applications presented on a case by case basis; derogation has to be duly substantiated in accordance with criteria of Art. 27 (3)
1.28	Final provisions/ Emergent and isolated markets	<ul style="list-style-type: none"> Isolated markets may derogate from Articles 4, 9, 23 and/or 24. Emergent market may derogate from Articles 4, 7, 8(1) and (2), 9, 11, 12(5), 13, 17, 18,23(1) and/or 24 For development of infrastructure in geographically limited area derogation from Articles 4, 7, 8(1) and (2), 9, 11, 12(5), 13, 17, 18, 23(1) and/or 24 could be applied for
1.29	Final provisions/ Review procedure	<ul style="list-style-type: none"> Review procedure
1.30	Final provisions/ Committee	<ul style="list-style-type: none"> Committee process in accordance with Article 30 of the Directive
1.31	Final provisions/ Reporting	<ul style="list-style-type: none"> Reporting requirements in accordance with Article 31 of the Directive
1.32	Final provisions/ Implementation: Entry into force	<ul style="list-style-type: none"> Implementation and Entry into force requirements

CHECKLIST/GUIDELINES to Chapter 2 – Market Structure

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES		
No	Subchapter	Checklist/Guidelines
2.1	Domestic production/Storage/LNG operator(s)/importer trader, retailer	<ul style="list-style-type: none"> • Define markets, measure and assess market concentration in each Party's gas industry like: <ul style="list-style-type: none"> - Domestic production volume and capacity, import volume and capacity - Wholesale activities - Retail activities - Storage capacities (injection and withdrawal capacities and storage volume) - Etc., by applying analytical techniques that are consistent with international best practice and with the precedent established by the competition authority of the EC and, as relevant, of MS that have implemented European competition law
2.2	Importer, trader, retailer	<ul style="list-style-type: none"> • Analyse trade, including cross border trade conditions regarding hurdles like import or export restrictions and precautions in order to remove those restrictions
2.3	Domestic production/Storage/LNG-operator(s) /importer, trader, retailer	<ul style="list-style-type: none"> • Based on the results obtained in action 2.1 and 2.2 propose measures, if deemed necessary, like: <ul style="list-style-type: none"> - Implementation of a gas release program - Decision whether a negotiated or regulated storage access shall be implemented - Restructuring of gas industry - Planning of new capacities - Security of supply provisions - Etc.
2.4	Transmission- system operators (TSO)	<ul style="list-style-type: none"> • Develop and implement: <ul style="list-style-type: none"> - Effective unbundling - TPA conditions - Effective operations including planning (new capacities, development of infrastructure forecast etc.)
2.6	Distribution system operators (DSO)	<ul style="list-style-type: none"> • Develop and implement: <ul style="list-style-type: none"> - Effective unbundling, if obliged to do so - TPA conditions - Effective operations including planning (new capacities, development of infrastructure forecast etc.) - Restructuring of distribution activities, if necessary

CHECKLIST/GUIDELINES to Chapter 3 – Wholesale Market

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES		
No	Subchapter	Checklist/Guidelines
3.1	Market design	<ul style="list-style-type: none"> • Develop a framework for a non-discriminatory, transparent competitive market
3.2	Market rules	<ul style="list-style-type: none"> • Ensure compatibility between national markets regarding: <ul style="list-style-type: none"> - Wholesale market opening (compatibility of agreements concerning eligibility) - Import and export restrictions - Interconnection agreements - Operational balancing agreements - Balancing regimes - Provisions concerning “old” and new long term take or pay contracts - Ancillary services, <p>by elaborating and implementing the regarding actions/measures</p>
3.3	Transparency	<ul style="list-style-type: none"> • Data to be made available (published) to market participants concerning: <ul style="list-style-type: none"> - Activities - Services offered (including tariffs etc.) - Conditions of access - Nomination procedure, - Capacity allocation - Available capacity - Anti capacity hoarding mechanism - Maintenance information - Disruption circumstances/conditions - Etc.
3.4	Market monitoring	<ul style="list-style-type: none"> • Develop and implement a market monitoring system and monitor activities like: <ul style="list-style-type: none"> - Market opening level - Market concentration for domestic production, if any, import, wholesale activities, storage activities - Abuse of dominant position - Security of supply - Switching rate - Gas price development for eligible and non eligible customers - Etc.
3.5	Balancing	<ul style="list-style-type: none"> • Establishment of a non-discriminatory, broadly cost neutral balancing regime which avoids cross subsidisation between system users
3.6	Licensing and Authorization	<ul style="list-style-type: none"> • Provide compatibility and harmonization concerning licence/ authorization conditions based on objective, non-discriminatory criteria, including provision for the reasons for any refusal and implement them

CHECKLIST/GUIDELINES to Chapter 4 – Retail market

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES		
No	Subchapter	Checklist/Guidelines
4.1	Eligibility thresholds	<ul style="list-style-type: none"> • Elaborate and implement actions/measures in terms of eligibility thresholds and time schedule, necessary to open the market
4.2	Payment reform	<ul style="list-style-type: none"> • Elaborate and implement actions/measures for the payment reform like: <ul style="list-style-type: none"> - Improvement of collection rates, - Installation of proper metering devices, - Electronically data processing - Etc.
4.3	Customer switching	<ul style="list-style-type: none"> • Develop and implement measures for transparent customer switching like: <ul style="list-style-type: none"> - Termination of existing contracts, - Application for network access for existing and/or new point of consumption - Metering and settlement arrangements including when switching in between reading a cycle - Ttime schedule for supplier switching - Load profiles for customers which are not hourly metered - Upgrade of IT systems and electronic filing required fro customer switching - Etc.
4.4	Transport capacity usage	<ul style="list-style-type: none"> • Elaborate and implement a methodology for transport capacity allocation for: <ul style="list-style-type: none"> - New consumers like first come first serve, pro rata, auctioning - Customers switching the supplier like capacity goes with the customer - Etc.
4.5	Costumer protection	<ul style="list-style-type: none"> • Develop and implement measures for protection of the customers like: <ul style="list-style-type: none"> - Cost reflectivity for grid usage - Transparent price settings for non-eligible customers including price information on the bills - Avoidance of subsidies among customer groups - Transparent customer information - Quality of supply standards incl. monitoring - Vulnerable customers - Dispute settlement mechanism - Disconnection criteria - Transparency of bills - Financing the support mechanism, if any - Etc.

CHECKLIST/GUIDELINES to Chapter 5 – Tariff reform and affordability

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES		
No	Subchapter	Checklist/Guidelines
5.1	All inclusive regulated tariffs	<ul style="list-style-type: none"> • Develop and implement measures regarding: <ul style="list-style-type: none"> - Analysis of cost reflective tariffs - Calculation and implementation of non discriminatory cost reflective tariffs based on efficiently incurred cost taking into account an appropriate rate of return provide incentives for capacity expansion ; the respective time schedule and plan for bring regulated tariffs to cost reflectivity shall be included - Avoidance of cross subsidies between different categories of consumers
5.2	TPA tariffs for transmission/distribution networks	<ul style="list-style-type: none"> • Elaborate an in terms of eligibility thresholds and time schedule and implement measures regarding: <ul style="list-style-type: none"> - Transparent, non-discriminatory, cost reflective, non-discriminatory published tariffs, reflecting efficiently incurred cost whilst fostering competition and providing incentives for capacity expansion - Appropriate return on investment - Avoidance of cross subsidies between users - Taking into account backhaul flows
5.3	Transit network use	<ul style="list-style-type: none"> • Develop and implement measures regarding elaboration/implementation: <ul style="list-style-type: none"> - Transparent, non-discriminatory, cost reflective, non-discriminatory published tariffs, reflecting efficiently incurred cost whilst fostering competition and providing incentives for capacity expansion - Appropriate return on investment - Avoidance of cross subsidies between users - Taking into account backhaul flows
5.4	Tariff for new infrastructure (exemption granted)	<ul style="list-style-type: none"> • Elaborate and implement criteria/institutions for the exceptions to general rules of TPA including cross border infrastructure
5.5	Tariff for new infrastructure (without exemption in accordance to art. 22)	<ul style="list-style-type: none"> • Develop and implement actions/measures regarding transparent non-discriminatory published tariffs for new infrastructure, avoiding cross subsidies between network user and are based on efficiently incurred cost; backhaul flows should be taken into account
5.6	Tariff storage (regulated/negotiated)	<ul style="list-style-type: none"> • Develop and implement actions/measures regarding transparent non-discriminatory published tariffs; avoiding cross subsidies
5.7	Affordability	<ul style="list-style-type: none"> • Develop and implement actions/measures regarding support scheme for the benefit of vulnerable customers, incl. incentives for economic energy use

CHECKLIST/GUIDELINES to Chapter 6 – Market integration

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES		
No	Subchapter	Checklist/Guidelines
6.1	Interconnection/transmission capacities/Transit capacity	<ul style="list-style-type: none"> • Develop and implement measures regarding transparent non-discriminatory: <ul style="list-style-type: none"> - Capacity allocation mechanism - Offering firm/interruptible capacity - Congestion management procedures - Avoidance of capacity hoarding (use it or lose it stipulations) - Capacity trading/secondary market - Calculation of available capacity - Interoperability issues - Co-operation of infrastructure maintenance
6.2	Cross border transport	<ul style="list-style-type: none"> • Elaborate and implement actions/measures regarding: <ul style="list-style-type: none"> - Published interconnection agreements - Published operational balancing agreements - Avoidance of any customs duties - Quantitative restrictions or measures having equivalent effect - Generally Applicable Standards of the European Community
6.3	Storage/LNG facilities also used abroad, if any (regulated or negotiated access)	<ul style="list-style-type: none"> • Elaborate and implement actions/measures regarding: <ul style="list-style-type: none"> - Transparent, published non-discriminatory tariffs and/or terms for storage/LNG usage which facilitate cross border gas trade, including appropriate return on investment whilst facilitating capacity expansion and fostering competition - In case that storage access is regulated, the tariffs shall be based on efficiently incurred cost
6.4	Licensing	<ul style="list-style-type: none"> • Analyze the compatibility of licensing and develop and implement licensing provisions which foster cross border trade/transport