

Response received via email:

Dear Danielle,

Thank you for the opportunity to comment on IUK's current consultations, please find our comments below.

Charging Methodology

What are your views of the two pricing options for Day Ahead and Within Day in advance of the annual CAM auction?

While the two options present relatively wide binding ranges, we feel that the 2nd option offers more stability and visibility to the daily and within day prices and therefore opt for it.

Do you support our proposals for when actual prices are published?

The fact that the multipliers are not published at the same time as the annual price adds a regulatory risk for the shippers who already bear a market risk naturally. At the moment of the annual auctions shippers need to have clear vision of the prices of the different products for the upcoming year in order to choose a maturity of the products to book.

Do you have any other feedback on the final CM proposals?

We would appreciate to have more details about the Charging Methodology proposals and have a few questions about the subject :

- It is stated that Quarterly prices will be published 30 days before each Prisma auction. Does this mean that the price of the same quarter that is offered at different auctions can be different from one auction to the other ?
- How will the implicit allocation prices be calculated ? Will the methodology be transparent and predictable for the shippers ?
- If a shipper is to buy for example in 2018 capacity on IUK for 2020 via the Prisma auction, will the paid price be the same as at the moment of the booking ? Or will the shipper potentially have to bear a tariff change if there is one in the meantime ?
Same question for the capacities sold via the Implicit Allocation Mechanism.

Implicit Allocation

Do you have any comments on the Implicit Allocation rules included in Annex B-3 of the IAC?

While we can see that the Implicit Allocation Mechanism presents more opportunities for the shippers and IUK, we feel that it is important to clarify certain aspects for us to have a clear position. On that subject, please find below a few of questions :

- What is the contractual framework with the Implicit Allocation Partner ? Will there be a contract to sign between IAA shippers and the IAP ? Who will be held responsible for any errors or delays in the IAM process ?
- In case of an OTC gas contract, will it be possible to buy IUK capacity via the IAM ? If so, how this will be managed with the IAP ?

We note that the IAM offers only unbundled capacity, and we appreciate that a conversion service is offered on daily capacity as well to ensure that IAA shippers remain interested in the mechanism. However, shippers will inevitably need to participate in the bundled auction at Fluxys and National Grid, which will expose them to the risk of not acquiring the capacity in case of a high demand. Therefore, the value of the proposed service is somewhat reduced by the risk of having to pay the capacity to IUK but not having the capacity with the adjacent TSOs.

Best regards,

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