

Energie-Control Austria  
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A-1010 Wien

Your ref./date	Our ref.	Liabile/phone	in Malacky
	L-II/383-2013-ROaM	M.Beňa/034-772 5939 ext.214	on 15 <sup>th</sup> May 2013

Dear sirs,

We would like to take the opportunity to comment on:

- a) the update of the General Terms and Conditions governing the legal relationship of the Market area manager with the balance group representatives;
- b) chapter 3 of the document "Sonstige Marktregeln Gas".

Our proposals/comments are based on the gained experience with the functioning of new gas market model and on received comments from our customers communicated during daily utilization of the storage facility.

**Proposals/Comments:**

1. Allgemeine Bedingungen des Marktgebietsmanagers für das Rechtsverhältnis zu den Bilanzgruppenverantwortlichen

Our proposal is to adjust the wording of the point 4.2 of the General Terms and Conditions as follows:

„4.2 Für Ein- und Ausspeisepunkten zu Speicher- und Produktionsanlagen auf Fernleitungsebene und Verteilernetzebene erfolgt keine Zuordnung von Kapazitäten zu Bilanzgruppen. Bei aufrechten Verträgen des Bilanzgruppenverantwortlichen gemäß 4.1.1 und 4.1.2 ist ein Speicherunternehmer bzw. ein Produzent berechtigt, für den Bilanzgruppenverantwortlichen allokierte Ein- und Ausspeichermengen bzw. Produktionsmengen je Bilanzgruppe gegenüber dem Marktgebietsmanager und dem Verteilergebietsmanager zur Berücksichtigung in der Bilanzierung des Marktgebietsmanager bekanntzugeben.“

2. Sonstige Marktregeln Gas, Kapitel 3

Our proposal is to adjust the wording of:

- a) first column (Nominierung/Anmeldung), second row of the table as follows:  
“Entry/Exit an Grenzkoppelpunkten und ~~Speicherpunkten~~, bzw. ~~Entry aus Produktionspunkten~~ im Fernleitungsnetz“

- b) chapter 3 of Sonstige Marktregeln Gas, part 3 Nominierungen und Fahrplananmeldung below the table, second comment (Anmerkungen) as follows:

„Speicher und Produktion in Fernleitungsnetz werden wie ~~Grenzkoppelpunkte in FLN~~ Speicher und Produktion im VG behandelt. Der BVG hat ~~also sowohl beim TSO als auch nur beim SSO~~ einen Entry bzw. Exit (selbe Richtung) zu nominieren. ~~Zwischen den Systemoperatoren findet ein Matching (lesser rule) statt.~~“

Reasoning:

Our principle comment is to simplify the nomination procedure of shippers and at the same time to secure the scope of information needed for efficient system management of the market area remains at the same level.

Our understanding of the gas market model in respect to the storage systems connected to the transmission network is as follows:

1. The Storage system is part (inside) of the market area east, i.e. storage related exit point has not to be considered as an exit from the market area east, i.e. §23 (1) of the Gas-Marktmodel-Verordnung and all corresponding rules currently incorporated into Sonstige Marktregeln Gas based on this principle do not apply.
2. Storage system operator is the only one entity to book and pay for the capacity of the storage related exit point, but it also shall have the right to utilize this capacity.

Since introduction of new market model and based on the gained experience we have identified following imperfections:

1. Redundant nomination of shipper to the TSO for storage related exit point.  
Based on the application of the new market model, shippers shall send three nominations when utilizing storage facility:
  - a) First nomination to the SSO for injection or withdrawal.
  - b) Second nomination to the operator of the storage related exit point – often happens that customer is not in any contractual relationship with this operator or does not have the knowledge who this operator is (mainly newcomers to the market).
  - c) Third nomination to the operator of VTP, or operator of Entry or Exit point from the market area.

Based on the information flow from the SSO, the relevant market authorities have enough information and the second nomination (specifically to the storage related exit point) is not necessary.

2. Currently applied rules with no other real feasible option in place supported by IT system, i.e. allocation of the booked capacity of storage related exit point to BGV as a prerequisite for shippers nomination creates unreasonable burden for liquid utilization of the storage facility and day-ahead trading with storage capacities by the users of storage facility.

Example:

SSO has booked 300 units of storage related exit point with the relevant TSO

SSO has three storage customers A, B, C. Each customer has book the storage capacity with the corresponding flowrate of 100 units.

SSO allocates to the balancing groups of customers A, B and C the capacity of 100 units.

Nominations of customers for certain day are as follows:

Customer A 150 units (buys additional day ahead flowrate)

Customer B 100 units

Customer C 0 units

Total requested flow at the storage related exit point: 250 units

Total contracted capacity at the storage related exit point: 300 units

Needed steps to be taken:

Although the total nominated flow is less than the contracted, Customer A is not allowed to nominate 150 units unless SSO reallocates by the TSO for this specific day the capacities as follows:

Customer A 150 units

Customer B 100 units

Customer C 0 units

Possibility to create own balancing group of a SSO in order to be able to utilize booked capacities of the storage related exit point to full extend we do not consider as an acceptable solution mainly due to administrative burdens and related costs on SSO side. This solution we consider also as not in line with the system logic of the market model and not consistent with the position of other operators of non relevant points of the Market area east.

Best regards,



Martin Beňa

Director, sales and marketing