

## **Regulatory Reform in Natural Gas Transportation Lessons Learned from the Norwegian Experience**

*Hans Jørgen Dahl  
Thor Otto Lohne  
David Turner*

During the last two years a substantial transition has taken place in the Norwegian regulatory regime for the transportation of natural gas from the Norwegian Continental Shelf (NCS) to European countries. Natural gas is transported from the NCS to continental Europe and to the UK using 6600 km of submarine pipelines. The new regime has been designed to comply with the EU gas market directive and new principles for booking of capacity have been implemented together with a new tariff regime. Further, a new company, Gassco AS is established to act as the independent transportation system operator. Gassco's main functions are to operate and develop the system and provide transportation services on objective and transparent terms for all eligible shippers. Gassco have no financial interest in the infrastructure, which is owned by a joint venture, named Gassled.

In this paper, and as an introduction, a short overview is provided of the new regulatory transition. Then the paper focuses on its main topic, namely a review and analysis of the principal lessons learned so far. The paper reviews statistical material, for example to what extent have shippers booked capacity, what is the relationship between booked capacity and nominations throughout the year, and to what degree has the physical capacity of the system been utilized. Founded on these facts, the authors draw some conclusions and answers to the question of how the new regulatory regime has influenced and will in future influence the manner in which natural gas is transported from NCS to Europe.