

RULES ON MONITORING NATURAL GAS MARKET

Chapter I General Provisions

Article 1 Purpose

1. Rules on Monitoring the Natural Gas Market (as follows referring as the "Rules") define the approach and the procedures to monitor Natural Gas Market operation as well as specific activities of the Transmission and Distribution Operators and other participants of Natural gas Market for the operation of this Market in Albania.
2. Monitoring the operation of natural gas market is realized by Energy Regulatory Authority (hereinbelow "ERE").
3. Monitoring and controlling the operation of natural gas market aims at increasing efficiency, competition, and transparency of natural gas market as well as the identification of the irregularities as follows:
 - i. Avoidance from the competition principles of the natural gas market participants,
 - ii. Realizing the commercial irregular practices which affect the operation of the market, in conformity with the effective legislation and other obligations defined on the license conditions for performing the activities in Natural Gas Sector.
4. If during the monitoring of the operation of natural gas market are observed irregularities, ERE after examining the behavior of the undertake (undertakings), in conformity with Natural Gas Sector Law as well as the respective by-legal acts, undertakes the respective measures, regarding the security of supply, regarding efficiency, competition, non-discriminatory operation of natural gas market as well as the protection of the customer's and other network user's rights.
5. During the performance of the activities according to paragraph (4), ERE may cooperate with other institutions, with the Contracting Parties of the Energy Community as well as the Energy Community Secretariat (ECRB).

Article 2

Definitions

1. The terms used on these Rules shall be defined as follows:
 - a) **"Natural gas"** shall mean methane gas, including associated gas, as well as all hydrocarbons that are gaseous at normal atmospheric conditions, which include LNG, biogas or other types of gas transmitted and distributed in the pipeline system.
 - b) **"Natural Gas Market"** – shall mean the system where are carried out the effective sale/purchase transactions of natural gas, including derivatives that relate to this market.
 - c) **"Wholesale natural gas market"** – shall include the bilateral agreements of natural gas, except of the agreements signed between the parties (mentioned on point d) of this article), day ahead market for delivering natural gas and balancing natural gas market.
 - d) **"Retail Natural Gas market"** – shall mean the relations between the end use customers and their suppliers
 - e) **"Supply"** shall mean sale and resale of the natural gas, including LNG, to customers.
 - f) **"Customer complaint"** – shall mean any form of customer dissatisfaction, through different forms like letter, e-mail, phone call or the submission of the claimant by himself;
 - g) **"Request for information"** – shall mean the request for information or advices (not complaint) from one person or undertaking to: the responsible body for handling the complaints, the information center of providing the service or to an organization that assists in issuing this type of information;
 - h) **"Supplier of last resort"** shall mean a supplier designated in accordance with the provisions of this law, which for a limited period of time shall provide the supply service under regulated conditions, to customers which have not been able to contract a supplier or have lost the supplier.
 - i) **"Operator"** shall mean the person in charge to use and control the technical functions of gas installation in accordance with the legislation in force.
 - j) **"Network Operator"** means the Transmission System Operator and/or Distribution System Operator.
 - k) **"Storage System Operator"** means a natural or legal person who carries out the operation of storage and is responsible for the operation of a storage facility;
 - l) **"LNG system operator"** shall mean a natural or legal person who carries out the liquification of natural gas activity, or the import, export, offloading, and re-gasification of LNG and is responsible for operating an LNG facility;
 - m) **"Distribution system operator (DSO)"** shall mean a legal person who carries out the function of distribution and is responsible for operating, maintenance, and, if necessary, developing the distribution system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of natural gas;

- n) **“Transmission system operator (TSO)”** means a legal person who carries out the function of transmission and is responsible for operating, maintenance, and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of gas;
 - o) **“Market Operator”** is the responsible entity, licensed for operation, organization and management of the natural gas market.
2. Any definition or other term used on these rules shall have the same meaning with the one used on Law no. 102/2015 “On Natural Gas Sector”, as amended.

3. List of the Abbreviations used on these Rules:

OSSHG - Natural Gas Distribution System Operator;
OSTG - Natural Gas Transmission System Operator;
OTG - Natural Gas Market Operator;
ERE - Energy Regulatory Authority;

Article 3

The scope of these Rules

1. Monitoring the operation of natural gas market deals with the collection, process and analysis of the data and information, as well as publishing the information regarding:
- a) the implementation of the legal obligations of the license holders regarding the well - functioning of natural gas sector activities for all market participants, not violating the security with gas supply;
 - b) well-functioning of natural gas markets related to their improvement regarding non-discrimination, competition, transparency and their efficiency;
 - c) the implementation of the rules to manage the interconnection capacities; managing the overload in the natural gas transmission system as well as implementing the obligations that Albania has undertaken regarding the international agreements in force;
 - d) issue the necessary time of the respective systems operators for the repair of the planned outages/defects or overhauls;
 - e) on time publication of the appropriate information from the systems operators, to enable the stakeholders for the use of gas networks or distribution networks as well as allocation of interconnection capacities, to take the appropriate measures;
 - f) amendment of the ownership structure of the licensee that perform the activities in natural gas area proposing the necessary actions that the competent state institutions shall perform for the protection and promotion of competition in natural gas markets;
 - g) compliance of the actions of the license holders that operate on gas area, regarding the implementation of the license obligations (conditions);

- h) quality of the provided services from the license holders that perform their activity in natural gas area market;
- i) real allocation of the accounts, as defined by the law, to avoid cross subsidies between natural gas customers groups as well as the exceed of the revenues and expenses during the performance of the activities in natural gas area, being them regulated or unregulated activities;
- j) the implementation of programs that ensure to the respective systems operators full legal, financial management and operational independence for the Undertakings, enabling non-discrimination, transparency and competition of natural gas markets operation.

Article 4

Implementation method

1. The licensees in natural gas sector are obliged to deliver at ERE, any type of information defined on these Rules as well as any other information required by ERE, to monitor the operation of natural gas markets according to the way, form and conditions defined on the annexes of these Rules. In case of submitting the information, which is considered confidential by the market participants, this last one mentioned shall inform ERE, and it shall handle the information in conformity with the effective legislation for the protection of information.
2. The application form that contain the data and information required on point 1 of this article shall be delivered electronically by e-mail at erealb@ere.gov.al, or at any other address officially required by ERE, to the construction and operation of the electronic platform for this purpose at ERE.
3. The data and information required on point 1 of this article, as a rule shall be periodically delivered at ERE within 30 calendar days from the previous report, ERE shall have the right that for some type of information to apply different terms from those defined on these Rules.
4. ERE may require at any time from the licensee that operate on natural gas market additional information and data.
5. Some of the required data and information, according to the definitions of these Rules from the licensee that operate on natural gas market may be considered confidential, while their protection and use shall be in conformity with the provisions of the law for the protection of personal data;
6. ERE, to ensure the effective monitoring of the natural gas market, may also collect, use and analyze the data and information from other resources, which shall be used and published in conformity with the legislation in force and the international approved standards

Article 5

Reports on monitoring the operation of natural gas markets

1. Implementing Law no. 102/2015 “On Natural Gas Sector”, as amended, ERE, at least three times in a year, shall prepare and publish the reports for monitoring natural gas markets operation.
2. On the reports mentioned on point 1 of this article, ERE shall publish only the data regarding some main indicators. If any of the indicators regarding the participants in the irregulated market is not reconciled and confirmed from at least two independent sources (licensees), then this shall not be published at the report.

Article 6

Reliability of the submitted information

1. Natural gas Market participants shall designate an authorized person who shall be responsible to maintain the relation with ERE, enabling ERE to receive the respective information on this Rules, through *e-mail* communication established for this purpose.
2. The process, as mentioned above shall also contain a declaration on the reliability of the submitted data, the declaration is submitted on ERE website.
3. Such a declaration is completed by the current natural gas market participant after the entry into force of this Regulation and is submitted electronically to ERE. The new licensees shall complete this declaration before the license enters into force to perform a defined activity in natural gas sector.
4. Any amendment regarding the authorized person from natural gas market participants to maintain the relation with ERE, is notified to this last one mentioned within 7 calendar days from the entry into force of such an amendment through submitting the respective application form, according to the terms mentioned on point 1 of this article.
5. All the data and information delivered from the authorized person, according to the definitions of point 1 of this article shall be considered accurate and reliable and that fully reflect the current situation of the licensee.
6. Natural gas market participants shall be responsible to guarantee the accurate and reliable information submitted at ERE for any case.
7. Any amendment or correction of the data submitted from natural gas market participants according to point 4 of this article, may be submitted at ERE within 15 calendar days from the submission of these data, defined on point 3 of this article.

Article 7

The purpose of monitoring the operation of Natural Gas Market

1. In particular, natural gas market monitoring is performed for the following reasons:
 - a) organization of natural gas market, as defined on the legislation in force; and

- b) well - functioning and efficiency of natural gas market.
- 2. Monitoring the structure of natural gas market, as defined on letter a, point 1 of this article, shall be on these directions:
 - a) liberalization of natural gas market; and
 - b) achieving to that level of operational, financial and legal independence that is required from the Law, during the performance of the production, transmission, distribution, trading, supply, purchase or natural gas storage activities, including LNG in our country.
- 3. Monitoring natural gas market efficiency (letter b, point 1 of this article) is achieved monitoring and analyzing the behavior and activities of the participants on these directions:
 - a) operation of the wholesale market;
 - b) operation of retail market;
 - c) connection, access and use of natural gas transmission and distribution networks and;
 - d) quality of the services provided to the customers.
- 4. Monitoring the maintenance of the wholesale market is performed by monitoring, transmission, trading and natural gas import as well as wholesale market prices.
- 5. Monitoring the maintenance of the retail sale market is performed through monitoring the retail sale prices and the facility by which there are applied the procedure of switching the natural gas supplier.
- 6. Monitoring the quality services shall be performed through continuous monitoring of natural gas supply, the quantity and gas as well as the quality of gas supply that is reflected on the activity of these undertakings (commercial services).

Chapter II

Monitoring the structure of natural gas market

Article 8

Liberalization of natural gas market

- 1. All Participants in natural gas market (traders, suppliers, the suppliers of last resort, the natural gas transmission and distribution operators as well as according to the definitions of the legislation in force the licensee of storage or LNG operation), shall periodically inform regarding the number of customers as well as their categorization according to the definitions of the legislation in force.

Article 9

Operational, financial and legal independence of the natural gas transmission and distribution operators.

- 1. Until on 28 February of each year, TSO-G and DSO – G shall submit information for the previous calendar year regarding the implementation of harmonization programs, regarding their complete legal, financial, managerial as well as operational independence to the Undertakings on which they are vertically integrated and specifically at the on the activities of:
 - a) natural gas transmission, production, distribution, trading, supply of last resort;

- b) ensuring the public services in a way to provide non-discrimination, transparency and the object of natural gas market operation.

Chapter III

Monitoring the operation of natural gas retail market

Article 10

Natural gas balance, transmission, and distribution of natural gas

1. TSO-G shall deliver the data regarding the natural gas import, transactions, and natural gas transmission in the transmission network of Albania, the use of interconnection lines and the procedures used for issuing the interconnection lines capacities, including:
 - a) natural gas balance;
 - b) availability of cross-border transmission capacities and implementation of their allocation procedures; as well as
 - c) the data for the cross-border capacities allocation, the sum of the revenues and the average prices for each border
 - d) any other data required from ERE
2. DSO-G shall submit the data and information regarding natural gas balance as well as any other data required from ERE.

Article 11

Natural gas prices in the wholesale natural gas market

1. Natural gas undertakings, included in the supply or trading, set available to ERE, the Ministry, the Competition Authority and other respective authorities the respective data, for a period, of at least 5 years, regarding all the transactions, in the natural gas supply contracts and its derivatives, with wholesale customers, TSO -G, storage system operators and LNG system. These data shall be set available even to Energy Community Secretariat for the same period.
2. The data shall include details for the respective transaction's characteristics, like duration, the bid rules and those for settling the disputes, the quantities, data, execution time of the contract, transaction prices, ID for the involved wholesale customers, as well as details for the unpaid contracts for natural gas supply and its derivatives.
3. ERE may set available to the market participants the respective data, declared from the abovementioned operators, on the condition that it is not published the commercial sensitive information.
4. The licensees in transmission and distribution activity, natural gas markets operators, traders, suppliers and natural gas producers, shall issue necessary information and data regarding the price amendment in the wholesale market. ERE shall be informed for the wholesale market prices and shall maintain the confidentiality of commercial sensitive information for some undertakings which may not have regulated prices. These data include:

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- a. the prices per unit, average prices and the respective quantities;
 - b. prices per unit and the average sale prices as well as natural gas produced quantities;
 - c. prices per unit and average sale price and natural gas quantities supplied for any customer group;
 - d. prices per unit and the average purchase price and delivered natural gas quantities;
 - e. prices per unit and the average prices and natural gas quantities purchased to cover the losses; as well as;
 - f. data for the delivered ancillary services with the regulated agreements or purchased in the market;
 - g. allocated disbalances according to the responsible – balancing groups;
 - h. natural gas transmission and distribution tariffs.
5. Any 6 months, the licensees in natural gas transmission and distribution activities shall submit the data regarding the natural gas transmission and distribution tariffs which are approved by ERE.
6. Any 6 months, the traders, suppliers, suppliers of last resort as well as the suppliers of tariff customers submit the data regarding the prices per unit and the average sale prices as well as natural gas quantities delivered for any customer category.

Chapter IV

Monitoring the operation of natural gas retail market

Article 12

Natural gas prices in the natural gas retail sale market

1. The traders, suppliers, suppliers of last resort as well as the suppliers of the tariff customers shall submit the data and information regarding the retail sale average prices, the prices for tariff customers as well as those supplied from the supplier of last resort.

Article 13

Switching the supplier

1. ERE guarantees the implementation of a Regulation that enables the switch of the supplier, by the end use customer, simply, within a time period not longer than 3 weeks, from the moment of notifying the previous supplier.
2. ERE approved with the Board Decision no. 23, dated 30.01.2018 the “Regulation for Switching the Supplier in Natural Gas Sector”. These rules define the conditions and procedures for switching the supplier and in particular, include:
 - a) procedures for switching the supplier on the request of the customer
 - b) procedure of switching the supplier if the switch of the supplier of last resort
 - c) switch of the supplier when the sale contract is interrupted with a customer that has the right in the public supply

- d) Switch of the supplier in case of termination of the sale contract because of failure to pay
- e) Obligation of the new supplier, the supplier whose contract is interrupted and of the system operator

Chapter V

Monitoring the conditions for connection, the access and the approach of using the transmission and distribution networks of natural gas

Article 14

Connection to a network

1. TSO – G and DSO -G shall issue the necessary data and information regarding the network connections, as follows:
 - a) number of the received applications, those approved and implemented according to customers groups and the pressure level where they are connected;
 - b) number of customers interrupted and the respective reasons;
 - c) DSO-G reports these data (the number of connections according to the pressure level or the customers groups as well as the number of disconnected customers), on monthly basis;
 - d) TSO-G reports these data (the number of connections according to the pressure level as well as the number of disconnected customers), on 3 (three) months basis.
 - e) TSO - G and DSO – G shall issue the data regarding the meet of the time period for the connection of the respective network users.

Article 15

Access to a network

1. TSO-G and DSO-G shall submit the data and information regarding the implementation of the principles and legal conditions of the third - party access in the network, including the number of received applications, the approved ones as well as the refused ones as well as the time of process realization from receiving the request to the termination of the process and the issue of the authorization.

Chapter VI

Monitoring the quality of services

Article 16

Continuance of supply

1. DSO -G shall submit the necessary data and information regarding the continuance of natural gas supply quality, including:
 - a) number of the planed and unplanned interruptions according to the pressure level;
 - b) duration of the planned and unplanned interruptions according to the pressure level; and
 - c) calculation of the indicators that deal with the continuance of natural gas supply

Article 17

Quality of gas supply depending on the pressure level

1. TSO- G and DSO -G shall submit the necessary data and information regarding the quality of natural gas supply where are included the pressure level for any pressure level that operate in their markets, the received complaints including the number, type and average time of response to them related to natural gas supply quality where are included even the complaints for the interruption of natural gas supply.

Article 18

Network and commercial services quality

1. The licensee in transmission, distribution, supply and supply of last resort activity as tariff customers shall issue the necessary data and information regarding the quality of delivering the commercial services, including:
 - a) the number and type of received complaints, the handled, settled or refused complaints, as well as the average time for the response to them;
 - b) the number and type of the requests for information, the revenues from the customers as well as the handling approach of these requests;
 - c) communications with the customers in the form of total number of the telephones, e-mails, submission at the customer care centers as well as the requests submitted by official letters from different customer groups (small, big, or household customers).
2. On ERE request, the licensees in transmission, distribution, supply, supply of last resort activity as well as those of tariff customers shall issue the necessary data and information regarding:
 - a) publication of information on the users of transmission and distribution systems users regarding the access in the network;
 - b) publication of information regarding the standard contracts with the suppliers, the amendments of the contract terms, payment approach, the procedures for switching the supplier as well as access at customer care centers;
 - c) TSO-G reports on the annual basis regarding the number and type of the received complaints, the approved or refused ones.

Article 19

Transitory provisions

The obligation to report, submit the data or information, as defined on these Rules begins with the entry into force of these Rules and shall be applied for the data of the licensee in natural gas.

Article 20

Final provisions

This Regulation shall enter into force after publication in the Official Gazette.