



Gas LNG Europe

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GLE's position paper on Roles and Responsibilities

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1. Preamble

Based on the Gas Directive 2009/73/EC and on the “Guidelines for Good Party Access Practice for LNG System Operator (GGPLNG)” developed by ERGEG, GLE has prepared a document giving an overview of the roles and responsibilities of Terminal Operators (LSOs) and Terminal Users (TUs) involved in the LNG process (hereafter the Parties).

The present document has been divided into two main sections:

- a summary of the relevant contents of the Gas Directive 2009/73/EC and of the GGPLNG paper which explicitly address issues related to LNG activities, particularly referring to roles and responsibilities of the Parties involved in the process;
- a wider definition of the subject (Terminal Operator and Terminal User roles and responsibilities) as a way to integrate the Gas Directive 2009/73/EC and the GGPLNG paper items.

Main terms used in the present document are defined in the “LNG Common Glossary” (ref: GLE document dated 1st June 2005).

2. Content of the Gas Directive 2009/73/EC and of the GGPLNG paper

The Gas Directive 2009/73/EC and the GGPLNG paper have been taken into account by the GLE to develop an overview of the roles and responsibilities of the Parties involved in the LNG process.

2.1 The Gas Directive 2009/73/EC

In a general way, article 31, comma 3, refers that “natural gas undertakings shall, in their internal accounting, keep separate accounts for each of their transmission, distribution, LNG and storage activities as they would be required to do if the activities in question were carried out by separate undertakings, with a view to avoiding discrimination, cross-subsidisation and distortion of competition”.

The Gas Directive 2009/73/EC explicitly refers to the mentioned subjects (roles and responsibilities of the Parties) in the articles 2 (comma 12 and 23) and 13 (comma 1).

- Article 2, comma 12, defines an LNG system operator as a “natural or legal person, who carries out the function of liquefaction of natural gas, or the importation, off-loading and re-gasification of LNG and is responsible for operating an LNG facility”.
- Article 2, comma 23, defines a system user as “any natural or legal person supplying to, or being supplied by, the system”.

- Article 13, comma 1, defines the tasks of a system operator, including the LNG system operator.

Other articles and definitions are generally applied to the regulated activities including LNG facilities, dealing with system balancing, non discrimination, cost reflectivity, transparency, security of supply, etc.

2.2 The GGPLNG paper

The GGPLNG paper is structured according to EU Gas Regulation (i.e. Regulation 1775/2005 and Directive 2003/55/EC) and does not repeat what is already stated in the Regulation. In fact, the GGPLNG does not go beyond the Directive 2003/55/EC in creating or restricting TPA rights. The GGPLNG are intended as possible input from ERGEG for an amendment to Regulation 1775/2005 and its annexes.

We assume that the GGPLNG paper can be considered according to Gas Directive 2009/73/EC too.

The above mentioned definitions are still valid in the GGPLNG paper.

3. **Roles and Responsibilities of Terminal Operator**

According to Gas Directive 2009/73/EC and GGPLNG paper, each LSO shall:

- Operate and maintain, in coordination with TUs and interconnected system operators under economic conditions, secure, reliable and efficient LNG facilities with due regard to the environment; in particular they shall guarantee the contracted firm services and they shall maintain system integrity.
- Offer all the available capacity not excluded from TPA, pursuant to the Directive 2003/55/EC, to potential and existing network users, including own affiliated companies under published and equivalent contractual terms and conditions supportive of competition and trade, according to transparent TPA rules set or approved by the relevant national authority.
- Offer services aiming to accommodate market demand, taking into account the technical capacities of the facility and congestion management procedures.
- Refrain from discriminating between system users or classes of system users, particularly in favour of its related undertakings;
- Provide any other transmission system operator, any other storage system operator, any other LNG system operator and/or any distribution system operator, information in due time and enough detail to ensure that the transport and storage of natural gas may take place in a compatible manner with the secure and efficient operation of interconnected system.
- Make relevant information public, in particular data on the use and availability of services, in a time frame compatible with the LNG facility users' reasonable commercial needs.
- Preserve the confidential information, when information concerning the operation or development of the LNG facility is disclosed, it should be done in a non-discriminatory way, especially with regard to any affiliated company.
- Establish and implement rules on the use of services offered aimed at facilitating competitive and efficient use of LNG facility; in particular, to discourage capacity hoarding, maximise the use of available capacity and offer unused capacity.
- Put relevant IT systems in place that could be easily accessed by the TUs via agreed interfaces. Through these systems, TUs should be able to access information about the LNG facility. Access to information concerning infrastructure connected to the LNG terminal will be facilitated. . Corresponding costs shall remain reasonable.

- Cooperate with interconnected system operators in coordination with the maintenance of their respective facilities in order to minimise any disruption of services to system users and in order to ensure equal benefits with respect to security of supply.
- Provide TUs the information they need for an efficient access to the system:

These objectives should be reached by the LSO by means of, amongst others:

- Maintenance, operation and development of the LNG facility - including long term investment planning, based on, among others, contractual capacity commitments, on proper consultation of existing and potential TUs and, if any, on guidelines provided by national authorities.
- Non discriminatory access to the LNG terminal in fulfilment of published general access conditions (i.e. Regasification Code or any other document applicable to all TUs) developed in accordance with the regulatory framework of each country.
- Allocation of the LNG facility capacity amongst TUs on the basis of principles and priorities as defined in accordance with the regulatory framework.
- Applying procedures for the acceptance of LNG ships. These procedures should be published.
- Redelivering the regasified LNG, deducted of consumption connected to the regasification service and losses associated to the LNG Terminal, within the contractual quality specifications, provided that the LNG delivered by the TUs complies with the specifications defined by the LSO, potentially using specific gas quality processing agreements between the Parties, if any.
- Interconnection agreements with the system operators connected to the LNG Terminal.
- Information protocols, defining with and communicating to the TUs a scheduling procedure to be applied for the ships arrival to the LNG Terminal, communicating the maintenance planning of the LNG Terminal, including the foreseeable impact on the service offering, giving periodically stock and allocation information and defining terms and conditions of the ancillary services, insofar regulated, offered to the Terminal Users.
- Obtaining and maintaining or cause to be obtained and maintained all authorisations necessary for acceptance of LNG ships and the unloading, storage and redelivery of LNG and/or natural gas by the LNG Facility.

4. Roles and Responsibilities of Terminal User

TUs deliver LNG to the LNG plant and off-take the gas flows (regasified and/or LNG trucks) made available by the LSO in accordance with its regulatory framework and prevailing contractual specifications, technical rules, defined procedures and allocation rules applied by the LSO according to general published access conditions.

According to GGPLNG paper, TUs shall be responsible for:

- Provide the LSO with all necessary data required to carry out its duties, as specified in the access contract and/or terminal code; especially their nomination program and/or requests for scheduling, as well as rational information to justify divergence from accepted nomination or re-nomination, if it is deemed by the NRA to be transmissible.
- Ensure that the LNG unloaded into the LNG facility complies with the quality specifications applicable at the terminal and accept gas emitted from the LNG facility as long as it is in accordance with prevailing contractual specifications, technical rules and procedures.
- Refrain from distorting or preventing competition on the LNG, gas or capacity markets, for example through capacity hoarding; this provision does not preclude or impact the rules and principles of national and Community competition law.

- Put the relevant IT systems in place to be able to communicate with the LSO . These IT systems should not be unduly costly or complex to set up and operate, so that it creates a barrier to entry.

TUs shall, inter alia, be responsible for:

- Delivery of the natural gas consumption connected to the re--gasification service (fuel gas) according to the contract/regasification code.
- Performing the importation of the LNG (this activity is carried by the TU and not by LSO, as defined in the 2nd Gas Directive), including all custom formalities and respecting quality specifications of LNG as accepted by the terminal.
- Respecting the ship assigned unloading dates (as resulting from the application of the scheduling procedure) and, when required by the access conditions, the quantities to be unloaded.
- Respecting the procedures in use at the plant (e.g. safety, environment), using ships authorized to unload LNG.
- Performing all the requested activities for booking capacity, including the financial guarantees requested, if any, for the service provision obligations.
- Providing all useful data including, amongst others, those data required by the general access conditions contracted with the LSO.
- Assuring all exchange of information between the ship and the LSO as requested by the procedures in use at the LNG Terminal.
- Obtaining all customary port approvals, marine permits and other technical and operational authorisations necessary for the use of each LNG carrier (including at the port of loading and at the Port) as well as all necessary clearances for the import of LNG.
- Respect the obligation to pay for the reservation / service in accordance to the contract penalties included.
- Put the relevant IT systems in place to be able to communicate with the LSO. These IT systems should not be unduly costly or complex to set up and operate, so that it creates a barrier to entry.