



Gas LNG Europe

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ROLES AND RESPONSABILITIES

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Draft Position Paper on “Roles and Responsibilities”

Preamble

Based on the 2nd Gas Directive, GLE Management Rules Working Group has prepared a document giving an overview of the roles and responsibilities of Terminal Operator and Terminal User involved in the LNG process (hereafter the Parties).

The present document has been divided into two main sections:

- a summary of the relevant articles of the 2nd Gas Directive 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 2nd Gas Directive items.

Main terms used in the present document are defined in the “LNG Common Glossary”.

Content of the 2nd Gas Directive

The 2nd Gas Directive has been taken into account by the GLE Management Rules Working Group to develop an overview of the roles and responsibilities of the Parties involved in the LNG process.

In a general way, article 17, 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 2nd Gas Directive explicitly refers to the mentioned subjects (roles and responsibilities of the Parties) in the articles 2 (comma 12 and 23) and 8 (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 8, 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.

Role of the Terminal Operator

Directly referring to the above mentioned article 8, comma 1, each Terminal Operator shall:

- operate, maintain and develop under economic conditions secure, reliable and efficient LNG facilities, with due regard to the environment;
- 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, sufficient information to ensure that the transport of natural gas may take place in a manner compatible with the secure and efficient operation of the interconnected system;
- provide system users with the information they need for an efficient access to the system.

These objectives should be reached by the Terminal Operator 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 Terminal Users 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. Re-gasification Code or any other document applicable to all Terminal Users) developed in accordance with the regulatory framework of each country;
- allocation of the LNG facility capacity amongst Terminal Users on the basis of principles and priorities as defined in accordance with the regulatory framework;
- applying procedures for the acceptance of LNG ships;
- redelivering the re-gasified LNG, deducted of consumption connected to the re-gasification service and losses associated to the LNG facility, within the contractual quality specifications, provided that the LNG delivered by the Terminal Users

complies with the specifications defined by the Terminal Operator, 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 Terminal Users 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

Role of the Terminal User

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

Terminal Users shall, inter alia, be responsible for:

- delivery of the natural gas consumption connected to the re-gasification service (fuel gas)
- performing the importation of the LNG (this activity is carried out by the Terminal User and not by the Terminal Operator, as defined in the 2nd Gas Directive), including all custom formalities and respecting quality specifications of LNG as accepted by the terminal;
- respecting the ships 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 Terminal Operator;
- assuring all exchange of information between the ship and the Terminal Operator as requested by the procedures in use at the LNG terminal;
- putting relevant IT in place in order to be able to communicate with the Terminal Operator;
- obtaining all customary port approvals, marine permits and other technical and operational authorizations 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