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ECONOMIC COMMISSION FOR EUROPE

COMMITTEE ON SUSTAINABLE ENERGY

Working Party on Gas

Seventh expert meeting on the update of the
UNECE Study on Underground Gas Storage in
Europe and Central Asia

Geneva, Switzerland, 17 June 2009
Salle Lausanne, Eighth Floor, Palais des Nations

REPORT OF THE MEETING

I. INTRODUCTION AND ELECTION OF OFFICERS (Agenda item 1)

1. The seventh expert meeting on the update of the UNECE Study on Underground Gas Storage in Europe and Central Asia was held in Geneva, Switzerland, on 17 June 2009. Representatives of Croatia, the Czech Republic, France, Germany, Hungary, Romania and the Russian Federation attended the meeting.
2. Mr. Gilles-Henri Joffre (France) was elected to serve as Chairman of the meeting.

II. ADOPTION OF THE AGENDA (Agenda item 2)

3. The agenda was adopted.

III. REVIEW OF THE DRAFT CONTACT LIST AND DRAFT LETTER TO BE SENT TO THE UNECE MEMBER-COUNTRIES, COMPANIES AND OTHER ORGANIZATIONS FOR NOMINATING EXPERTS TO PROVIDE THE REQUESTED DATA (Agenda item 3)

4. The meeting participants approved the draft letter prepared by the EON-Ruhrgas and UNECE secretariat, enclosed in Annex 1 of this report, to be addressed to UNECE member-countries, companies and other organizations asking for their support to the study. The letter is asking for the nomination of one or more contact persons, to be nominated in each organization receiving the

letter: service providers¹, storage operators, governments and regulators. The intention is to send the final letter out before mid July 2009.

5. At the meeting, delegates reviewed the lists of relevant contacts which the UNECE secretariat drafted in close cooperation with the International Gas Union and Gas Infrastructure Europe. They requested the secretariat to circulate the lists in the Excel format together with this report for comments and decided that the letter would be sent to the top management of relevant business units of corporations which were in underground gas storage business as well as to relevant governments and national regulatory bodies in the UNECE region and also technology providers.

6. As before, the delegates decided that the second letter, accompanied by the revised questionnaire described in Agenda Items 4 and 6 of this report, to the nominated contact points in the corporations and relevant national regulatory bodies should be sent during the autumn of 2009.

IV. REVIEW OF THE QUESTIONNAIRES FOR INDIVIDUAL CHAPTERS (Agenda item 4)

7. Participants reviewed draft questionnaires for all chapters (1, 2, 3, 4, 5, 6 and 7) most of which were circulated in advance of the meeting. The authors of chapters 1 and 7, which were not made available before the meeting, were asked to provide their electronic versions for comments to all participants shortly after the meeting. In addition, heads of those two chapters were encouraged to hold conference calls not later than 3 July 2009 with interested participants on further advancing work on their individual questionnaires. Equally, the meeting invited participants to send all comments and suggestions on the draft questionnaires of those two chapters directly to concerned heads of chapters without delay.

8. The standardization and harmonization of questionnaires for individual chapters including the language used, their structure, appearance and width and depth of required data was addressed again with the request to the UNECE to secure the editor's intervention, once the questionnaires would be finalized. It was also decided that a Units Sheet with all related definitions will be developed for the study. It was proposed that drafting of the Sheet should be done in cooperation with EASEE-GAS.²

¹ The term service providers means companies such as Schlumberger, Baker-Hughes, Halliburton and other service providers. Representative of Geostock, France volunteered to provide contacts in those and other service companies of interest. Feedback from service providers would be important in particular for Chapter One of the study.

² Chairman of the study volunteered to establish a contact with suitable experts in EASEE-GAS.

V. APPOINTMENT OF HEADS OF CHAPTERS (Agenda item 5)

9. The members of the UNECE Group of Experts expressed the satisfaction with the acceptance of GAZPROM-VNIIGAZ, the Russian Federation, to assume the position of Co-head of Chapter 4 as well as with the active role that Geostock, as Co-head of Chapter 1, has played in the development of this key part of the study.

10. The participants reiterated the request that the UNECE secretariat solicit again and without delay the active participation in the study of experts from Wingas, DONG, Stogit, ÖMV, Enagas, POGC, ENI, Wintershall, Repsol, Nafogaz of Ukraine and Centrica.³

VI. CARRYING-OUT THE SURVEY IN AN ONLINE MODE (Agenda item 6)

11. After the UNECE secretariat's presentation on conducting this survey online, the participants requested the summary of the presentation to be included in this report. It is attached in Annex 2.

12. This presentation was seen as an incentive by the heads of chapters and other delegates to revise the questionnaires through more precise questions including multiple choice, range and asking for exact numbers. This refinement would in turn facilitate the analysis of the received data and save a lot of time. The full trial version of online survey should be available in October 2009.

VII. ADOPTION OF THE CALENDAR OF WORK (Agenda item 7)

13. Participants decided that the next meeting, focusing on transforming the questionnaires into the effective online survey, will take place on Wednesday, 9 September 2009 in Geneva, Switzerland.

VIII. OTHER BUSINESS (Agenda item 8)

14. Delegates decided that the Group of Experts would organize a half-day Round Table on UGS, including the study's update, during the January 2010 annual session of the UNECE Working Party on Gas. Equally, it would also present its work to the annual session of the UNECE Committee on Sustainable Energy to be held during the week of 16-20 November 2009.

IX. ADOPTION OF THE REPORT (Agenda item 9)

15. The expert group adopted the report of its seventh meeting on 17 June 2009.

³ Representative of Geostock volunteered to provide a suitable contact in Spain while Chairman of the study will do the same for Centrica Storage.

ANNEX ONE

**APPROVED LETTER TO BE SENT TO THE UNECE MEMBER-COUNTRIES,
COMPANIES AND OTHER ORGANIZATIONS FOR NOMINATING EXPERTS TO
PROVIDE THE REQUESTED DATA**

Geneva, 17 June 2009

Ref.: Invitation to participate and support UN ECE update on the Study of Underground Gas Storage in Europe and Central Asia: Providing contact coordinates (e-mail etc.) of your Expert(s) as Contact Person for out questionnaire and further information exchanges.

Dear Mr.,

The liberalization of Energy markets, increasing import dependency and possible supply interruptions as it appeared in the near past raises important questions regarding the gas infrastructure in Europe and abroad and security of supply aspects. As underground gas storages (UGS) play an important role regarding a secure and reliable delivery for gas to emerging liberalized markets, the United Nations Economic Commission for Europe (UN ECE) has started to update their study on UGS in Europe and Central Asia.

To lead this work to success your support is essential and we kindly invite and ask you to participate and support this study. UN ECE would be pleased to receive from you the coordinates of your expert(s) for further procedures and information exchanges.

Your support will help to provide a clear view on the status and developments on UGS and the market developments in order to contribute in governmental and stakeholders decisions regarding future measures needed to secure up the energy markets in future. Please find below more detailed information. In case you might need additional information, please do not hesitate to contact

I am looking forward to hearing from you soon,

Best regards,

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Enclosure

As a follow-up to the decision of the Working Party on Gas of the United Nations Economic Commission for Europe's (UNECE), taken at its 19th annual session in January 2009 in Geneva, Switzerland, to approve the attached Terms of Reference for the update of the UNECE Study on Underground Gas Storage (UGS), I am contacting you to solicit the active participation of your government / corporation / organization in the preparation of the mentioned major Study. The initial study on UGS in the UNECE region, which was produced for the first time in 1999, have been widely consulted and used.

As you might know, United Nations Economic Commission for Europe, which is based in Geneva, Switzerland, covers 56 major countries (North America, whole Europe, Russia and Central Asia) which produce 70 per cent of the world GDP and consume roughly 75 per cent of the world commercial energy.

The Terms of Reference, which is the result of practically one year of work of the UNECE Group of Experts, composed of leading European corporate executives, government officials in the underground gas storage area and representatives of relevant international organizations is expected to lead to a comprehensive UGS Study on which the UNECE member-states could rely when deciding on energy and natural gas policy and its elements related to the UGS industry. Companies and organizations such as HEO, BEB, GdF-Suez, E.ON, RWE, Gas Terra, Gazprom, Romgaz, INA, IGU and GIE are providing invaluable leadership in carrying out this major Study. Equally, the Study should also assist corporate sector in making selected strategic and investment decisions in this strategic area. In this context, the UNECE Group of Experts, which is leading this major effort, would need to review in depth all relevant industry issues mentioned in the Terms of Reference.

At its sixth meeting of the UNECE Group of Experts on the Study, held on 23 April 2009 in Geneva, Switzerland, the further progress on the project was achieved including the finalization of the attached questionnaire which will be used as the basis for the study. This progress makes it possible for the UNECE Group of Experts to move to the data gathering and solicitation of inputs from the UNECE governments, corporations and other organizations.

Therefore, we would kindly ask you to consider nominating a representative of your government / corporation / organization which would be able to communicate with the UNECE Group of Experts including filling in the questionnaire. The UNECE is extending the invitation to all UNECE member-states to nominate focal point(s) for the Study. Given an increasingly important role that UGS is expected to play in the energy market and in particular in enhancing energy security in the region, we would kindly ask you to consider joining this important and mutually beneficial effort of the UNECE member-countries.

Attachments :

1. Terms of Reference
2. Questionnaire

ANNEX TWO

TIPS ON IMPROVING THE SURVEY DESIGN AND URL TO ONLINE DEMO VERSION OF THREE CHAPTERS OF THE SURVEY FOR THE UNECE STUDY ON UGS IN EUROPE AND CENTRAL ASIA

General Tips to improve questionnaire / survey:

-To keep survey short, focused and simple;

-Questions with unspecific, complex, ambiguous wordings may produce poor quality data;

-To make question more precise, break question into few precise parts if possible, and recommend answering keywords if possible;

-To try to estimate the time needed for completing the questionnaire: participants are always like to have an idea of how much time the survey will take to complete;

-A good qualitative survey is a balance between open-end and closed-end questions to meet your goals:

An open-end question is where users are free to give the answer they want (text or number). An open-end question gives qualitative information. Too many open-end questions will not allow you to see the significant trends of the audience because the answers will be too diverse;

A closed-end question is where participant can choose among predefined set of answers (and optionally enter own answer if not covered in predefined set). A closed-end question gives quantitative information. Closed-end questions are much easier to analyze.

To reduce number of Open-end questions:

Open-end text questions:

To make question precise, break question into few precise parts if possible;

To define as many keywords as possible that you might expect in answers.

Example: Open-end text: Chapter 3 and 6 (Study #140707), Question 3.1.4); Closed-end text: Chapter 3 and 6 (Study #140707)

Open-end number (numeric) questions:

In order to reduce number of open-end numeric questions, try to redefine the question, if applicable, so that it contains rather set of numeric ranges to be checked. (Example of open-end numeric: Chapter 3 and 6 (Study #140707) Question 6.1.2, vs. closed-end numeric Question 6.1.3).

To check look-and-feel of demo version of the Energy UGS Study 2010 online survey pls. go to URL:

Chapter 3 and 6 (Study #140707)

<http://www.globaltestmarket.com/survey/s.phtml?sn=140707&demo=1&lang=E&secid=99a4c8>

Chapter 2 (Study #139684)

<http://www.globaltestmarket.com/survey/s.phtml?sn=139684&demo=1&lang=E&secid=9871e9>
