



Consultation on the draft amendments to the General Terms and Conditions governing the legal relationship of the market area manager with the balance group representatives

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Dear Sir, dear Madam,

E-control has asked market participants for their statements on the draft amendments to the General Terms and Conditions (**GT&Cs**) governing the legal relationship of the market area manager (**MAM**) with the balance group representatives (**BGR**).

BP Gas Marketing Limited has analysed the proposed new GT&Cs and would like to comment as follows:

1) Level of penalties

In principle, we are happy with the approach to reduce the penalties for hourly imbalances although we believe the stepwise system to be impracticable due to the small thresholds between steps and charging the higher penalty for all volumes and not per each step. In practice this means that an accumulated imbalance of 200,000 kWh will be penalized with the rate of 0.1 cent/kWh = 200 Euros, an imbalance of just one single kWh more or 200,001 at the rate of 0.2 cent/kWh = 400 Euro, causing the fine to be doubled. The same will happen at the next step.

Furthermore, it is not entirely clear from the suggested wording of Clause 9.1 of the GT&Cs how the accumulation is done. In the current handling of imbalances, these get added irrespective of the direction. If this still applies, this would effectively mean that the thresholds are divided in half– the first step occurs at just 100 MWh of imbalances in the one direction and for the reverse operation to maintain a daily balance, the hourly penalty will get charged again.

2) Settlement of Carry Forward Account

It seems that in Clause 2.9. of the GT&Cs, the definition of "Carry Forward Account" (**CFA**) has been partially aligned to what had already been included in the English translation of the current version of the GT&Cs.

Unfortunately this amended definition causes new ambiguity, as it refers to imbalances which have not been offset by an order on the exchange yet.

We understand that an offset on the exchange would happen for the settlement of imbalances during the day in case the BGR did not use the time window to balance according to picture 18.3 in Anlage 1 of the GT&Cs in which case the MAM can settle according to picture 18.2 in Anlage 1 of the GT&Cs. For the settlement of volumes carried forward into D+2 (which to our understanding was the main reason for a CFA) it was understood though that the BGR was to actively settle the CFA by the day-ahead nominations on D+1 for D+2 (compare the presentation given by the MAM <http://www.gasconnect.at/en/Market-Area-Manager/Informationsveranstaltungen/~media/1D9A5CD5C8A34490A44A43E84590221B.pdf>, page 26). Is this still the case? Could you please clarify this by adjusting the wording (e.g. by way of referring to imbalances "*welche am laufenden Gastag noch nicht durch eine Boersenorder ausgeglichen wurden*").

Furthermore, Clause 6.4.5 seems to reduce the lead time for CFA settlement from D-2 to D -1. If the CFA is to be balanced on D+1 instead of D+2, an active settling by the BGR becomes impossible, as the notification of the CFA's balance only happens on D+1 06:15, while the nominations for D+1 have to be provided at a time on the gas day which caused the CFA, when the balance of the CFA is not yet known. If this amendment does not result from a pure misunderstanding, the rights of BGRs would be significantly reduced which would not be acceptable. We would appreciate a clarification in this respect and would also recommend to add a flow chart to Anlage 1 that describes the CFA-process.

3) Balancing process

We appreciate the clarifications regarding balancing in Clause 6.5 of the GT&Cs.

We would like to point out though, that the definition of "Reference Price" in the EFET Appendix for the Austrian VTP (which was drafted after discussion with CEGH) refers to the current wording of Clause 6.5 and hence the "*börslichen Referenzpreis für den Within-Day Markt am Virtuellen Handelspunkt*". We believe that, given the proposed amendment in Clause 6.5 of the GT&Cs to "*vom Betreiber des Virtuellen Handelspunktes veröffentlichten Referenzpreises, basierend auf börslich gehandelten Day-Ahead und Weekend-Kontrakten*", it needs to be ensured that this is (and will remain) the same index as referred to in the Austrian VTP Appendix, namely "VWAP CEGHIX Eur/MWh" as published on the website of CEGH.

In addition, we would like to suggest to change the wording "... *zum Ausgleich der entsprechenden Mengen einzustellen*." into „**abgeben**“. According to most dictionaries the meaning of „einstellen“ is mainly "stop, halt, end, interrupt" while "abgeben" would be in line with the obviously desired "deliver, release, provide" and would eliminate misunderstandings.

As a minor remark, we would also suggest to replace "aufrechte Verträge" in Clause 4.2 of the GT&Cs by "bereits bestehende Verträge" if this is meant by this or clarify it accordingly.

We would be more than happy to discuss any of this at your convenience.

Yours sincerely,

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