

Natural Gas Distributors Can Now Distribute Outside their Designated License Areas in Turkey

26 Dec 2016

Turkey's Energy Market Regulatory Authority ("**EMRA**") has introduced rules and establishment processes for distribution companies to now be permitted to distribute natural gas to districts located outside their existing natural gas distribution licenses, which have populations over ten thousand people. Previously, only the state-owned transmission company BOTAŞ was permitted to do so.

EMRA issued Energy Market Regulatory Board's decision numbered 6560 on 27 October 2016 ("**Decision**"), published in Official Gazette number 29876 on 2 November 2016.

According to the Decision:

- The Energy Market Regulatory Board ("**Board**") will authorize the legal entities which will distribute natural gas to the relevant districts. Distribution companies must conduct their grid connection processes and distribution network investments within their territory, in line with the relevant regulations.
- To begin offering natural gas supply to other districts, the subscription fee determined by EMRA should be paid by at least 60% of the population in such districts. Therefore, territories with more applicants who have paid the subscription fees will take priority when providing network investments and during design processes.
- Distribution companies are not required to provide natural gas connections to applicants in territories where the network has not been established yet. Paying the subscription fee on its own will not require the distribution company to provide natural gas connection.
- Distribution companies must notify consumers and refund subscription fees if natural gas connection agreements cannot be executed within 12 months of the supply start date, due to either:
 - Necessary roads not yet being completed in accordance with the construction plan.
 - Permits and licences for building the distribution network are not obtained.

Please see this [link](#) for full text of the Decision (only available in Turkish).

Related Practices

- [Distribution, Franchising and Agency Agreements](#)

Related Attorneys

- [BENAN ARSEVEN](#)
- [BURCU TUZCU ERŞAN, LL.M.](#)
- [C. HAZAL BAYDAR, LL.M.](#)