



**E-CONTROL**

**Guidelines for importing and supplying natural gas  
to customers in Austria's control area east**

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## 1. Selling natural gas at the control area border to a supplier already active on the Austrian market

- 1.1. Conclude a contract with the upstream trader at the trading venue (=entry point into the control area). Information about each injection point is available from the website of the control area manager, AGGM.<sup>1</sup> The contract is an agreement to be negotiated between the contracting parties.
- 1.2. Notify the start of trading activities to E-Control by means of a letter with reference to section 40, para 1 *Gaswirtschaftsgesetz* (Austrian Natural Gas Act, Federal Law Gazette no 121/2000, in its current version).
- 1.3. To buy natural gas from an upstream supplier at a trading point of CEGH AG and inject it into the control area, a service agreement with CEGH AG is needed. This service agreement regulates how nominations, matching and the registration of traded gas quantities are handled. Matching and allocation in the Integrated Trading Area Baumgarten (ITAB) follow the principle that nomination = allocation (this is handled via operational balancing accounts for the grid operators). The metering costs payable by the supplier or balancing group representative to the grid operator at the injection point follow the E-Control Commission's *Gas-Systemnutzungstarifverordnung* (Gas System Charges Order; s section on metering charges for injecting gas<sup>2</sup>).
- 1.4. Instead of buying natural gas according to point 1.3, it can also be transported to the Austrian border through own transport capacity. The upstream system operator across the border matches the natural gas transport with the control area manager or the relevant system operator in Austria (or, in case of ITAB, with CEGH AG), who coordinates the shipment with the control area manager according to the *Sonstige Marktregeln* (Other Market Rules).<sup>3</sup> Matching and allocation in the Integrated Trading Area Baumgarten (ITAB) follow the principle that nomination = allocation (this is handled via operational balancing accounts for the grid operators). The system operator within the control area (e.g. OMV Gas GmbH for the injection point Baumgarten) provides the metering data (charging of metering services is as detailed in point 1.3). In case the system operator in the

<sup>1</sup> <http://www.aggm.at/jart/prj3/aggm/main.jart?rel=en&content-id=1188556848531&reserve-mode=active>

<sup>2</sup> <http://www.e-control.at/de/recht/bundesrecht/gas/verordnungen> (German only)

control area operates the injection point and/or determines actual capacity use, the control area manager provides the relevant schedules according to Chapter 2 of the Other Market Rules.<sup>4</sup>

- 1.5. Conclude a contract with a supplier that is already member of a balancing group. The supplier/balancing group representative “nominates” the injection into the control area at the entry point according to point 1.1 by way of “external schedules”.
- 1.6. From the start of shipment, “external schedule” nominations must equal nominations with the upstream supplier (see point 1.3) and/or the upstream system operator across the Austrian border (see point 1.4).
- 1.7. Gas import is subject to the following customs requirements:
  - 1.7.1. Receiving an *Anschreibebewilligung*, an entry into the local clearance records, in accordance with article 76 para 1(c) *Zollkodex* (Austrian Customs Code);
  - 1.7.2. Becoming an authorised consignee as defined in article 406 of Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code for a simplified procedure in accordance with article 450 of that Regulation.

It is also possible to entrust a third party (e.g. a carrier) with all customs-related issues.

- 1.8. To trade natural gas at the spot market of the exchange, each trader must file an application for admission to trading with CEGH AG. The gas exchange is operated through the system of Wiener Börse in a joint project with CEGH AG and the clearing house European Commodity Clearing AG (EEC), a subsidiary of EEX in Leipzig. EEC acts as central counterparty in the clearing process. CEGH AG is responsible for the physical execution of spot deals at the trading venues Baumgarten and Oberkappel, for the time being.

To participate in the spot market, traders must

- be a member of Wiener Börse;

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<sup>3</sup> <http://www.e-control.at/de/recht/regulierungsrecht/sonstige-marktregeln-gas> (German only)

- have all necessary authorisations and licences for spot trading (e.g. a licence for doing business or a banking licence);
- conclude a contract with a clearing member that is entrusted with the clearing and settlement of spot market transactions on behalf of the trader;
- deposit all collateral needed in accordance with ECC's clearing rules;
- provide a confirmation by ECC of the recognition as trader for each product to be traded; and
- provide a confirmation that a hub agreement has been concluded with CEGH AG for the purpose of physical settlement.

## 2. Directly selling natural gas to customers in Austria or executing “other shipments” within the control area

- 2.1 Import natural gas in accordance with chapter 1 of the present document.
- 2.2 Notify the start of trading activities to E-Control by means of a letter with reference to section 40, para 1 *Gaswirtschaftsgesetz* (Austrian Natural Gas Act, Federal Law Gazette no 121/2000, in its current version). In accordance with section 2, para 1 item 20 *Gewerbeordnung* (Austrian Trade Act), natural gas traders must also obtain a licence for doing business in Austria.
- 2.3 Establish a new balancing group or join an existing balancing group.
- 2.3.1 Establishing a new balancing group:

To establish a new balancing group, the applicant must be licensed by E-Control GmbH as balancing group representative in accordance with section 42c Natural Gas Act. Each balancing group representative is independent in managing its balancing group but must assume all responsibilities and duties set in section 42a Natural Gas Act.

The licensing procedure requires the following formalities:

- a) With E-Control GmbH: the applicant must provide proof that the requirements set in section 42c Natural Gas Act are met. The contracts with the clearing and settlement agent (s under b below) and

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<sup>4</sup> <http://www.e-control.at/de/recht/regulierungsrecht/sonstige-marktregeln-gas> (German only)

the control area manager (s under c below) must be filed together with the application for a licence.

- b) With the clearing and settlement agent, AGCS: all required information and forms must be submitted; a credit check is conducted; the required collateral must be deposited; the IT requirements (data tests) must be fulfilled. Then, the contract is concluded and AGCS issues a so-called “Green Card”.
- c) With the control area manager, AGGM: a contract between the balancing group representative and the control area manager based on the general terms and conditions of the latter for contractual relationships with balancing group representatives must be concluded.

For further information on the licensing procedure and to download the required forms, please visit the websites of E-Control,<sup>5</sup> AGCS<sup>6</sup> and AGGM.<sup>7</sup>

2.3.2 Joining an existing balancing group: the process for becoming a member of an existing balancing group is much quicker and simpler and no separate licence for balancing group representatives must be obtained. In this case, the balancing group representative handles balancing group management on behalf of the supplier. This option limits the supplier’s room for independent action and discloses certain parts of its business activities to the balancing group representative (such as the sources of gas used and the volumes supplied). Please also note that existing balancing groups are not legally obliged to accept any supplier as member.

For a list of all balancing groups and suppliers registered in Austria’s Eastern control area, please visit the website of AGCS.<sup>8</sup>

To join an existing balancing group, suppliers must

- Conclude a membership agreement with the balancing group representative in question, based on the latter’s general terms and conditions; and
- Register as supplier with AGCS.

<sup>5</sup> <http://www.e-control.at/de/marktteilnehmer/gas/E-Diskurs/e-diskurs-archiv/formulare-und-listen> (German only; access restricted to registered users)

<sup>6</sup> [http://en.agcs.at/registration/balance\\_group\\_responsible/](http://en.agcs.at/registration/balance_group_responsible/)

<sup>7</sup> <http://www.aggm.at/jart/prj3/aggm/main.jart?rel=en&content-id=1171876302082&reserve-mode=active>

<sup>8</sup> <http://en.agcs.at/participants/>

Information about the balancing group model in general and the clearing and settlement in the control area can be found on the websites of E-Control, AGCS and AGGM.

- 2.4 In case of a supplier or balancing group switch, E-Control GmbH's *Wechselverordnung* (Switching Order) applies: a customer or the new supplier authorised by the customer launches the supplier or balancing group switch according to the Switching Order;<sup>9</sup> the entire process will take up to four or six weeks. For existing customers, section 17 para 1 last sentence Natural Gas Act foresees that the line capacity used for the customer in the grid continues to be available to this customer in the event of a supplier switch ("rucksack principle"). New customers must request admission to the grid and grid access (according to the general terms and conditions of the distribution system and Chapter 7 of the Other Market Rules) from the system operator to whose network the new facility is to be connected. All customers must conclude an energy supply contract (whose details can be negotiated) with the (new) supplier. Any terms and notice periods defined in existing supply contracts must be respected. It must be checked whether any reasons to refuse network access according to section 19 para 1 Natural Gas Act apply, especially in case of a natural gas trader not registered in Austria (s reason for network access refusal specified in section 19 para 1 item 4 Natural Gas Act).
- 2.5 To inject natural gas into the control area for the purpose of supply to customers or injection into storage ("other shipments"), capacity at the entry points defined under point 1.1 above and managed by AGGM must be allocated. Chapter 7 of the Other Market Rules is the main reference for this allocation. The basic principles of capacity management by the control area manager are retained in point 4.2 of the general terms and conditions of the control area manager of the control area east for contracts with balancing group representatives.<sup>10</sup>
- 2.6 The balancing group representative bears the balancing energy risk for differences between nominated and allocated volumes at entry points. Alternatively, a natural gas trader, producer or storage operator can assume this risk by way of a bilateral agreement. In any case, the balancing group

<sup>9</sup> <http://www.e-control.at/de/recht/bundesrecht/gas/verordnungen> (German only)

<sup>10</sup> <http://www.aggm.at/jart/prj3/aggm/main.jart?rel=de&content-id=1171876302168&reserve-mode=active> (German only)

representative has to bear the balancing energy risk related to the differences between its schedule and the actual consumption of its customers.

- 2.7 Each balancing group representative draws up an external schedule of the planned injection of natural gas into the control area. Details about the data formats that apply and a precise step-by-step process description can be found in Chapter 3 (schedules) of the Other Market Rules.<sup>11</sup>
- 2.8 Apart from full supply to consumers, the market rules also provide a framework for suppliers to offer additional or fixed-load supply services for consumers. As each consumer's metering point can only be associated with one supplier and as the current supplier remains the major one and bears the balancing energy risk for the customer, any additional or fixed-load supply contracts are subject to agreement of the current supplier. For further information, please consult E-Control's information brochure on this issue.<sup>12</sup>
- 2.9 All suppliers that service consumers in Austria can register on E-Control's website to be included in the list of available gas suppliers that is displayed via the Tariff Calculator.<sup>13</sup> As supply contracts with energy-intensive customers are individually negotiated, only the contact details of suppliers for this consumer group are listed. For household consumers, however, the Tariff Calculator also displays prices and products.<sup>14</sup> Household suppliers that are registered for inclusion in the Tariff Calculator appear in the results of the calculation queries, which are a trusted source for electricity and gas consumers to base their switching decisions on, and they are also a part of all price comparisons drawn up by E-Control (such as the Price Monitor).
- 2.10 Regarding the layout and contents of energy bills, E-Control provides a model bill at the below link: <http://www.e-control.at/de/konsumenten/gas/meine-gasrechnung> (German only)
- 2.11 In accordance with section 40 para 3 Natural Gas Act, all natural gas traders and suppliers that supply natural gas to customers whose consumption is not metered with a load profile meter must prepare general terms and conditions (delivery

<sup>11</sup> <http://www.e-control.at/de/recht/regulierungsrecht/sonstige-marktregeln-gas> (German only)

<sup>12</sup> <http://www.e-control.at/portal/page/portal/medienbibliothek/gas/dokumente/pdfs/informationen-zu-band-und-zusatzlieferungen.pdf> (German only)

<sup>13</sup> <http://www.e-control.at/de/konsumenten/service-und-beratung/TarifkalkulatorApplication> (German only)



terms) for these customers in accordance with the minimum requirements set in section 40 para 5 Natural Gas Act; these terms and any amendments to them must be electronically notified to the E-Control Commission prior to entering into force. The E-Control Commission may prohibit the application of the terms notified within two months to the extent that they violate a statutory prohibition or are unethical.

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<sup>14</sup> <http://www.e-control.at/de/konsumenten/service-und-beratung/TarifkalkulatorApplication> (German only)

## Contact details of the institutions mentioned and contact persons

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