

RWE Supply & Trading GmbH, Altenessener Str. 27, 45141 Essen

ACM  
Attention of the Energy Department  
PO Box 16326  
2500BH The Hague  
The Netherlands

Your ref. [REDACTED]  
Our ref. [REDACTED]  
Contact [REDACTED]  
Phone 0201 [REDACTED]  
Fax 02015179-4140  
Email [REDACTED]@rwe.com

Essen, 24<sup>th</sup> May 2018

Dear Sir or Madam,

RWE is a member of EnergieNederland which federation will send a response to the consultation on the draft decision by ACM to implement NC-TAR. We do support the response given by EnergieNederland and want to inform you on our individual position on top of that response.

RWE Supply & Trading GmbH does support the fundamental change choosing the post-stamp pricing methodology for an 'all-inn' transmission service. In this all-inn service methodology cost reflective pricing for individual services is given up for the principle of a simple, transparent tariff structure enabling reproducibility and predictability.

We hope the court case regarding the cost reflectivity of the tariff for the individual service BAT(existing connections) will be decided upon in time for any repair of tariffs to be possible in 2019 when the individual services will still have separate prices.

On the following elements RWEST disagrees with the draft decision by ACM:

### Entry/exit split

Today the entry/exit split is close to 35/65 and we think it is fair to acknowledge GTS has surprised us all proposing the 0/100 split (entry/exit) over time.

Liquidity for gas in the Netherlands will reduce as production from Groningen will fall and compensating gas will arrive in Europe elsewhere.

In this situation little can be done to promote the Netherlands as the Gas round about for Europe.

The 0/100 split to attract as much gas as possible to the TTF might be the only option and therefore should be considered seriously.

ACM in its draft decision quotes the 50/50 split being mentioned in the NC TAR. In the NC TAR the 50/50 split is mentioned in article 8 as a parameter in a capacity weighted distance reference price methodology.

This 50/50 cannot be applied as the counterfactual split as ACM has chosen the post stamp tariff ex NC TAR article 6.4.b and not the capacity weighted distance reference price methodology.

All in all we suggest to recover at max 35% of costs via Entry tariffs. [REDACTED]

### RWE Supply & Trading GmbH

Altenessener Str. 27  
45141 Essen

T +49 201 12-09  
F +49 201 5179-4040  
I www.rwe.com

Aufsichtsrat:

[REDACTED]  
(Vorsitzender)

Geschäftsführung:

[REDACTED]  
[REDACTED]  
[REDACTED]

Sitz der Gesellschaft: Essen  
Eingetragen beim  
Amtsgericht Essen  
Handelsregister-Nr.  
HRB 14 327

Deutsche Bank Essen  
BLZ 360 700 50  
Kto.-Nr. 299 070 300  
SWIFT: DEUTDEDE  
IBAN: DE68 3607 0050 0299  
0703 00

Ust.-IdNr. DE 8130 22 070  
Ust.-Nr. 112/5717/1032

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### **Multiplier for daily products**

The NC Tar in article 13 specifies the maximum multipliers for the capacity products with different durations.

Today the daily- and within day capacity product in the Netherlands are priced pro rata the monthly product.

NC TAR allows for a higher multiplier but article 13.3 also says the maximum multiplier for daily- and within day products might be set equal to the multiplier for the monthly product in future.

In this situation we feel setting the multiplier for daily- and within day capacity higher than for the monthly product needs a motivation stronger than given by ACM.

A multiplier higher than 1,5 would certainly have an impact on booking behaviour making short term adjustments more expensive. This will reduce short term liquidity.

We suggest to set the multiplier for daily- and within day capacity at 1,5

### **Back haul capacity**

ACM proposes to delete article 2.1.3. from the Transportcode gas LNB.

It can however not be denied there are borderpoints where the gas physically can flow in only one direction.

Individual market parties should be facilitated to enter gas into the Dutch system where there is only physical exit possible as long as the exit flow is positive.

In typically this situation the TSO should offer interruptible capacity, call it Backhaul or not.

### **Ex post discount for interruptible capacity**

For market parties like RWEST interruptible capacity has a different value and therefore as a principle should have an ex-ante discount. Uncertainty of costs (ex post discounts) should be avoided.

We do not see a need to change the current ex-ante system into an ex-post regime. On the contrary: the change to an ex post discount would take away the incentive for the TSO to maximize the amount of capacity to be available to the market as firm.

### **Shift of capacity**

Today the tariff to shift capacity depends on distance and the delta in tariffs.

In a post stamp world the shift of capacity would be free of charge and then unbridled use of the option to shift should be limited.

We think it is enough to give GTS a right of refusal when they cannot facilitate Market Parties shifting capacities.

If considered not fair, market parties could test such a refusal by GTS in court.

That would be far better than giving GTS the right to judge whether shippers have provided enough motivation with the request to shift. Finally we would like you to know we appreciate the way market parties like us can participate in the discussions on the implementation of NC TAR in the Netherlands and we trust ACM to take our remarks into consideration.

Kind Regards

RWE Supply & Trading GmbH

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