



ACER
3 Trg republike
1000 Ljubljana
Slovenia

GasTerra B.V.

Stationsweg 1
Postbus 477
9700 AL Groningen
Nederland

BTW NL814409325B01

Handelsregister Groningen 02089290

www.gasterra.nl

Datum

9 februari 2015

Ons kenmerk

J15.157

Uw kenmerk

Onderwerp

GasTerra response to PC_2015_G_01

OPENBAAR

Dear Sir, Madam,

With reference to the public consultation (PC_2015_G_01) regarding the proposed amendment by Oil & Gas UK to the Network Code CAM and BAL in order to retain the UK gas day, GasTerra B.V. (hereafter: 'GasTerra') hereby would like to give its opinion.

1. Respondent's name & contact details, name & type of organisation or stakeholder

GasTerra B.V., an international company trading in natural gas.

Address: Stationsweg 1, 9726 AC, Groningen, The Netherlands

Website: www.gasterra.nl

2. Please provide a short description of your interest, motivation & role in this amendment proposal

GasTerra, as a natural gas trading company, is active on the Dutch and UK gas market and thereby has an interest in the way CAM and BAL will be implemented in both countries.

3. Do you support, oppose, or have a neutral position towards the proposed amendment being further considered by ACER? Please specify the main reasons why you think ACER should or should not pursue this amendment request.

GasTerra opposes towards the proposed amendment from Oil & Gas UK and is of the opinion ACER should not pursue this amendment request.

The aim of CAM is 'to establish the necessary degree of harmonization across Europe'. The amendment proposal of Oil & Gas UK is counterproductive to this aim. The opinion of GasTerra is that if CAM will be applied fully in the UK, the trade barrier "time difference" will be removed. This will lead to more trade opportunities between the hubs which will be beneficial to the liquidity of the connected and surrounding hubs.

GasTerra would like to give a practical explanation of our objection to the proposed amendment. In the current situation (pre CAM UK) the time difference for the start of the gas day between the UK and the mainland raises a trade barrier for trading on a daily base:

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If a trader makes a gas sales deal between TTF and NBP and wants to buy capacity for this deal at Bacton (NGG) and Julianadorp (GTS), he cannot use the first hour of the bought capacity in the Netherlands, because the gas day has not started yet in the UK. Also, he cannot use the last hour of the gas day capacity in the UK, because the gas day has already ended in the Netherlands. Consequently, in the current situation it is only possible to flow for 23 hours, but it is not common to make a gas deal for less than 24 hours. To make sure the trader can deliver for 24 hours, the trader has to buy capacity for 24 hours on both sides of the interconnection point. Due to current difference in definitions of the gas day between UK and the Netherlands this in practice means that the trader has to book and pay for capacity for two gas days on one side of the Interconnection Point. The Network Code CAM will eliminate this undesired and inefficient trade barrier, which is why GasTerra opposes to the proposed amendment of Oil & Gas UK to retain the UK gas day.

Another reason to oppose the proposed amendment is that a continuation of time difference between the gas days on the two sides of the Interconnection Point is likely to lead to difficulty issues on bundling of capacity.

If you require any further information, please contact [REDACTED] via telephone number [REDACTED] or via e-mail [REDACTED]

[REDACTED]
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[REDACTED]
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