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Feedback on workshop from 27.11. related to GTS' Groningen reduction assumption

Dear Madams / Sirs

The consultation of the yearly planning assumption related to the L-gas demand is in our view a very important contribution to maintain Security of Supply on the one hand and to ensure fair and transparent market conditions on the other hand. Both objectives must have highest priority for GTS and the competent Dutch authorities to tackle future challenges related to the phase-out of Groningen production.

OMV Gas has attended the workshop conducted by GTS on 27th of November 2019 and received the impression during this workshop, that the focus is clearly on planning purposes of volumes and capacity in a transparent and highly professional way. However, we would like to ask GTS to consider amongst the objective of a stable and secure supply of L-Gas volumes in the future, also the impact of the planned measures on the Dutch gas market, its functioning and tariff fairness to all network users. In the following we would like to highlight our major concerns with regards to the planned investments:

OMV Gas is highly concerned that the Zuidbroek nitrogen plant will be a facility that is mainly used to satisfy future exports from existing delivery agreements serving abroad L-Gas markets (Germany, Belgium & France). We therefore expect GTS to undertake all necessary measures to make sure there will be no inclusion of investment costs in the regulated asset base. Similarly we request GTS to transparently make sure there will be no cross-allocation of any Zuidbroek related operating costs across all network users, which might be incompliant with Article 7 of NC TAR.

OMV Gas again asks GTS to investigate thoroughly into the potential of the LNG peak shaving option to compensate for missing L-Gas volumes. We have indicated the WQA quality conversion potential in April 2018 (NOP consultation 2018) and also in the course of the NC TAR consultation (May 2019) without any feedback. We ask GTS to evaluate transparently on the matter and to discuss the results or possible options before submitting the IP in July 2020.

OMV Gas would like to gain deeper understanding on the intended switch from large L-Gas customers to H-Gas installations. Besides unclear financial signals provided during the workshop, we would like to understand based on which regulation/obligation GTS is allowed to socialize any investment in this regard across other network users.

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OMV Gas asks for clarification on the above matters and remains at your disposal regarding the further development on this process.

We kindly ask you to contact Mr. Alexander Frank (alexander.frank@omv.com; +43 (0) 40440 27729).

With best regards

OMV Gas