

EINSCHREIBEN

Energie-Control Austria

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OMV Gas & Power

Consultation on the integration of gas markets of Czech Republic and Austria

Dear Sirs!

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Geschäftsführer

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We refer to the above mentioned consultation paper and kindly submit the comments of OMV Gas Storage GmbH as follows:

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At the moment there are many open and/or unclear issues in respect of the new model thus a final evaluation is not possible at this stage.

However it seems to be clear that, especially referring to the storage market, there is a high potential of creating market distortions and negative impacts to a market that is already under pressure.

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- There are different existing transmission systems related to Gas Storage in both countries which will cause serious problems. For instance there is uncertainty regarding
 - o legal responsibilities - who is able/responsible to buy the transport capacity,
 - o tariff and structure
 - o type of available transmission capacity for Storage Users; interruptible in Austria, firm in CZ
 - o SOS – the obligation in CZ would not work in AUT due to the missing firm transport capacity

Those significant differences bear the risk that after linking the markets with the TRU option there are either severe market distortions or that the Austrian system will have to be changed leading to negative impact and higher costs for the Austrian storage customers.

- The presented TRU model is designed to "work" within the transmission system of both countries. In Austria the majority of gas storage facilities are located in the distribution area, only some in the transmission system, whereas in CZ the storage facilities are located within the Transmission System. This would lead to different processes and at least to an unequal treatment of the storage operators in Austria which contradicts the existing system according the Austrian Natural Gas Act.

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- Currently a new Security of Supply Regulation is in the process of being set up on European level. There is the danger that there are contradictions with the planned market linking which might increase complexity with negative market impacts.
- Due to the many open issues which potentially have severe market impacts an implementation with 2017 seems to be very ambitious and involves the danger of an unready system.

Best regards

A handwritten signature in blue ink, appearing to read 'E. Holzer'.

Erich Holzer
OMV Gas Storage GmbH