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bp gas marketing response to the 2nd amendment of the consulted tariff methodology

bp gas marketing (bpgm) appreciates the opportunity to provide feedback on E-Control's second consultation regarding the new tariff methodology for natural gas transport in Austria. First, we want to acknowledge the efforts made to address market participants' concerns and welcome many of the changes that have been implemented in the new draft so far. Above all, the measures leading to lower and more competitive entry tariffs.

However, the entry tariffs on cross border points from Germany and Italy will still rise by more than 30% compared to today's tariffs levels. We are therefore concerned about the impact these higher cross-border transport costs will have on trading and, ultimately, on end consumers in Austria and neighbouring countries. Also, the new tariff structure is only proposed to be binding from 2025. This approach could further discourage long-term capacity bookings and affect the development of a well-functioning, integrated EU energy market. We believe it is important to consider that costs incurred before the virtual trading point will likely be passed through to end customers.

Furthermore, the increases in tariffs on transit routes may lead to a situation where prohibitively high exit cross-border costs result in decreased booking of transport capacity. This, in turn, could create a cycle where reduced bookings lead to higher transport tariffs for all customers including Austrian end consumers but also impacting EU-wide trading.

bpgm encourages E-Control to consider the broader implications of its proposed tariff structure and to work towards an approach that promotes efficient cross-border trade and protects the interests of all participants of the gas value chain in Austria. We believe that a benchmarking exercise could help find the right balance between tariff levels and expected utilization rates, ensuring that the Austrian gas market remains competitive and attractive for market participants.

Moreover, greater transparency regarding the calculations behind the proposed capacity-commodity charge split would enhance the credibility of the proposed methodology and support informed decision-making by market participants.

bpgm remains committed to working with E-Control and other stakeholders to develop a tariff structure that fosters a competitive, integrated, and resilient EU energy market while safeguarding the interests of all stakeholders.