

GAS ACTION PLAN

ROMANIA

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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

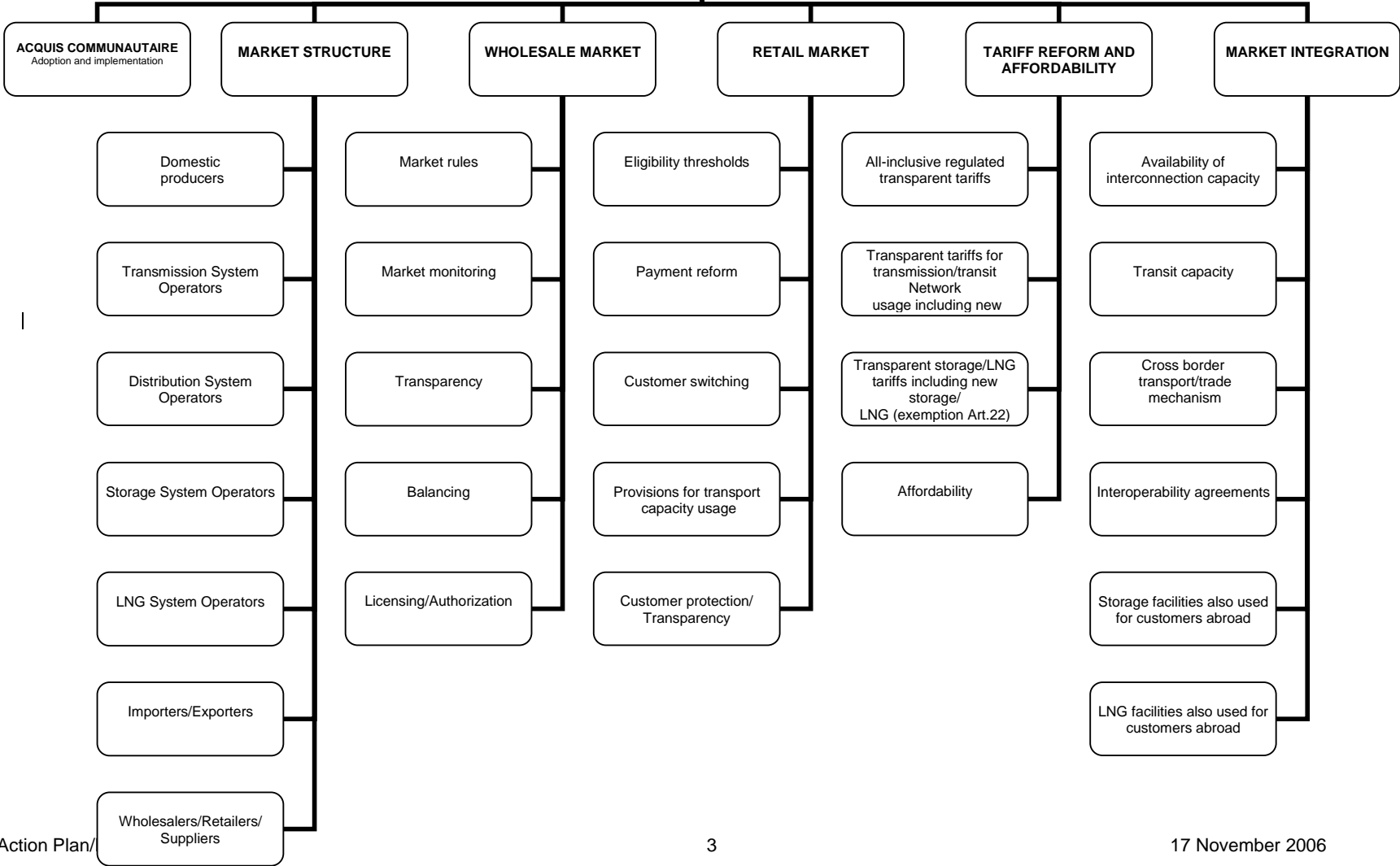
This chapter covers the issue of cost reflectivity in all inclusive tariffs, network usage tariffs (transmission and distribution networks) as well as the exemption criteria for new infrastructure. Tariffs for storage facilities and affordability issues are also being covered.

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.

**CHAPTERS
STRUCTURE**



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	General 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>2.1 Imposition on undertakings</p> <p>Gas Law No. 351/2004 with subsequent amendments, chapter IX <i>Public service</i> obligations, art. 73:</p> <p>“Natural gas storage, transmission, distribution and supply licensees have the following public service obligations:</p> <p>a) ensuring security and continuity of supply, according to legal provisions in force;</p> <p>b) accomplishment of public service while observing the conditions relating to energy efficiency and environmental protection;</p> <p>c) compliance with the provisions imposed by the relevant performance standards;</p> <p>d) ensuring third party access to the systems, on the terms foreseen at art. 61-63.”</p> <p>Secondary legislation on imposing public service obligation will be adopted by end-2006.</p> <p>2.2 Customer protection</p> <p>From 2003 <i>vulnerable customers</i></p>	31 December 2006	National Regulatory Authority in Natural Gas Sector-ANRGN
to						
1.6	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					

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				<p>benefit from financial aid for household heating (the amount of the financial aid was last amended by end 2005 as per Government Decision No. 1666/14.12.2005). Also a Program was established (Emergency Ordinance No. 91/14.07.2005 amended by Emergency Ordinance No. 184/14.12.2005) on granting financial aid to low-income customers using gas for household heating. Natural gas customers can benefit from this financial aid when buying individual heating stations or up to 3 burners</p> <p>The Regulation on supplier of last resort was approved (Decision No. 1000/24.08.2006 of the president of the National Regulatory Authority in Natural Gas Sector – ANRGN). The supply of last resort aims at protecting household and residential customers, as well as small commercial customers (with an yearly consumption smaller than 12,400 cm). For these categories of customers, the supply of last resort is mandatory due to the fact that they are less prepared to react to changes.</p> <p>ANRGN acts as mediator in pre-contractual disputes. (Gas Law No. 351/2004 with subsequent amendments, art. 8, let. r).</p>		

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				<p>2.3 Public Service Obligations</p> <p>Secondary legislation on imposing public service obligation will be adopted by end-2006.</p> <p>2.4 Authorisation</p> <p>ANRGN grants authorisations and/or licenses for the constructions and operations of natural gas facilities and for performance of natural gas supply, transmission, storage, transit, distribution activities. (Gas Law No. 351/2004 with subsequent amendments, art. 43).</p> <p>Criteria and procedures concerning granting authorizations/licenses are fair and non-discriminatory and made public by ANRGN. (Gas Law No. 351/2004 with subsequent amendments, art. 54. Secondary legislation for implementation of this provision Government Decision No. 784/2000 republished approving the Regulation on granting authorizations and licenses in the natural gas sector).</p> <p>The reasons for which the granting of an authorization/license is denied are fair and non-discriminatory and are notified to the applicant, and this could appeal to administrative claim, as per law. (Gas Law No. 351/2004 with subsequent amendments, art.</p>		

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				<p>47).</p> <p>1.5 Security of Supply</p> <p>ANRGN monitors the natural gas internal market and the activity of licensed operators performed with a view to ensuring security and continuity of natural gas supply</p> <p>The Ministry of Economy and Trade adopts each year an Energy Programme for the winter season with a view to monitoring energy supply for the winter time. (Gas Law No. 351/2004 with subsequent amendments, art. 8. Secondary legislation: ANRGN Decision No. 313/2005 concerning the monitoring of the natural gas regulated internal market and of eligible customers; Annual Energy Programmes for the winter season adopted by the Government.</p> <p>1.6 Technical Rules</p> <p>ANRGN draws up and approves national regulations and technical norms establishing technical safety related criteria, minimum technical requirements for the design, execution and exploitation with a view to an efficient and safe functioning of natural gas facilities. (Gas Law No. 351/2004 with subsequent amendments, art. 8. Secondary legislation: ANRGN</p>		

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				Decision No. 616/2002 approving the Technical Code in the natural gas sector and ANRGN Decision No. 825/2004 approving the Technical Code for liquefied natural gas).		
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>1.7 Designation of system operators</p> <p>The gas TSO has been designated. As per Government Decision No. 334/2000, TRANSGAZ - S.A. was designated as National Transmission System (NTS) operator.</p> <p>1.8 Tasks of system operators</p> <p>The tasks of the TSO were defined:</p> <ul style="list-style-type: none"> • to ensure NTS operation and physical balance, namely programming, dispatching and functioning of NTS in safety conditions; • to ensure maintenance, rehabilitation, upgrading and development of NTS, whilst observing the conditions relating to security, efficiency and environmental protection; • to provide the necessary information for an efficient access to the system for the other licensed operators and 		

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				<p>applicants/users in natural gas sectors;</p> <ul style="list-style-type: none"> to ensure third party access to NTS, according to relevant regulations, in a non-discriminatory manner, within the confines of transmission capacities and in compliance with the technological regimes; to elaborate fair, transparent and non-discriminatory regulations for balancing the natural gas transmission system, including for grounding the tariffs to be paid by the users of the system in case of energy unbalance and submit them for approval to ANRGN; to elaborate its own Developing Program of NTS - for the objectives which were not specified in the concession agreement - in compliance with the present level of consumption and considering development of new consumption areas and growth of the existent ones, whilst observing the conditions relating to economic efficiency and security of operation. <p>(Gas Law No. 351/2004 with subsequent amendments, art. 25 and art. 17. Secondary legislation: ANRGN Decision No. 757/26.09.2005 approving the Regulation on management of contractual congestions in the natural gas National Transmission</p>		

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				System). 1.9 Unbundling of TSO Full unbundling of TSO will be accomplished by 1 January 2007. For ensuring the independence of the transmission operator, the following minimal criteria shall be applied: a) the persons ensuring the management of transmission operator may not be part of the structures of the integrated undertaking in natural gas sector where they are responsible, directly or indirectly, with coordination of supply of natural gas; b) the transmission operator should have effective decision making rights, independent from the integrated undertaking in natural gas sector, regarding the necessary assets for operating, maintaining or developing the transmission network; c) the transmission operator establishes a plan of measures with a view to guarantee that discriminatory conduct is excluded and ensures conditions for monitoring thereof. (Gas Law No. 351/2004 with subsequent amendments, art. 22).	1 January 2007	Ministry of Economy and Commerce (MEC), ANRGN

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				11.10 Confidentiality of TSO. Natural gas licensees have the obligation to preserve confidentiality of commercial sensitive information from third parties. (Gas Law No. 351/2004 with subsequent amendments, art. 17).		
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	1.11 Designation of DSOs The DSOs have been designated. 1.12 Tasks of DSOs The tasks of the DSOs were defined as follows: <ul style="list-style-type: none"> • To operate, maintain, repair, upgrade and develop the distribution system, whilst observing the conditions referring to security, economic efficiency and environmental protection; • To ensure third party access to distribution systems, in a non-discriminatory manner, within the confines of distribution capacities, in compliance with the technological regimes, and relevant regulations issued by ANRGN; • To provide the information needed for an efficient access to the system of other licensed operators and applicants/users 		

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				<p>in natural gas sectors;</p> <ul style="list-style-type: none"> To comply with the validity conditions of authorisations and licenses issued by ANRGN. (Gas Law No. 351/2004 with subsequent amendments, art. 35). <p>1.13 Unbundling of DSOs</p> <p>Legal unbundling of DSOs will be accomplished by 1 July 2007.</p> <p>For ensuring the independence of the distribution operator, the following minimal criteria shall be applied:</p> <p>a) the managers of the distribution operator may not be part of the structures of the integrated undertaking in natural gas sector where they are responsible, directly or indirectly, with the coordination of natural gas production and supply;</p> <p>b) the distribution operator shall have effective decision making rights, independently from the integrated undertaking in natural gas sector, regarding the necessary assets for operation, maintenance and develop of the grid;</p> <p>c) the distribution operator establishes a plan of measures purported to guarantee that discriminatory conducts are excluded and ensures conditions of monitoring thereof. (Gas Law No. 351/2004 with subsequent amendments, art. 34).</p>	1 July 2007	System Operators, ANRGN

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				<p>Legal persons developing distribution and regulated supply activity supplying less than 100,000 customers are exempted from the provisions in paragraphs (1) and (2). They have the obligation to separate, within internal accounting, each regulated activities, so they permit the exact evidence of costs and revenues related to each activity for avoiding discrimination and cross subsidies, as well as for encouraging competition. For the same purpose, they shall keep separate accounting, as for an independent commercial company, in case they develop activities beyond natural gas sector. Internal accounting shall include payment balance sheet and profit and loss account for each activity. (Gas Law No. 351/2004 with subsequent amendments, art. 101, para. 3).</p> <p>1.14 Confidentiality of DSOs</p> <p>Natural gas licensees have the obligation to preserve confidentiality of commercial sensitive information from third parties. (Gas Law No. 351/2004 with subsequent amendments, art. 17).</p> <p>1.15 Combined operator</p> <p>Romania has not in place a combined gas operator.</p>		

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1.16	Unbundling/transparency of accounts	Develop and implement the provisions regarding rights of access to and unbundling of accounts	July 2007	<p>1.16 Rights of access to accounts</p> <p>ANRGN is entitled to access information and documents related to the activity of the gas undertakings, including their accounting books. (Gas Law No. 351/2004 with subsequent amendments, art. 9). The confidentiality of all the information obtained while or as a consequence of service responsibilities within ANRGN is compulsory for the entire personnel and for the members of the Advisory Council, as per law. (Gas Law No. 351/2004 with subsequent amendments, art. 13, para. 2).</p> <p>1.17 Unbundling of accounts</p> <p>Natural gas licensees have the obligation to to draw up, to submit for approval to ANRGN and to publish annual accounting reports, in compliance with the legislation in force; within their internal accounting system separate accounts shall be kept for storage, production, transmission, distribution and supply of natural gas, same as the relevant accounting corresponding to the respective activities accomplished by the operators in the sector, in</p>		
1.17	1.16 Rights of access to accounts 1.17 Unbundling of accounts					

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				<p>order to avoid discrimination, cross subsidies and altering competition. (Gas Law No. 351/2004 with subsequent amendments, art. 17).</p> <p>ANRGN has the responsibility to monitor the effective unbundling of accounts for the storage, transmission, distribution and supply activities of natural gas, LNG - liquefied natural gas, LPG -liquefied petroleum gas, CNGV-compressed natural gas for vehicles, in order to make sure that cross subsidies are prevented. (Gas Law No. 351/2004 with subsequent amendments, art. 8, let. p), point 8).</p>		
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	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	<p>1.18 Third Party Access</p> <p>Third party access to gas transmission and distribution systems is performed under regulated regime.</p> <p>The access to the NTS, distribution systems and upstream lines has two components: connection to the system and its utilization.</p> <p>The connection is accomplished based on a tariff paid by the applicant according to relevant regulations, issued by ANRGN. (Gas Law No. 351/2004 with subsequent amendments, art. 61-63).</p>		

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	1.23 Market opening and reciprocity 1.24 Direct Lines 1.25 Regulatory Authorities			<p>The NTS operator has the right to collect non-discriminatory tariffs for the services it performs, to interrupt or limit the service in case of not paying, in compliance with ANRGN applicable regulations. (Gas Law No. 351/2004 with subsequent amendments, art. 26, let. a).</p> <p>Secondary legislation: Government Decision No. 1043/2004 approving the Regulation on access to the natural gas National Transmission System, of Regulation on access to natural gas distribution systems amended by GD No. 2199/2004.</p> <p>1.19 Access to Storage</p> <p>Third party access to gas storage facilities is performed under regulated regime. (Gas Law No. 351/2004 with subsequent amendments, art. 61).</p> <p>The storage operator has the obligation to ensure third party access to storage facilities, on non-discriminatory terms, in compliance with relevant regulations issued by ANRGN; (Gas Law No. 351/2004 with subsequent amendments, art. 38, let. b).</p> <p>The storage operator has the right to collect the tariffs related to natural gas underground storage service, to</p>		

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				<p>interrupt or limit the service in case of not paying, in compliance with the ANRGN regulations. (Gas Law No. 351/2004 with subsequent amendments, art. 39, let. a).</p> <p>Secondary legislation: ANRGN Decision No. 824/2004 approving the Regulation on access to underground storages.</p> <p>1.20 Access to upstream pipelines</p> <p>Third party access to upstream pipeline networks is performed under regulated regime. (Gas Law No. 351/2004 with subsequent amendments, art. 61).</p> <p>Secondary legislation: Government Decision No. 2199/2004 amending Government Decision No. 1043/2004 approving the Regulation on access to the natural gas National Transmission System and the Regulation on access to natural gas distribution systems.</p> <p>Gas Law No. 351/2004 with subsequent amendments, art. 64: "Refusal of third party access to upstream lines, storage facilities, transmission systems and distribution systems for natural gas may occur in the following situations: a) Insufficiency of capacity;</p>		

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				<p>b) There are not any objectives/pipelines parts of the systems, to which the connection to be accomplished;</p> <p>c) Access to the system prevent from carrying out the security of public service obligations and security of operation ;</p> <p>d) The requested receptors do not fall within the minimum requirements regarding the security of operation and environmental protection provided by the legislation in force.</p> <p>e) Access to the system may lead to serious economic and/or financial difficulties for the holder of license/authorization requested to grant access;</p> <p>f) The quality of natural gas that is to be put into the systems and/or storage facilities does not meet the requirements imposed by regulations in force;</p> <p>g) Not paying the equivalent value of the services performed by the system operator, corresponding to contractual clauses."</p> <p>Government Decision No. 2199/2004, art. 5: "The upstream pipeline networks operator is entitled to refuse the access of applicants to the upstream pipeline networks under the terms of art. 64 in the Gas Law, as well as in the following cases: b) There is an incompatibility of technical specifications;</p>		

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				<p>c) To avoid difficulties that could prejudice the natural gas and oil efficient production, present and future, including the production in economical viability marginal;</p> <p>d) The necessity to observe the reasonable needs, supported by corresponding documents of the owner or CA operator regarding the circulation and treatment of natural gas, and the interests of all the other users of CA networks or the related installations that could be affected.”</p> <p>ANRGN has the responsibility to settle disputes on refusal of access to natural gas National Transmission System/distribution systems. (Gas Law No. 351/2004 with subsequent amendments, art. 8, let q). Secondary legislation: ANRGN Decision No. 1345/2004 approving the Regulation on functioning of the Commission for the settling of the refusal of access to natural gas transmission, distribution, underground storage systems and upstream pipelines).</p> <p>Gas Law No. 351/2004 with subsequent amendments: “Art. 66. - For solving the disputes, in case of not justified refusal of the access, ANRGN shall issue a decision within 60 days from receiving the complaint. Art. 67. - For fulfilling the provisions of art. 66, it is hereby established</p>		

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				<p>within ANRGN the Commission for settling refusal of access to transmission, distribution, underground storage systems and upstream lines; organization and function of the Commission shall be made based on relevant regulations issued by ANRGN.</p> <p>Art. 68. - The Decision of the Commission stipulated at art. 67 is compulsory, and may be appealed to the Bucharest Court of Appeals within the term foreseen by the law.”</p> <p>1.21 Refusal to access</p> <p>Gas Law No. 351/2004 with subsequent amendments, art. 64: “Refusal of third party access to upstream lines, storage facilities, transmission systems and distribution systems for natural gas may occur in the following situations:</p> <ul style="list-style-type: none"> a) Insufficiency of capacity; b) There are not any objectives/pipelines parts of the systems, to which the connection to be accomplished; c) Access to the system prevent from carrying out the security of public service obligations and security of operation ; d) The requested receptors do not fall within the minimum requirements regarding the security of operation and environmental protection provided by the legislation in force. 		

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				<p>e) Access to the system may lead to serious economic and/or financial difficulties for the holder of license/authorization requested to grant access;</p> <p>f) The quality of natural gas that is to be put into the systems and/or storage facilities does not meet the requirements imposed by regulations in force;</p> <p>g) Not paying the equivalent value of the services performed by the system operator, corresponding to contractual clauses.”</p> <p>The licensed operator who refuses the access because of lack of capacity, or because of lack of objectives/pipelines parts of the systems, to which the connection shall be accomplished, is obliged to finance the necessary works, if they are economically reasonable, to provide access for the applicants. (Gas Law No. 351/2004 with subsequent amendments, art. 65, para. 1).</p> <p>1.22 New Infrastructure</p> <p>Art. 22 <i>New infrastructure of Directive 2003/55/EC concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC is fully transposed into Romanian legislation and will become applicable as of 1 January 2007 (Government Emergency Ordinance</i></p>		

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				<p>No. 116/2005 amending the Gas Law No. 351/2004).</p> <p>1.23 Market opening and reciprocity</p> <p>As agreed during the EU accession negotiations, the Romanian natural gas market will be fully opened for industrial customers as of 1 January 2007, and for all customers as of 1 July 2007.</p> <p>Current gas market opening degree is 75% (as of 1 July 2006). Any gas non-household customer is entitled to become eligible provided it had between 1 July 2005 and 30 June 2006 a consumption amounting to at least 12,400 cm of gas for a consumption site.</p> <p>1.24 Direct Lines</p> <p>Gas Law No. 351/2004 with subsequent amendments, chapter VIII <i>Direct lines</i>: “Art. 70. Eligible customers may request the approval of ANRGN for building a direct line, to ensure the necessary of natural gas. Art. 71. (1) At the request of eligible customer, in case of unreasonable refusal of access to the system, ANRGN issues authorizations and licenses under the law. (2) The direct line built by the eligible customer, is its property. Art. 72. (1) ANRGN issues</p>		

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				<p>transparent and non-discriminatory criteria for granting authorizations for establishment, for functioning, as well as the authorization for operating the direct line. (2) The construction of direct line is accomplished on efficiency terms and unless it affects the tariffs for then rest of the users.”</p> <p>1.25 Regulatory Authorities. Gas Law No. 351/2004 with subsequent amendments, chapter III <i>Regulatory authority</i>: “Art. 6. (1) The competent body in natural gas sector is ANRGN, public autonomous institution of national interest, legal person, placed under the coordination of the Prime Minister, independent in making decisions, carrying out its activity based on its own organization and functioning regulation. Art. 7. ANRGN elaborates, applies and monitors the compliance with the national compulsory regulatory system necessary for the efficient, secure, competitive, transparent functioning of the natural gas sector and market with a non-discriminatory treatment of all natural gas market players and customers and environmental protection. Art. 8. ANRGN has the following competences and responsibilities: a) elaborates and submits for approval to the Govern the</p>		

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				<p>Regulation on licensing and authorization in natural gas sector;</p> <p>b) sets the validity conditions for granted licenses and authorizations;</p> <p>c) elaborates and approves the Regulations for authorizing and verifying the personnel and the undertakings carrying out designing, execution and exploitation activities in natural gas sector and establishes the validity conditions for granted authorizations;</p> <p>d) elaborates and approves technical regulations and norms at national level which establish the technical security criteria, the minimum technical design, execution and exploitation requirements necessary for an efficient and secure function of the facilities in the natural gas sector;</p> <p>e) elaborates and submits for approval to the Govern the methodology for issuing technical certifications in natural gas sector and participates, under the law, to the authorization of the analysis and test labs in natural gas sector;</p> <p>f) takes part at the elaboration and application of the regulations for attesting the design inspectors;</p> <p>g) elaborates and applies the regulations for certifying the experts in natural gas sector;</p> <p>h) elaborates and submits for approval to the Govern the regulations on third party access to upstream lines, to storage facilities, to natural gas transmission and</p>		

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				distribution systems; i) elaborates, applies and approves regulations for the organization and function of natural gas market, on ensuring continuity and security of natural gas supply to customers; j) ensures fully liberalization of natural gas internal market; k) approves the regulations for programming, functioning and dispatching of the natural gas National Transmission System and natural gas storage facilities at the proposals of operators in the sector; l) elaborates, approves and applies criteria and methods for approving the prices and for establishing regulated tariffs in natural gas sector; m) elaborates and approves framework contracts for natural gas supply, framework contracts for performing storage, transmission, distribution services, as well as framework contracts for ancillary activities, developed based on regulated tariffs; n) elaborates, approves and monitors appliance of compulsory technical, commercial, economic, operational regulations, referring to quality services parameters for natural gas transmission, transit, storage, dispatching, distribution and supply; o) endorses, under the law, the relevant clauses and conditions in concession contracts of assets, activities and services in natural gas		

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				sector; p) monitors: 1. natural gas internal market; 2. compliance with the rules on natural gas market organization and functioning; 3. compliance with the rules regarding access to upstream lines, storage facilities, transmission and distribution systems; 4. compliance with the criteria and methods for approving the prices and for establishing the regulated tariffs in natural gas sector; 5. application of rules regarding management and allocation of interconnection capacities, together with regulatory authority or authorities in states where interconnection exists; 6. the way for managing the over-crowded capacity item of the natural gas National Transmission System; 7. transmission and distribution system operators render public the relevant information on interconnection pipelines, the use of the grid and the allocation of capacity to interested parties, taking into account the necessity to maintain confidentiality on commercial data; 8. effective unbundling of accounts for the storage, transmission, distribution and supply activities of natural gas, LNG- liquefied natural gas, LPG-liquefied petroleum gas, CNGV-compressed natural gas for vehicles, in order to make sure that		

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No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>cross subsidies are prevented;</p> <p>9. compliance by the licensed operators with the validity terms of the licenses;</p> <p>10. the activity of licensed operators for ensuring the natural gas supply security and continuity;</p> <p>q) settles the disputes on refusal of access to natural gas National Transmission System/distribution systems;</p> <p>r) mediates the precontractual disputes in natural gas sector, according to its own procedures;</p> <p>s) elaborates, approves and applies the Regulation for ascertaining, notifying and sanctioning the breaches of the regulations issued in natural gas sector;</p> <p>s') elaborates its own Regulation for organization and functioning and establishes responsibilities of its personnel, in compliance with the legal provisions in force;</p> <p>t) protects the legal interests of the customers in natural gas sector;</p> <p>t') develops relevant programs, including assistance and examination programs appropriate to the field, approved by the Government;</p> <p>u) creates the database necessary to develop its activity, as well as for providing information to other bodies involved in the elaboration of the development strategy in natural gas sector, as well as in the international trade with natural gas;</p> <p>v) cooperates 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>1. gas regulatory authorities from other states;</p> <p>2. specialized bodies from central or local public administration;</p> <p>3. natural gas customers' associations;</p> <p>4. service operators in natural gas sector, professional associations and employers' associations in natural gas sector, from Romania and abroad;</p> <p>w) elaborates and applies regulations on the organization and functioning of the Regulatory Committee and Advisory Council;</p> <p>x) establishes, for licensed operators, the objectives regarding ensuring the security and continuity in natural gas supply, as well as the conditions and the procedure for nominating the supplier of last resort;</p> <p>y) continuously trains and improves its own personnel;</p> <p>z) endorses, for each regulatory period for which regulated prices and tariffs are established, investment programs of the licensed operators, in order to recognize the costs and to frame them within approved tariffs and prices.</p> <p>Art. 9. (1) For fulfilling its responsibilities, ANRGN is entitled to require access to information and documents related to the activity of the undertakings, including to their accounting books.</p> <p>(2) ANRGN is entitled to render public any data or information which</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>are not commercially sensitive and for which the confidentiality clauses could not be appealed to.</p> <p>Art. 13. (2) The confidentiality of all the information obtained while or as a consequence of service responsibilities within ANRGN is compulsory for the entire personnel and for the members of the Advisory Council, according to the law.”</p> <p>Norms on preventing the abuse of dominant position are in place (approved by ANRGN Decision No. 620/2004).</p> <p>“Art. 1. (1) The scope of the present norms is for the National Regulatory Authority in Natural Gas Sector, hereinafter called <i>ANRGN</i>, to avoid the abuse of a dominant position natural gas on internal market, complying with the legislation in force.</p> <p>(2) ANRGN considers avoiding the abuse of a dominant position on internal natural gas market by the regulations it adopts/issues.</p> <p>Art. 2. In case that ANRGN ascertains a possible abuse of a dominant position, in the way of art. 6 in the competition Law no. 21/1996, with subsequent amendments, it is obliged to notice the case, together with justifications, to the Competition Council, for it to take the necessary legal measures.”</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	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 1.26 - 1.31 Gas Law No. 351/2004 with subsequent amendments. The ANRGN Decision no. 781/2002 on approving the Proceeding for drawing up the financial report by the licensee in natural gas sector is in place.		

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>Indigenous production and imports: (figures in TJ - Gross calorific value, for 2005):</p> <ul style="list-style-type: none"> Indigenous production of natural gas: 4,209,608.68 TJ Imports of natural gas: 1,734,730.12 TJ <p>Market shares of entities bringing gas into the country:</p> <ul style="list-style-type: none"> Romgaz-producer+importer – 39.48% Petrom-producer – 34.38% Distrigaz Sud-importer – 9.47% E.on Gaz Romania-importer – 8.34% <p>Aggregated share of entities bringing into the country at least 5% of the natural gas imported and produced is 91.67%.</p> <p>TRADE: Imports and exports by country of origin and destination:</p> <ul style="list-style-type: none"> Imports from Russia: 1,734,730.123 in TJ (Gross calorific value). Exports: none. <p>RETAIL: Number of natural gas suppliers to final customers</p> <ul style="list-style-type: none"> Total number of natural gas suppliers to final customers – 39 Number of suppliers selling <u>at least 5%</u> of total natural gas consumed by final customers – 6 <p>Market shares of suppliers to final customers:</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
				<ul style="list-style-type: none"> • Distrigaz Sud – 27.8% • E.on Gaz Romania – 23.7% • Romgaz – 17.43% • Petrom – 9.52% • Interagro – 7.82% • Petrom Gas – 5.22% Aggregated share of suppliers selling at least 5% of total natural gas consumed is 91.49% . Customer switching (volume and percentage): 832,553.931 TJ; 49.78% Customer renegotiating (volume and percentage): 1,921,390.768TJ; representing 50.22% of all non-household customers.		
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			
2.3	Transmission-system operators	Analyse trade, including cross border trade conditions regarding hurdles. Ensure unbundling and implementation of technical rules (network code)	December 2007	As per Government Decision No. 334/2000, TRANSGAZ - S.A. was designated as National Transmission System (NTS) operator. Full unbundling of TSO will be accomplished by 1 January 2007. Third party access to gas transmission system is performed under regulated regime. (Gas Law No. 351/2004 with subsequent amendments, art. 61). There are in place rules on access to the natural gas National Transmission System drafted by ANRGN and approved by Government (Government Decision No. 1043/2004 approving		

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>the Regulation on access to the natural gas National Transmission System, and of Regulation on access to natural gas distribution systems amended by Government Decision No. 2199/2004). A network code will be elaborated in 2007.</p> <p>TSO has the obligation to elaborate its own Developing Program of NTS - for the objectives which were not specified in the concession agreement - in compliance with the present level of consumption and considering development of new consumption areas and growth of the existent ones, whilst observing the conditions relating to economic efficiency and security of operation.</p>		
2.4	Distribution system operators	Analyse trade and ensure effective unbundling, if obliged to do so, and ensure adoption of technical rules	July 2007	<p>The DSOs have been designated.</p> <p>Legal unbundling of DSOs will be accomplished by 1 July 2007.</p> <p>Third party access to gas distribution systems is performed under regulated regime. ((Gas Law No. 351/2004 with subsequent amendments, art. 61).</p>		

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	Gas Law No. 351/2004 with subsequent amendments		
3.2	Transparency	Provide and publish data including services offered to the market	December 2007	Gas Law No. 351/2004 with subsequent amendments and Order no. 102136/530/97/2006 jointly issued by MEC, ANRGN and ANRM concerning capitalization on the domestic market of natural gas amounts and some measures for consolidating the discipline in natural gas sector (published in: MONITORUL OFICIAL no. 489 on 6 June 2006) establish general rules for transparency.		
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	ANRGN as gas regulatory authority has the responsibility to monitor the gas internal market and eligible customers according to a special Methodology (approved by ANRGN Decision No. 313/2005). The objectives of the methodology are the following: a) to monitor and control the observance by the gas licensees of the criteria and methods for establishing prices and regulated tariffs; b) to secure that the gas licensees observe the security, continuity and balance in the supply of natural gas to 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 actions and references (laws, national plans)	Deadline	Responsible institution
				<p>c) to apply an equal and non-discriminatory treatment to all natural gas customers;</p> <p>d) to promote and secure the competition on the internal natural gas market;</p> <p>e) to secure the transparency of prices and tariffs in the natural gas sector;</p> <p>f) to set up a database and to submit information on the internal market and natural gas foreign trade.</p> <p>Norms on preventing the abuse of dominant position are in place (approved by ANRGN Decision No. 620/2004).</p> <p>“Art. 1. (1) The scope of the present norms is for the National Regulatory Authority in Natural Gas Sector, hereinafter called <i>ANRGN</i>, to avoid the abuse of a dominant position natural gas on internal market, complying with the legislation in force.</p> <p>(2) ANRGN considers avoiding the abuse of a dominant position on internal natural gas market by the regulations it adopts/issues.</p> <p>Art. 2. In case that ANRGN ascertains a possible abuse of a dominant position, in the way of art. 6 in the competition Law no. 21/1996, with subsequent amendments, it is obliged to notice the case, together with justifications, to the Competition Council, for it to take the necessary legal measures.”</p>		
3.4	Balancing	Elaborate and implement a non-discriminatory, balancing regime fostering competition and cross	December 2007	Balancing rules will be drafted and included in the Network Code to be adopted in 2007.		

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
		border trade/transport				
3.5	Licensing and Authorization	Elaborate and implement a licence/authorization system, harmonized also for a regional access	December 2007	<p>ANRGN grants authorisations and/or licenses for the constructions and operations of natural gas facilities and for performance of natural gas supply, transmission, storage, transit, distribution activities.</p> <p>(Gas Law No. 351/2004 with subsequent amendments, art. 43).</p> <p>Criteria and procedures concerning granting authorizations/licenses are fair and non-discriminatory and made public by ANRGN.</p> <p>(Gas Law No. 351/2004 with subsequent amendments, art. 54. Secondary legislation for implementation of this provision</p> <p>Government Decision No. 784/2000 republished approving the Regulation on granting authorizations and licences in the natural gas sector).</p> <p>The reasons for which the granting of an authorization/license is denied are fair and non-discriminatory and are notified to the applicant, and this could appeal to administrative claim, as per law.</p> <p>(Gas Law No. 351/2004 with subsequent amendments, art. 47).</p>		

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>Current market opening: 75% (eligibility threshold – 12,400 cubic meters/year)</p> <p>Foreseen market opening:</p> <ul style="list-style-type: none"> • 100% for all non-household customers as from January 1st 2007; • 100% for all customers as from July 1st 2007. 		
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	<p>There is in place a Procedure for accreditation of eligible customers (approved by ANRGN Decision No. 1086/2005 as amended by ANRGN Decision No. 637/2006).</p> <p>According to this procedure, at present, any gas non-household customer meeting the eligibility threshold (at least 12,400 cm of gas for a consumption site) has the right to become and act as eligible customer provided it notifies the regulator and current supplier.</p> <p>It also has to renounce the contract for regulated supply to captive customers before entering a contract as eligible customer as it does not have the right to have simultaneously a contract for regulated supply to captive customers and a negotiated contract for the same consumption site.</p>		

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	<p>There is in place a Regulation on management of contractual congestions occurring in the National Transmission System (approved by Decision No. 757/2005).</p> <p>The TSO allocates capacity in the National Transmission System according to the "first come-first serve" principle within each priority group. "Capacity goes with the customer" principle is applicable to customers switching supplier.</p>	
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>The system of prices and tariffs is transparent and designed in such a way as to be cost reflective, to lead to energy saving and improvement of gas quality and services. Subsidization and cross subsidization are forbidden by law.</p> <p>(Gas Law No. 351/2004 with subsequent amendments, chapter XIII <i>Prices and tariffs</i>).</p> <p>Vulnerable gas customers are protected (see point 1.2).</p> <p>Performances standards for the transmission and distribution services will be drafted by end 2006.</p> <p>ANRGN acts as mediator in pre-contractual disputes.</p> <p>(Gas Law No. 351/2004 with subsequent amendments, art. 8, let. r).</p>	

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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 system of prices and tariffs is transparent and designed in such a way as to be cost reflective, to lead to energy saving and improvement of gas quality and services. Subsidization and cross subsidization are forbidden by law. Gas Law No. 351/2004 with subsequent amendments, chapter XIII <i>Prices and tariffs</i>).</p> <p>The price setting is done according to a published methodology (<i>Criteria and methods for approving gas prices and setting regulated tariffs</i>, approved by ANRGN Decision No. 1078/2003 with subsequent amendments).</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	<p>The NTS operator has the right to collect non-discriminatory tariffs for the services it performs, to interrupt or limit the service in case of not paying, in compliance with ANRGN applicable regulations.</p> <p>(Gas Law No. 351/2004 with subsequent amendments, art. 26, let. a).</p>		
5.3	Transit network	Elaborate and Implement non-discriminatory transparent tariffs for third party access for transit	December			

	use	networks	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	From 2003 <i>vulnerable customers</i> benefit from financial aid for household heating (the amount of the financial aid was last amended by end 2005 as per Government Decision No. 1666/14.12.2005). Also a Program was established (Emergency Ordinance No. 91/14.07.2005 amended by Emergency Ordinance No. 184/14.12.2005) on granting financial aid to low-income customers using gas for household heating. Natural gas customers can benefit from this financial aid when buying individual heating stations or up to 3 burners.		

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)

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
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) 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	<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

	reciprocity	
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 - Time schedule for supplier switching - Load profiles for customers which are not hourly metered - Upgrade of IT systems and electronic filing required for 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	Customer 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