

Brussels, 24/12/2004

## Press release

### **PUBLICATION OF THE MAIN CONDITIONS FOR ACCESS TO THE TRANSMISSION NETWORK AND THE STORAGE FACILITIES OF FLUXYS SA/NV**

1. The CREG has approved in full the main conditions for access to the transmission network of FLUXYS SA/NV ('the main conditions'), after having rejected two previous proposals. The publication of these main conditions, which can be found on the CREG website ([www.creg.be](http://www.creg.be)), marks the formal **launch of liberalisation** at federal level. The main conditions form the regulatory basis for the general terms and conditions of the transmission and storage contracts concluded by FLUXYS SA/NV. They provide a framework for the settlement of the contractual aspects of third-party access to the transmission network, and storage facilities. They are also to be included in all existing contracts, which are to be brought into line with the main conditions in force. Any modification of the main conditions will be subject to prior approval by the CREG. The approval of the main conditions will not have any spectacular consequences in the short term, as FLUXYS SA/NV has already largely anticipated the approval of the new rules and this decision is part of an ongoing improvement process. However, it does represent a major step forward, as the main conditions strengthen the foundations which will enable newcomers to penetrate the Belgian natural gas market in a **stable, clear and balanced legal framework**.
2. To the extent that this decision is part of an ongoing and gradual process of introducing **rules for third-party access to the network** (TPA, *third-party access*), the main conditions for access to the network of FLUXYS SA/NV will be used as the basis on which to draw up various other crucial documents with a view to opening up the market (see below). Thanks to this progress and with ongoing support from the CREG, Belgium is in the vanguard of European Union member states on the ground, as was noted in July this year in the compliance report drawn up by the **Madrid Forum**, which consists of the European Commission, the member states, regulators and representatives of the natural gas industry and consumers at European level.
3. By enabling **new players** to access the Belgian market, the main conditions will allow consumers to choose their natural gas supplier. By creating a transparent framework for the transmission of natural gas, within which various market players can evolve under non-discriminatory conditions, the main conditions also contribute towards reinforcing the country's **security of supply** (reducing the contractual risks and increasing the liquidity of the market).

#### **Major achievements**

- The basic rules governing access to the transmission network and storage facilities of FLUXYS SA/NV already comply with the second 'gas directive' (Directive 2003/55/EC), which still has to be incorporated into Belgian law, and with the European Commission proposal for a European Parliament and Council regulation on the conditions governing access to gas transmission networks.
- The main conditions being published today are confirmation of the gradual introduction of an Entry-Exit system, suggested by the CREG and supported by the European regulators since 2002, which came into force on 1 April 2004 on the FLUXYS SA/NV transmission network. This system allows greater flexibility when reserving and using transmission capacity and greater liquidity on the transmission capacity market.

- The main conditions also contain the foundations of the secondary capacity market: the provisions necessary to enable the transfer of reserved capacity between various network users, with or without the release of the transferor.
- The dialogue between the CREG and FLUXYS SA/NV, once the CREG had consulted all network users concerned, has resulted in a balanced system of liability in order to safeguard the interests of all parties as well as possible.
- At the request of CREG, FLUXYS SA/NV is undertaking to the full its role as manager of the integrated transmission network, for example by taking responsibility for the quality of the gas in its network and its storage facilities.

### **Forthcoming developments**

In its decision, the CREG mentioned the following points, amongst others, which will have to be looked into in the short term:

- The geographic partitioning of the natural gas transmission network into four balancing zones (three balancing zones for high-calorie gas and one balancing zone for low-calorie gas);
- The increase in the available flexibility;
- The accessibility of the Zeebrugge hub.

The CREG will look into these points together with Fluxys SA/NV, further to the publication of its 2004-2014 Indicative Plan for Natural Gas Supplies.

The CREG regrets that FLUXYS SA/NV has been unable to draw up any main conditions for its transit activity, further to judgement No 126.817 pronounced by the Council of State on 5 January 2004 in the case of DISTRIGAS SA/NV and DISTRIGAS & Co S.C.A./C.V.A. against the Belgian State (the Council of State reached this decision on the basis of a procedural error, without pronouncing judgement on the merits of the case). Consequently there are not yet any approved, transparent and non-discriminatory rules of access for transit through Belgium, although this is clearly important, given that the capacity reserved for transit accounts for two-thirds of the total useable capacity at entry points on the Belgian transmission network.

### **A few points worth remembering**

The process involved in the publication of the main conditions of access to the FLUXYS SA/NV transmission network began with the publication, on 2 May 2003, of the Royal Decree on the **code of conduct** as regards access to the natural gas transmission network ('the code of conduct'), proposed by the CREG.

The Belgian code of conduct was one of the sources of inspiration for the drafting of the '**Guidelines of Good Practice**' for which a consensus was achieved within the Madrid Forum.

In accordance with the code of conduct, FLUXYS SA/NV submitted an initial first synoptic draft of the main conditions to the CREG on 11 July 2003. On 8 January 2004 the CREG decided to reject this first proposal, with the result that on 26 March 2004, FLUXYS SA/NV submitted a second proposal. After further consultation between the CREG and FLUXYS SA/NV, a third proposal was submitted on 14 December 2004. This last proposal was approved by the CREG and is being published today. The main conditions will enable all suppliers concerned to gain transparent, balanced and non-discriminatory access to the transmission network operated by FLUXYS SA/NV, on the basis of an official code.

These main conditions serve as a starting point for other documents to be submitted to the CREG for approval in the coming months, which will contain details of the transmission services offered:

- The **indicative transmission programme** is intended to constitute a catalogue of the range of services provided by FLUXYS SA/NV. This indicative transmission programme will have to be published every year for the next two years. It will be drawn up in accordance with the tariff proposal which FLUXYS SA/NV has to submit to the CREG annually.

- The **network code** is a standardised set of rules and regulations relating to access to and use of the transmission network, which make it possible to computerise application processing.
- Following on the code of conduct and the main conditions being published today FLUXYS SA/NV will publish a substantial amount of data on a regular basis relating to operational and available capacity, flows to the main entry points, network availability, etc.

The texts of the CREG decisions of 3 June 2004 and 20 December 2004 will shortly be published on its website.

---

**Press information:**

CREG  
Rue de l'Industrie/Nijverheidsstraat 26-38  
B-1040 Brussels  
Mr Tom Vanden Borre  
Tel. 0032 2 289 76 80  
Fax. 0032 289 76 89  
Mobile. 0032 497 52 77 62  
press@creg.be

---

**The CREG is the federal body responsible for regulating the gas and electricity markets in Belgium, set up by the law of 29 April 1999 on the organisation of the electricity market and the law of 29 April 1999 on the organisation of the gas market and the fiscal status of electricity generators. The CREG fulfils two essential tasks: it provides advice for the authorities on the one hand, and it supervises and monitors the application of laws and regulations on the other.**