

## ★ Central and South-Eastern European Gas Connectivity (CESEC) Initiative

As a joint response to natural gas diversification and security of supply challenges, a Memorandum of Understanding was signed on 10 July 2015 as part of the Central and South-Eastern European Gas Connectivity (CESEC) initiative. The signatory countries expressed their commitment to jointly resolve challenges related to security of gas supply and promote source diversification by implementing coordinated measures that should enable regionally optimal results. Under the Memorandum of Understanding, the signatories expressed their readiness to sustain the necessary political commitment to oversee the full and timely implementation of the CESEC Action Plan, which includes the following elements:

- Selection of a limited number of key projects benefitting the CESEC region
- Identifying and addressing project-specific challenges
- Financing aspects, including the role of the *European Investment Bank and the European Bank for Reconstruction and Development*
- Addressing market integration challenges.

The Energy Community Secretariat was invited together with the *Agency for the Cooperation of Energy Regulators (ACER)* and the European Commission to closely monitor the implementation of the Action Plan on a regular basis by using all available tools and institutions foreseen by the EU *acquis*. The Secretariat supports the Contracting Parties in their implementation of the Action Plan, with a particular emphasis on addressing the market integration barriers and requirements.

At its meeting on 8 and 9 September 2016 in Budapest, the CESEC High Level Group agreed to upgrade the original CESEC Action Plan. The so-called [CESEC Action Plan 2.0](#) includes an updated list of specific actions for EU Member States and Energy Community Contracting Parties and outlines further regional work to improve the functioning of gas markets by improving trading arrangements, enabling market entry and – where appropriate – optimizing cross-border transmission tariffs.

The present monitoring report incorporates a new list of concrete actions, based on the revised CESEC Action Plan. It is the fifth in a series of periodical reports on the progress made by the Energy Community Contracting Parties participating in CESEC.

**Signatory Parties of the MoU:** European Union, Austria, Albania, Bulgaria, Croatia, Greece, Hungary, Italy, FYR of Macedonia, Moldova, Romania, Serbia, Slovakia, Slovenia, Ukraine

## Implementation of Action Points<sup>1</sup>

	Albania	FYR of Macedonia	Moldova	Serbia	Ukraine
<b>Ensuring transparent and non-discriminatory third party access</b>					
<b>Ensuring free flow of gas and provision of competitive framework</b>					
<b>Infrastructure related measures</b>					
<b>TSO unbundling</b>			 <sup>2</sup>		

<sup>1</sup> The icons represent the progress achieved between September 2016 and February 2017

<sup>2</sup> In line with the Second Energy Package. / Taking into consideration Energy Community Ministerial Council Decision on postponement of TSO certification in line with the Third Package in Moldova until 2020.

# Energy Community CESEC Monitoring Report on Action Plan Implementation

## CESEC Gas Infrastructure Projects

The present Energy Community CESEC Report prepared by the Secretariat focuses on the interconnector Bulgaria-Serbia, as one of only two CESEC priority projects where a Contracting Party is involved. While the *Trans Adriatic Pipeline (TAP)* is also labelled as a CESEC priority project, it has been considered as “decided” on the basis of existing transport and supply contracts. The *TAP*’s progress is well on track, thus the decision was made not to conduct additional activities within the CESEC process, i.e. a dedicated project implementation group was not established.



Source: ENTSOG map, compiled by the Energy Community Secretariat



## Gas Interconnection Bulgaria-Serbia (IBS)

### Project description

The aim of the project is to construct a new gas pipeline route connecting the national gas transmission networks of Bulgaria and Serbia. The pipeline will improve diversification of routes and sources and the interconnectivity of natural gas markets in South East Europe.

The interconnection will be 170 km long (62 km in Bulgaria and 108 km in Serbia) and will connect the Bulgarian capital Sofia via Dimitrovgrad with the Serbian city of Niš. The pipeline's capacity is initially planned at 1.8 billion cm/year, with an option to increase the volumes up to 4.5 billion cm/year. The line will be reversible with a pipe diameter of 28 inches (700 mm) and working pressure of 55 bar, thus enabling access to underground storage facilities on both sides - in Serbia and in Bulgaria.


In December 2012 Prime Ministers of Serbia and Bulgaria signed the Memorandum of Understanding for the construction of IBS. In January 2017 the Minister of Energy of Serbia and Bulgaria signed a new Memorandum of Understanding on the construction of the IBS pipeline, including a schedule of the project, which foresees start of operation by Q4 of 2020. The original project schedule has been updated accordingly.

The project is one of the seven CESEC priority projects, a Project of Common Interest (6.10) as well as a Project of Energy Community Interest (G013).

### Investment financing

The total expected investment amounts to 135 million EUR. With EU assistance, Bulgaria has already secured financing for its part of the gas pipeline in the amount of 48 million EUR. Grant co-financing agreement for the Serbian section has been reached in January 2017, in the value of ca. 49.7 million EUR within the framework of national IPA. The Serbian government set aside approximately 7.4 million EUR for permitting and land purchase.

### Project milestones and progress to date

Bulgaria		Serbia	
Feasibility study was completed.		Feasibility study with elements of environmental and social impact assessment (ESIA) was completed. <sup>1</sup>	
Preparation of preliminary design for Bulgarian part has been finalized. Conceptual design has been also completed.		Preparation of preliminary design for Serbian part has been finalized. Conceptual design has been finished in Q4 2016.	
According to the Ministry of Environment and Waters in Bulgaria, no Environmental Impact Assessment (EIA) study is needed. Spatial planning was contracted in January 2015, and was finalized in December 2015.		The spatial plan has been prepared for public consultation, which is on-going in Q4 2016. It is planned to be followed by technical design in Q2 2017. Serbia is expected to conduct an EIA study by Q3 2017.	
Investment decision was taken and 48 million EUR secured from Operational Programmes: "Competitiveness" and "Innovation and Competitiveness 2014-2020".		The investment decision is conditioned by Srbijagas and the Serbian Government on EU grant funding. Grant co-financing agreement for the Serbian section has been reached in January 2017, in the value of ca. 49.7 mEUR within the framework of national IPA.	
Construction permit for the Bulgarian section is planned by Q1 2018.		Construction permit for the Serbian part of the pipeline is foreseen for Q3 2018, conditioned on the investment decision	
Tendering of works and assignment for construction is planned by Q3 2018.		Tendering of works and assignment for construction is conditional on the EU grant funding - planned for Q1 2019.	
Commissioning of the project is expected in Q4 2020.		Commissioning of the project is expected in Q4 2020.	

<sup>1</sup> According to the JASPERS Project Evaluation Conclusions, a partial feasibility study revision/update will be necessary.



# Albania

Energy Community CESEC Report

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## 1. Ensuring transparent and non-discriminatory third party access (TPA)

### Establish capacity allocation mechanisms and congestion management rules allowing TPA in forward and reverse flow

- The Gas Market Law transposing the Third Energy Package was adopted in October 2015, stipulating a deadline of 18 months for the adoption of secondary legislation. The development of secondary legislation, with the support of the Energy Community Secretariat, which started in December 2015, will continue in 2017.
- Implementation in practice of secondary legislation related to capacity allocation mechanisms (CAM) and congestion management procedures (CMP) is conditioned by gas market development. The new Albanian gas TSO, *Albgaz s.a.* (established on 7 December 2016), shall prepare the draft Transmission Grid Code for ERE's approval by April 2017.
- Discussions on Albania's early implementation of the CAM and CMP Network Codes started in 2016. Further steps towards implementation of both codes depend on the relevant PHLG Procedural Act, expected in 2017.



### Establish market-based balancing mechanisms

- The principles of balancing, in line with the requirements of Regulation (EC) 715/2009 are included in the draft Government Decision On Approval of the Natural Gas Market Model. More detailed balancing rules shall be included in the market rules by April 2017.



### Develop transparent and non-discriminatory tariffication rules that do not distort trade across borders

- An entry-exit tariff methodology is expected to be adopted by April 2017. However, the implementation of transmission tariffs for all entry and exit points is conditioned on the existence of a gas market.



## 2. Ensuring free flow of gas and provision of a competitive framework

### Optimise actual capacity use in both directions, including backhaul

- Discussions with transmission system operators and national regulatory authorities of Italy and Greece on the reversibility of TAP are ongoing in the context of the development of the TAP Network Code, which is expected in Q1 2017.





### 3. Infrastructure related measures

**Provide a cross-border cost allocation mechanism in line with Regulation (EU) 347/2013**

- The expected January 2017 deadline for the implementation of Regulation (EU) 347/2013 has not been met. The Ministry of Energy and Industry has announced that it plans to prepare a draft decision on the implementation of Regulation (EU) 347/2013 by August 2017.

**Ensure a harmonised framework of operation of interconnected systems of EU Member States and Contracting Parties**

- The implementation of Regulation (EU) 703/2015 on Interoperability and Data Exchange Rules was discussed and agreed upon by transmission system operators and regulatory authorities of the Energy Community Contracting Parties and neighbouring EU Member States in 2016. Further steps towards its implementation depend on the relevant PHLG Procedural Act, expected in 2017.



### 4. TSO unbundling

**Unbundle and certify transmission system operator in line with the Third Energy Package**

- The regulatory authority (ERE) published the final decision on the certification of TAP in April 2016.
- The new company *Albgaz s.a.* was established as a combined gas transmission and distribution operator on 7 December 2016.





# FYR of Macedonia

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## 1. Ensuring transparent and non-discriminatory third party access (TPA)

<p><b>Establish capacity allocation mechanisms and congestion management rules allowing TPA in forward and reverse flow</b></p> <ul style="list-style-type: none"> <li>• Primary legislation transposing the Third Energy Package has not been adopted.</li> <li>• Harmonization of secondary legislation with the requirements of Regulation (EC) 715/2009 related to the CAM and the CMP is expected to be finalized in Q1 2017.</li> <li>• Discussions with Bulgaria on implementation of the CAM and CMP Network Codes started in 2016. Further steps towards implementation of both Network Codes are subject to the adoption of the relevant PHLG Procedural Act, expected in 2017.</li> </ul>	
<p><b>Establish market-based balancing mechanisms</b></p> <ul style="list-style-type: none"> <li>• Harmonization of secondary legislation with the requirements of Regulation (EC) 715/2009 related to balancing is expected to be finalized in Q1 2017.</li> </ul>	
<p><b>Develop transparent and non-discriminatory tariffication rules that do not distort trade across borders</b></p> <ul style="list-style-type: none"> <li>• An entry-exit transmission tariff methodology that allows for individual setting of tariffs for all entries to and all exits from the system in a non-discriminatory way has not been drafted.</li> </ul>	



## 2. Ensuring free flow of gas and provision of a competitive framework

<p><b>Optimise actual capacity use in both directions, including backhaul</b></p> <ul style="list-style-type: none"> <li>• The transmission system operator did not start discussions on the possibility for backhaul with Bulgaria because of a contractual relation only with the supplier at the interconnection point . Existing upstream contractual arrangements need to be removed in the first place.</li> </ul>	
<p><b>Ensure publication of transparency requirements of Regulation (EC) 715/2009 on ENTSOG transparency platform</b></p> <ul style="list-style-type: none"> <li>• Publication on ENTSOG platform is envisaged by April 2017.</li> </ul>	



## 3. Infrastructure related measures

<p><b>Adopt interconnection agreements</b></p> <ul style="list-style-type: none"> <li>A discussion on an interconnection agreement with the transmission system operator of Bulgaria was launched. The <a href="#">CESEC Action Plan 2.0</a> set a deadline of 1 January 2018 for finalizing interconnection agreements. However, the existing upstream contractual arrangements needs to be removed in the first place.</li> </ul>	
<p><b>Provide a cross- border cost allocation mechanism in line with Regulation (EU) 347/2013</b></p> <ul style="list-style-type: none"> <li>Implementation of Regulation (EU) 347/2013 was expected by January 2017. However, the deadline has not been met. The Ministry of Economy asked the Secretariat to provide assistance in the process of implementing the regulation and envisaged its finalization by July 2017.</li> </ul>	
<p><b>Ensure a harmonised framework of operation of interconnected systems of EU Member States and Energy Community Contracting Parties</b></p> <ul style="list-style-type: none"> <li>The implementation of Regulation (EU) 703/2015 on Interoperability and Data Exchange Rules was discussed and agreed upon by transmission system operators and regulatory authorities of the Energy Community Contracting Parties and neighbouring EU Member States in 2016. Further steps towards its implementation depend on the relevant PHLG Procedural Act, expected in 2017.</li> </ul>	



## 4. TSO unbundling

<p><b>Unbundle and certify transmission system operator in line with the Third Energy Package</b></p> <ul style="list-style-type: none"> <li>Unbundling and certification are not possible without a legislative framework in line with the Third Package. However, the regulatory authority has finalized draft certification rules whose adoption is conditioned by the approval of the primary law.</li> </ul>	
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# Moldova

Energy Community CESEC Report

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## 1. Ensuring transparent and non-discriminatory third party access (TPA)

<p><b>Establish capacity allocation mechanisms and congestion management rules allowing TPA in forward and reverse flow</b></p> <ul style="list-style-type: none"> <li>The Natural Gas Law transposing the Third Energy Package was adopted in May 2016.</li> <li>ANRE adopted the Regulation on access to the natural gas transmission networks and congestion management on 13 December 2016. The Secretariat will perform a detailed analysis of its compliance with Regulation (EC) 715/2009 regarding capacity allocation mechanisms (CAM) and congestion management procedures (CMP).</li> <li>Discussions with Ukraine and Romania on implementation of the CAM and CMP Network Codes started in 2016. Further steps towards implementation of both Network Codes depend on the relevant PHLG Procedural Act, expected in 2017.</li> </ul>	▶
<p><b>Establish market-based balancing mechanisms</b></p> <ul style="list-style-type: none"> <li>Provisions for a market-based balancing mechanism are stipulated in the Regulation on access to the natural gas transmission networks and congestion management adopted by ANRE on 13 December 2016. The Secretariat will perform a detailed analysis of its compliance with the requirements of Regulation (EC) 715/2009 related to balancing.</li> </ul>	▶
<p><b>Develop transparent and non-discriminatory tariffication rules that do not distort trade across borders</b></p> <ul style="list-style-type: none"> <li>According to the Law on Natural Gas, implementation of entry/exit transmission tariffs is effectively postponed by the transitional provisions until the "identifying [of] relevant market conditions" has taken place. No additional explanation was provided in the law. In line with the <a href="#">CESEC Action Plan 2.0</a>, Moldova has been granted a maximum one-year delay in preparation of the entry-exit tariffs.</li> </ul>	◻



## 2. Ensuring free flow of gas and provision of a competitive framework

<p><b>Optimise actual capacity use in both directions, including backhaul</b></p> <ul style="list-style-type: none"> <li>The transmission system operator has launched discussions on the possibility for backhaul with Ukraine.</li> </ul>	▶
<p><b>Ensure publication of transparency requirements of Regulation (EC) 715/2009 on ENTSOG transparency platform</b></p> <ul style="list-style-type: none"> <li>Publication on ENTSOG transparency platform is envisaged by June 2017.</li> </ul>	◻





### 3. Infrastructure related measures

<p><b>Adopt interconnection agreements</b></p> <ul style="list-style-type: none"> <li>There is an ongoing discussion between <i>Moldovatransgaz</i> and <i>Ukrtransgaz</i> on an interconnection agreement. A technical agreement between <i>Vestmoldtransgaz</i> and <i>Transgaz</i> (RO) is already in place. The <a href="#">CESEC Action Plan 2.0</a> set a deadline of 1 January 2018 for finalizing interconnection agreements.</li> </ul>	▶
<p><b>Provide a cross-border cost allocation mechanism in line with Regulation (EU) 347/2013</b></p> <ul style="list-style-type: none"> <li>Implementation of Regulation (EU) 347/2013 was expected by January 2017. However, in line with <a href="#">CESEC Action Plan 2.0</a>, Moldova has been granted a maximum one-year delay for implementing the Regulation. The Secretariat has not been informed of any implementation activities.</li> </ul>	◻
<p><b>Ensure a harmonised framework of operation of interconnected systems of EU Member States and Energy Community Contracting Parties</b></p> <ul style="list-style-type: none"> <li>The implementation of Regulation (EU) 703/2015 on Interoperability and Data Exchange Rules was discussed and agreed upon by transmission system operators and regulatory authorities of the Energy Community Contracting Parties and neighbouring EU Member States in 2016. Further steps towards its implementation depend on the relevant PHLG Procedural Act, expected in 2017.</li> </ul>	⏸



### 4. Cross-cutting measures

<p><b>Unbundle transmission system operator in line with the Second Energy Package</b></p> <ul style="list-style-type: none"> <li>The Energy Community Ministerial Council approved the postponement of unbundling in line with the Third Package in Moldova until 2020. The transmission system operator is legally unbundled in line with the Second Package, while functional unbundling is doubtful and needs to be further assessed by the regulatory authority. <i>Moldovatransgaz</i> has recently submitted to ANRE the compliance programme.</li> </ul>	▶
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# Serbia

Energy Community CESEC Report

02/2017

## 1. Ensuring transparent and non-discriminatory third party access (TPA)

### Establish capacity allocation mechanisms and congestion management rules allowing TPA in forward and reverse flow

- Transmission network codes are generally harmonized with requirements of Regulation (EC) 715/2009 related to capacity allocation mechanisms (CAM) and congestion management procedures (CMP). Certain provisions related to the transfer of capacity rights are still not covered by the network codes in an appropriate way.
- The implementation of the secondary legislation, including publication of capacity-related information, depends on functional unbundling of the transmission system operators which is still pending. Its absence constitutes a serious and persistent breach of the Energy Community Treaty. The [CESEC Action Plan 2.0](#) set a deadline of July 2017 for implementing transmission network codes.
- Discussions with Hungary and Bosnia and Herzegovina on implementation of the CAM and CMP Network Codes started in 2016. Further steps towards their implementation depend on the relevant PHLG Procedural Act, expected in 2017.



### Establish market-based balancing mechanisms

- The transmission network codes transpose the requirements of Regulation (EC) 715/2009 related to balancing. Their implementation in practice, including the calculation of imbalance charges, depends on the functional unbundling of the transmission system operators, which is still pending.



### Develop transparent and non-discriminatory tariffication rules that do not distort trade across borders

- An entry-exit transmission tariff methodology allowing for the setting of individual tariffs for all entries to and all exits from the system in a non-discriminatory way has been approved and is implemented for the transmission system of *Srbijagas* since February 2015. However, the entry- exit tariffs for *Yugorosgaz Transport* are not implemented yet.



## 2. Ensuring free flow of gas and provision of a competitive framework

### Optimise actual capacity use in both directions, including backhaul

- Discussions with Hungary and Bosnia and Herzegovina have not been launched. The pricing methodology issued by *AERS* allows for backhaul. Pre-condition for its application is signing of the interconnection agreements with neighbouring transmission system operators.



### Ensure publication of transparency requirements of Regulation (EC) No 715/2009 on *ENTSO* transparency platform

- Publication on *ENTSO* transparency platform was envisaged by December 2016. However, this deadline was not met. The Government adopted a decision setting the deadline for publication by May 2017.





### 3. Infrastructure related measures

<p><b>Adopt interconnection agreements</b></p> <ul style="list-style-type: none"> <li>A discussion on an interconnection agreement with the transmission system operator of Hungary has been launched. A discussion on an interconnection agreement with Bosnia and Herzegovina has not been launched yet. <a href="#">CESEC Action Plan 2.0</a> set a deadline of 1st January 2018 for finalizing interconnection agreements.</li> </ul>	
<p><b>Provide a cross-border cost allocation mechanism in line with Regulation (EU) 347/2013</b></p> <ul style="list-style-type: none"> <li>Implementation of Regulation (EU) 347/2013 was expected by January 2017. However the deadline has not been met. The Ministry launched the process of identifying legal gaps and necessary amendments in order to overcome them.</li> </ul>	
<p><b>Ensure harmonised framework of operation of interconnected systems of EU Member States and Energy Community Contracting Parties</b></p> <ul style="list-style-type: none"> <li>The implementation of Regulation (EU) 703/2015 on Interoperability and Data Exchange rules was discussed by transmission system operators and regulatory authorities of the Energy Community Contracting Parties and neighboring EU Member States in 2016 and the relevant proposal agreed. Further steps towards its implementation depend on the relevant PHLG Procedural Act, expected in 2017.</li> </ul>	



### 4. TSO unbundling

<p><b>Unbundle and certify transmission system operator in line with the Third Energy Package</b></p> <ul style="list-style-type: none"> <li>Unbundling and certification of <i>Transportgas Srbija</i> and <i>Yugorosgaz Transport</i> in line with the Third Package has not been finalized in the expected deadline of 1 January 2017. <i>Transportgas Srbija</i> has not filed a certification request to <i>AERS</i>. <i>Yugorosgaz Transport</i> filed certification request to <i>AERS</i> and its preliminary decision on conditional certification was sent for opinion to the Secretariat on 22 December 2016. The Secretariat shall issue its opinion within required 4 months.</li> </ul>	
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# Ukraine

Energy Community CESEC Report

02/2017



## 1. Ensuring transparent and non-discriminatory third party access (TPA)

### Establish capacity allocation mechanisms and congestion management rules allowing TPA in forward and reverse flow

- The Transmission Network Code adopted in November 2015 transposes the capacity allocation (CAM), the congestion management (CMP) and the transparency requirements of Regulation (EC) 715/2009. Its implementation is fully exercised at the cross-border points. A capacity allocation procedure was successfully launched in February 2016. However, full implementation of the Code has yet to be exercised for all internal entry and exit points.
- Publication of all capacity-related information in line with the Annex to Regulation (EC) 715/2009 was expected in January 2016. Currently, *Ukrtransgaz* is publishing information on capacity for entry and exit points relevant for transit flows as well as other documents relevant for contracting capacity on all entry and exit points. Transparency has recently improved due to the publication of daily data on supply from imports and storages.
- Discussions on implementation of the CAM and CMP Network Codes have already started with Poland. Similar discussions with Hungary, Slovakia, Romania and Moldova have been launched via a platform for implementation of the gas network codes in the Energy Community established in July 2016.



### Establish market-based balancing mechanisms

- The requirements of Regulation (EC) 715/2009 related to balancing have been transposed by the Law on Gas Market. The balancing regime has been defined by the Transmission Code. Different balancing regimes – on a daily basis for interconnection points and on a monthly basis for all internal entry and exit points – may distort the market. Disproportional financial guarantees required for balancing services may constitute a barrier for market participants. New amendments to the Transmission Network Code, aiming to change those financial guarantees, have been developed by NEURC and they are currently under public consultation. TSO contracted consultancy support to develop and implement daily balancing regimes.



### Develop transparent and non-discriminatory tariffication rules that do not distort trade across borders

- The entry-exit transmission tariff methodology was adopted in November 2015 and implemented from January 2016 for cross-border points, while tariffs for internal entry and exit points have been calculated according to the old (volume based) methodology.



## 2. Ensuring free flow of gas and provision of a competitive framework

### Optimise actual capacity use in both directions, including backhaul

- Ukraine maintains a dialogue on reversibility with Poland, Slovakia, Hungary and Romania. Bidirectional flow has been established at certain interconnection points. Final agreements for all interconnection points depend also on the progress achieved by the relevant EU Member States, which is still pending.



### Ensure publication of transparency requirements of Regulation (EC) 715/2009 on *ENTSO*G transparency platform

- *Ukrtransgaz* publishes regularly capacity related information at *ENTSO*G transparency platform for all cross-border points and data on storages at Gas Storage Infrastructure platform.





### 3. Infrastructure related measures

<p><b>Adopt interconnection agreements</b></p> <ul style="list-style-type: none"> <li>The transmission system operator <i>Ukrtransgaz</i> has concluded interconnection agreements with the Polish and Slovakian operators for pipelines where physical reverse flows take place and with the Hungarian operator for all interconnection points. The latter's implementation is pending due to missing shipper codes. An interconnection agreement was signed also with <i>Transgaz</i> (Romania) on one interconnection point out of four in July 2016. Discussions to conclude interconnection agreements for all interconnection points continue with <i>Eustream</i> (Slovakia), <i>Transgaz</i> (RO) and <i>Gaz System</i> (Poland), as well as with <i>Moldovatransgaz</i> (Moldova). Public consultation in line with the Regulation (EU) 703/2015 has been launched for the interconnection agreements with <i>Moldovatransgaz</i> and <i>Gaz System</i>. The <a href="#">CESEC Action Plan 2.0</a> set a deadline of 1 January 2018 for finalizing interconnection agreements.</li> </ul>	
<p><b>Provide a cross-border cost allocation mechanism in line with Regulation (EU) 347/2013</b></p> <ul style="list-style-type: none"> <li>Implementation of Regulation (EU) 347/2013 was expected by January 2017. However, the deadline has not been met, and the Secretariat does not have information whether any preparatory activities in Ukraine have started.</li> </ul>	
<p><b>Ensure harmonised framework of operation of interconnected systems of EU Member States and Energy Community Contracting Parties</b></p> <ul style="list-style-type: none"> <li>The implementation of Regulation (EU) 703/2015 on Interoperability and Data Exchange Rules was discussed and agreed upon by transmission system operators and regulatory authorities of the Energy Community Contracting Parties and neighboring EU Member States in 2016. Further steps towards its implementation depend on the relevant PHLG Procedural Act, expected in 2017.</li> </ul>	



### 4. TSO unbundling

<p><b>Unbundle and certify transmission system operator in line with the Third Energy Package</b></p> <ul style="list-style-type: none"> <li>In July 2016, the Cabinet of Ministers of Ukraine approved a Plan for Restructuring of National Joint Stock Company <i>Naftogaz of Ukraine</i>, which has been amended in November 2016 when a new transmission system operator, <i>Main Pipelines of Ukraine</i> (MGU), was established. The detailed Action Plan defines further activities and a working group chaired by the Vice Prime Minister has been tasked to streamline its execution.</li> <li>The regulatory authority adopted certification rules in April 2016.</li> </ul>	
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