



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate B - Security of supply, Energy markets & Networks
The Director

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ENTSOG
The President
Stephan Kamphues
Brussels
Delivered by e-mail

Subject: Invitation to draft a network code on gas capacity allocation rules

Dear Mr Kamphues, *Dear Stephan,*

On 09 December 2010, ERGEG has submitted to the Commission its revised pilot framework guideline on gas capacity allocation rules. The Commission has examined the framework guideline in accordance with the criteria laid out in Article 6(4) of the Gas Regulation. The Commission has found that the framework guideline satisfies those criteria.

In accordance with the conclusions of the 17th and 18th Madrid Forums, and with the aim of delivering real progress to the European gas market without undue delay, I would like to invite ENTSOG to submit a network code which is in line with the framework guideline to the Agency within 12 months of receipt of this letter. In developing the network code, I would ask you to apply the procedures and obligations as defined in the Gas Regulation as if they were already binding, in particular with regard to transparency and consultation obligations.

Notwithstanding specific reviews to be conducted by national regulators on an ex post basis, the network code should be sufficiently specific for immediate application by TSOs and shippers upon its entry into force. It should in particular not require prior determinations or specifications by national regulators. Where the framework guideline leaves room to ENTSOG to exercise discretion, ENTSOG should, when in doubt, interpret this discretion in favour of European harmonisation, rather than individualised solutions on national or regional level.

It is my intention to invite the Agency to conduct upon commencement of its duties on 03 March 2011 the formal procedure foreseen under the Gas Regulation in an expeditious manner and to submit to the Commission a final framework guideline. ENTSOG will subsequently be invited to transfer the pilot project into the formal procedure. This transition should take place without delay and the 12 months deadline foreseen in the pilot should not be extended.

The Commission services are at your disposal to discuss any questions which may arise, both on process and merits.

Best regards,



Heinz Hilbrecht

c.c.: Walter Boltz; Alberto Pototschnig; Madrid Forum Participants