



Gazprom Marketing & Trading Limited
20 Triton Street
London
NW1 3BF

Ms Rocio Prieto Gonzalez,
Gas Director
CNMC
Alcalá 47, 28014 Madrid

Sent by e-mail to: Rocio.prieto@cnmc.es

01 October 2019

Dear Ms Prieto Gonzalez,

Gazprom Marketing and Trading informal response to the consultation on gas transmission tariffs- Circular de Peajas Gas

Gazprom Marketing & Trading Limited ("GM&T") is the UK registered wholly-owned subsidiary of Gazprom Group ("Gazprom"), responsible for the optimisation of Gazprom's energy commodity assets through GM&T's marketing and trading network. GM&T Ltd is active as a trader and marketer of gas and LNG at various points in Europe, and especially in Spain.

We welcome the opportunity to respond to this incredibly important consultation, we hope the outcome results in transparent gas transmission tariffs regime, in line with EU regulation 2017/460 (TAR NC). Please see our key concerns highlighted below.

Form of publication

We noted in the English version of the consultation, key sections; such as Chapters 3 and 4, of the consultation have been omitted compared to the Spanish version. As these are related to transmission tariffs we believe it is necessary for this information to be published in English. We also would have welcomed a scheduled workshop open to all stakeholders to ensure the diverse range of shippers that import into the Spanish gas market will have the opportunity to fully understand and participate in the consultation process. Such workshops have been standard practice for NC TAR implementation in other member states.

Based on the above, we do not believe the consultation has been published in an accessible, user-friendly manner for all stakeholders as stipulated in Article 31 of NC TAR.

Uncertainty due to unknown outcome of allowed revenues methodology

We would like to draw CNMC's attention to the status of NC TAR implementation in Austria, which is currently on hold as the consultation was deemed not to be final as ACER concluded it did not meet the

criteria set out in Article 27(2)¹. Similarities can be drawn with CNMC's proposal as the allowed revenue methodology is still under consultation, therefore there may be considerable variation in the indicative tariffs and the shares in allowed revenue recovered, which must be provided in line with Article 26(1). Given the similar discussions have also occurred in France, we strongly propose that CNMC reconsults on the tariff proposal once a decision on the allowed revenues is published.

Non application of gas year to LNG entry points

We also wish to reiterate points made in our response to the Access Circular that CAM NC. Article 2.1 states "This Regulation shall not apply to [...] entry points from LNG terminals", therefore tariffs to LNG facilities do not need to be applicable on a gas year basis. In order to minimise disruption to standard LNG capacity booking practices we propose that LNG access tariffs should continue on a calendar year basis. This is in line with similar mechanisms applied in France and other EU member states.

As we have previously explained, gas year yearly products are generally inconsistent with common standard practice for LNG capacity contracts on an international basis. Typically, the Annual Delivery Programme (ADP) is set for January – December deliveries and must be finalised 60 days prior to the start of the contract year.

Our views on all other areas of the proposals are reflected in the joint EFET consultation response. We hope the comments above prove helpful. Please do not hesitate to contact me on +44 (0)20 7756 9732 or at sinead.obeng@gazprom-mt.com if you wish to discuss any aspect of our response in further detail.

Yours sincerely,

Sinead Obeng

*Regulatory Affairs Advisor
Gazprom Marketing & Trading*

Mauricio Cepeda

*Regulatory Affairs Manager
Gazprom Marketing & Trading*

¹ https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/Agency%20communication%20-%20consultation%20document%20for%20Austria.pdf