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**Regards,**

**Fiona**

**From:** Kamphues, Stephan [<mailto:Stephan.Kamphues@open-grid-europe.com>]  
**Sent:** Thursday, August 02, 2012 6:28 PM  
**To:** OETTINGER Guenther (CAB-OETTINGER); LOWE Philip (ENER)  
**Subject:** Network Code on CAM

Dear Commissioner, Dear Director General,

After we had come so far it was quite a disappointment for me, not to see the work on the CAM Network Code being finished before the summer break. Although under the guidance of Philip Lowe we came to a compromise of ACER and ENTSOG representatives, the Board of Regulators and the ENTSOG Board finally were still unhappy with the results achieved.

My personal analysis of the gap between the positions shows only a single significant issue although four topics were discussed. The entire discussion can be concentrated on ACER's intent to further free up network capacities and ENTSOG's intent to safeguard the commercial consumer interest and financial stability of networks. This could more easily be solved if the financial regulation of networks would be the same throughout the EU. However in all member states with a volume based regulation (revenues dependent on capacities sold) restrictions on the sale of capacities might lead to unused capacities, which in turn could severely impact the financial stability of the network operator and/or lead to a higher tariff of other capacities. This relates to the question of remaining unbundled capacities that shall be only sold short term, the request to reserve more than 10 % of all capacities for short term bookings as well as the further issues under discussion.

Since ENTSOG is more than seriously committed to make the CAM Network Code a success and support the market integration I cannot accept the status quo. We are too close to give up. Compromise and pragmatism will be needed to deliver the ambitious Commission and ACER objectives. ENTSOG and TSOs have the primary role to provide the foundation for a robust and properly functioning market. This critical enabling role to bridge the gap between the physical network operation and the commercial trading environment is the essential pre-requisite for the timely delivery of network codes.

My proposal is to reinforce our efforts upon an urgent request of Commissioner Oettinger to ACER and ENTSOG and under a general guiding principle to be introduced by Director General Lowe. This could sound as follows:

*DG ENER calls upon ENTSOG to support the far reaching ACER proposals to promote a better functioning market and requires that ACER and NRAs shall safeguard the revenue and cashflow positions of the TSOs to ensure the delivery of all of the network codes.*

Please forgive the bluntness of this approach and proposal but time is too short for too much diplomatic icing on the cake.

Best regards.

Stephan Kamphues  
ENTSOG President