



Market consultation on the new ZIGMA Model and implementation of CAM and BAL Network Codes

eni would like to thank Interconnector, Fluxys Belgium and National Grid Gas for the opportunity to respond to the above consultation document and makes the following comments in relation to proposed ZIGMA model.

First of all, **eni** welcomes the proposed ZIGMA model as a way towards more integrated systems, as the European guidelines suggest, which offer:

- bundling of capacity,
- short term booking versus long term booking's principle,
- split-up of transport activities and balancing activities that are operated by one unique balancing agent and
- an opportunity to enhance the liquidity of the markets.

ZIGMA seems to be a first step towards making Fluxys model more complete and integrated with neighbouring systems. Today, Fluxys model is an incomplete version of an entry-exit transportation model which leads to some operational and contractual complexity.

In relation to the impact of ZIGMA on the existing contract with IUK, eni understands that no impact is expected as this contract will be run in parallel with the new ZIGMA contracts until the ISTA expires in 2018. Therefore IUK ISTA shippers will continue to use/maintain their IUK inventory and this is in line with Eni expectations of the new contract arrangements.

For the future, after 2018, **eni** would propose to consider the possibility of a further harmonisation and integration of IUK and Fluxys and eventually to a larger scale with other TSO's grids into a unique entry-exit and balancing zone that would merge separate balancing zones.

eni sees three main advantages in such possible unique integrated zone :

1. Simplification of the contractual framework
2. Increasing the liquidity of the actual ZTP and Zeebrugge Beach which may achieve one of the objectives that Fluxys presented during the shipper meeting of the 27th of January and that is to foster the path for the new VTP to a European reference price.
3. Simplification of the operational constraints linked to the OCUC capacity type

Finally, with reference to the impact of ZIGMA on the existing contracts with Fluxys, eni understands that before the ZIGMA model is launched, Fluxys and its shippers will have to arrive at a mutual agreement (individual discussions with shippers are planned) on how to convert the existing terms of Zee Platform Service to a new ZIGMA model. The footnote number 6 on page 6 of the Concept Document deals with it: *"6 The 'Zee Platform' product offered by Fluxys Belgium will no longer exist. It is intended that access to/from the Zeebrugge Beach virtual trading point will be*



offered to the market on comparable terms to those currently applicable to/from the Zeebrugge Beach physical trading point".

eni would like to express a slight concern about the uncertainty that surrounds the process of how Fluxys is going to "translate" or convert the existing Zee Platform Service terms and tariff into ZIGMA. In the Concept Document very little is said about this contract change in the Concept Document and one would expect more information than a single short footnote.