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Press release
(New version)

APPROVAL OF MAIN CONDITIONS FOR ACCESS TO THE LNG TERMINAL OF ZEEBRUGGE

Gas market: the CREG decides to approve the main conditions for access to the LNG terminal of Fluxys LNG

The CREG on 17 June 2004 approved the proposed main conditions for access to the LNG terminal of Fluxys LNG. The CREG approval comes at a time that Fluxys LNG is holding talks with shippers for capacity bookings after 2006, which can lead to sizeable investments.

The Zeebrugge LNG terminal is a regulated terminal with published rates and is now giving access to all shippers on the basis of main conditions that are approved by the regulator and published. The advantage of main conditions for LNG shippers is that there is now an official document with clear rules formalising the most important terms and conditions for access to the terminal and non discriminatory treatment of shippers.

Intensive consultations between CREG, Fluxys LNG and LNG shippers

Fluxys LNG submitted its first proposal for main conditions for approval to the CREG on 11 July 2003, within the time limits stipulated by the royal decree on the code of conduct of 4 April 2003. The CREG rejected that draft on 8 January 2004. It was a proposal with general principles that required further elaboration. The CREG approved on 13 May 2004 the largest part of the adapted main conditions submitted by Fluxys LNG, and imposed a number of items for a renewable period of 6 months. The revised draft, which was approved as the definitive version on 17 June 2004, is the result of intensive consultations between CREG, Fluxys LNG and LNG shippers who, after an open season market survey at the beginning of 2003, have shown initial interest to book capacity at the terminal after 2006. All these CREG decisions are published at www.creg.be.

Fluxys LNG is currently conducting negotiations with various shippers for new LNG terminalling contracts after 2006. The approval of the main conditions falls within the time limits of those negotiations and creates the framework needed to conclude them. The negotiations between Fluxys and various shippers could lead to the construction of a 4th storage tank and extra send-out capacity on the LNG terminal at Zeebrugge, a project estimated at €170 million.

Part of the implementation of the Code of Conduct

The main conditions are the general rules according to which Fluxys LNG organises the access of shippers to the terminal. They specify in particular the way in which capacities are calculated, the capacity allocation and negotiability rules, the congestion policy, the natural gas quality requirements, and provisions relative to liability and financial guarantees. The main conditions constitute an initial document that Fluxys LNG as a natural gas transport company will publish in connection with the implementation of the code of conduct.

The CREG must still decide on proposals for main conditions that Fluxys has submitted for the access to the transmission network for, respectively, its transport and storage activities in Belgium.

The code of conduct provides that, as of the date that its main conditions are approved, a transmission company will have respectively 2 and 4 months to submit its indicative transport programme and its network code to CREG for approval.

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The "Commissie voor de Regulering van de Elektriciteit en het Gas / Commission de Régulation de l'Electricité et du Gaz" (CREG) is the federal regulatory authority of the gas and electricity markets in Belgium, created by the Act of 29 April 1999 on the organisation of the electricity market and the Act of 29 April 1999 on the organisation of the gas market and the tax status of electricity producers. The regulator has two important tasks: an advisory task for the government, and a general supervisory and control task for the application of the relevant legislation and regulations.