

EU-Russia Gas Advisory Council



Central European Gas Hub

March 16th 2012



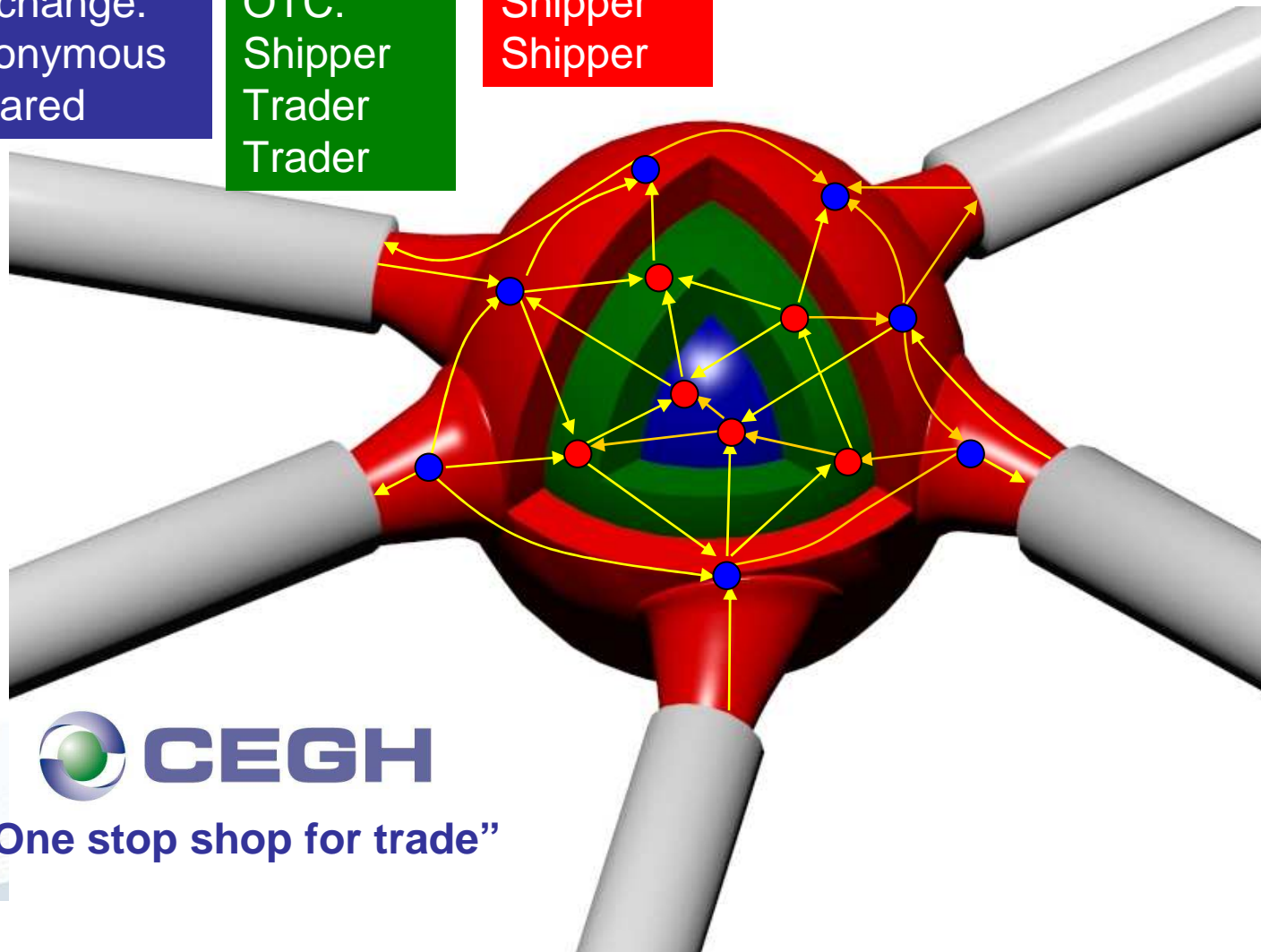
Only gas hub in Europe operating 3 layers of trade



Exchange:
anonymous
cleared

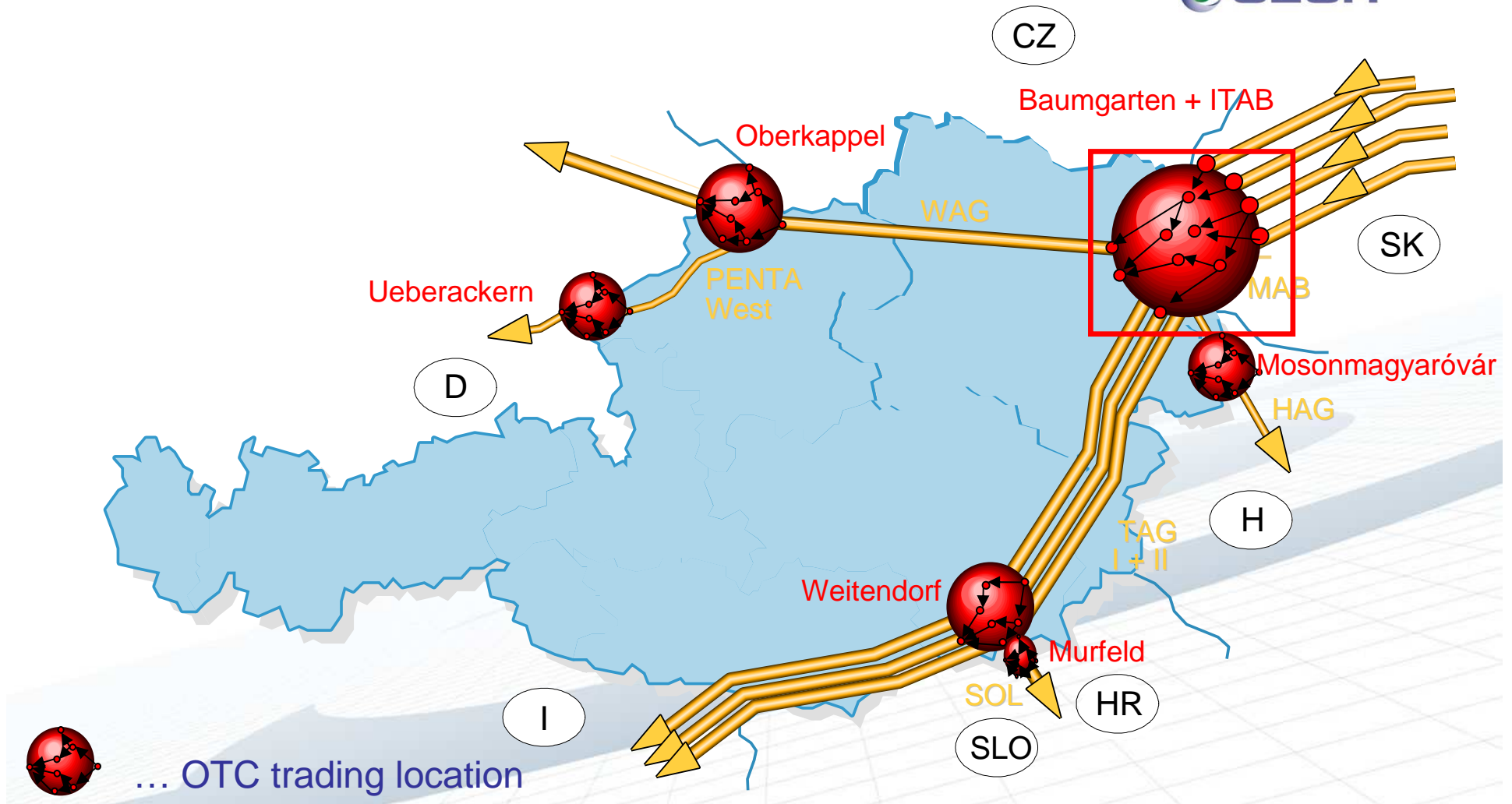
OTC:
Shipper
Trader
Trader

Shipper
Shipper

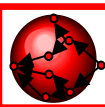


“One stop shop for trade”

CEGH Trading Locations



... OTC trading location



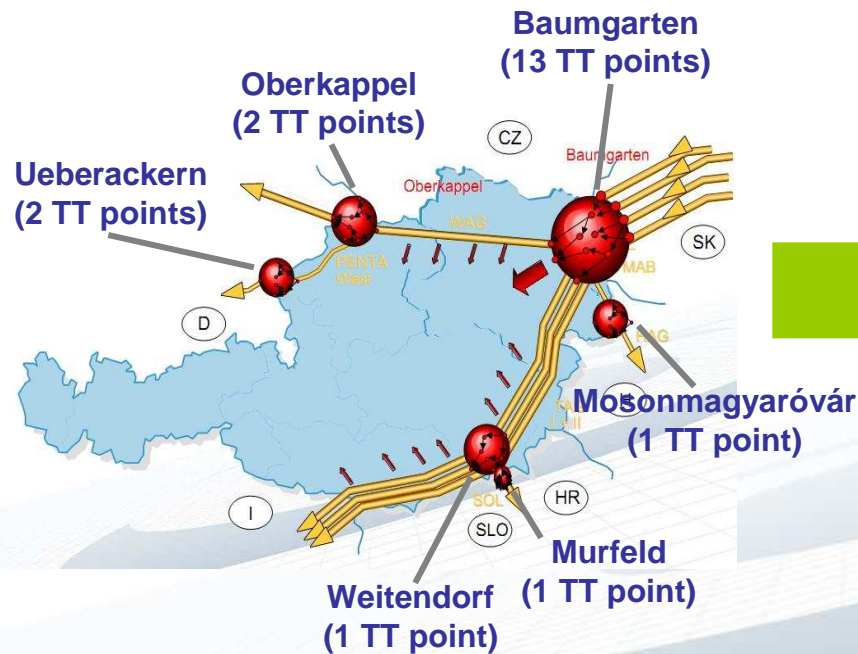
... OTC + gas exchange trading location

Introduction of the VTP and consequences for CEGH title transfer points

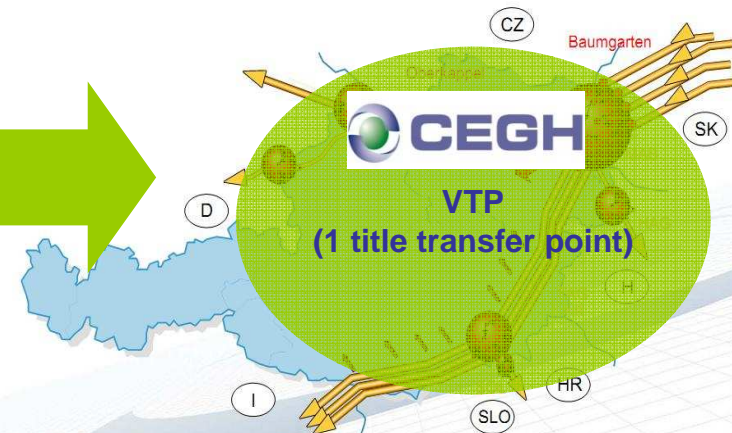


Current CEGH locations

Future CEGH location

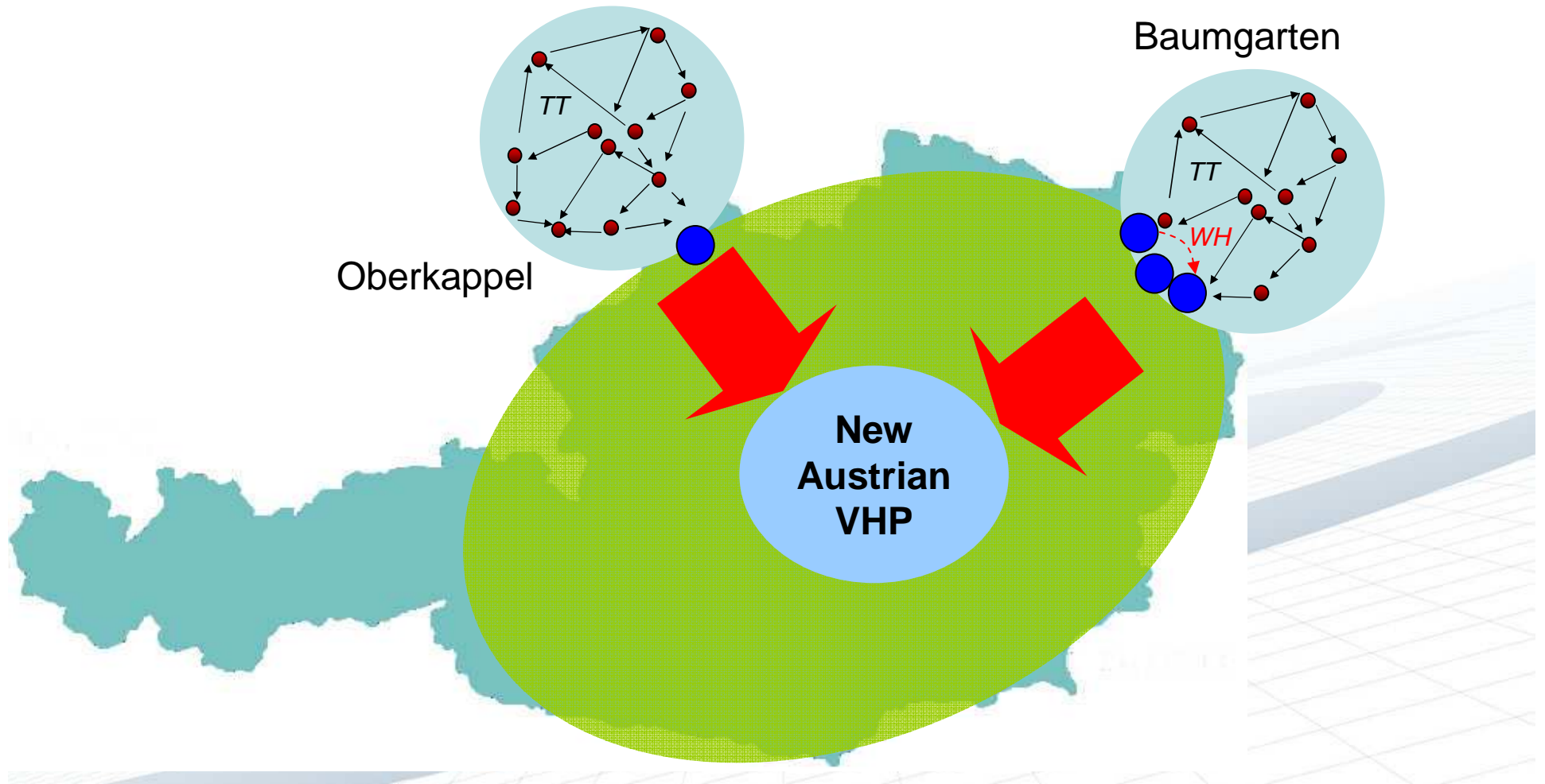


1. January 2013

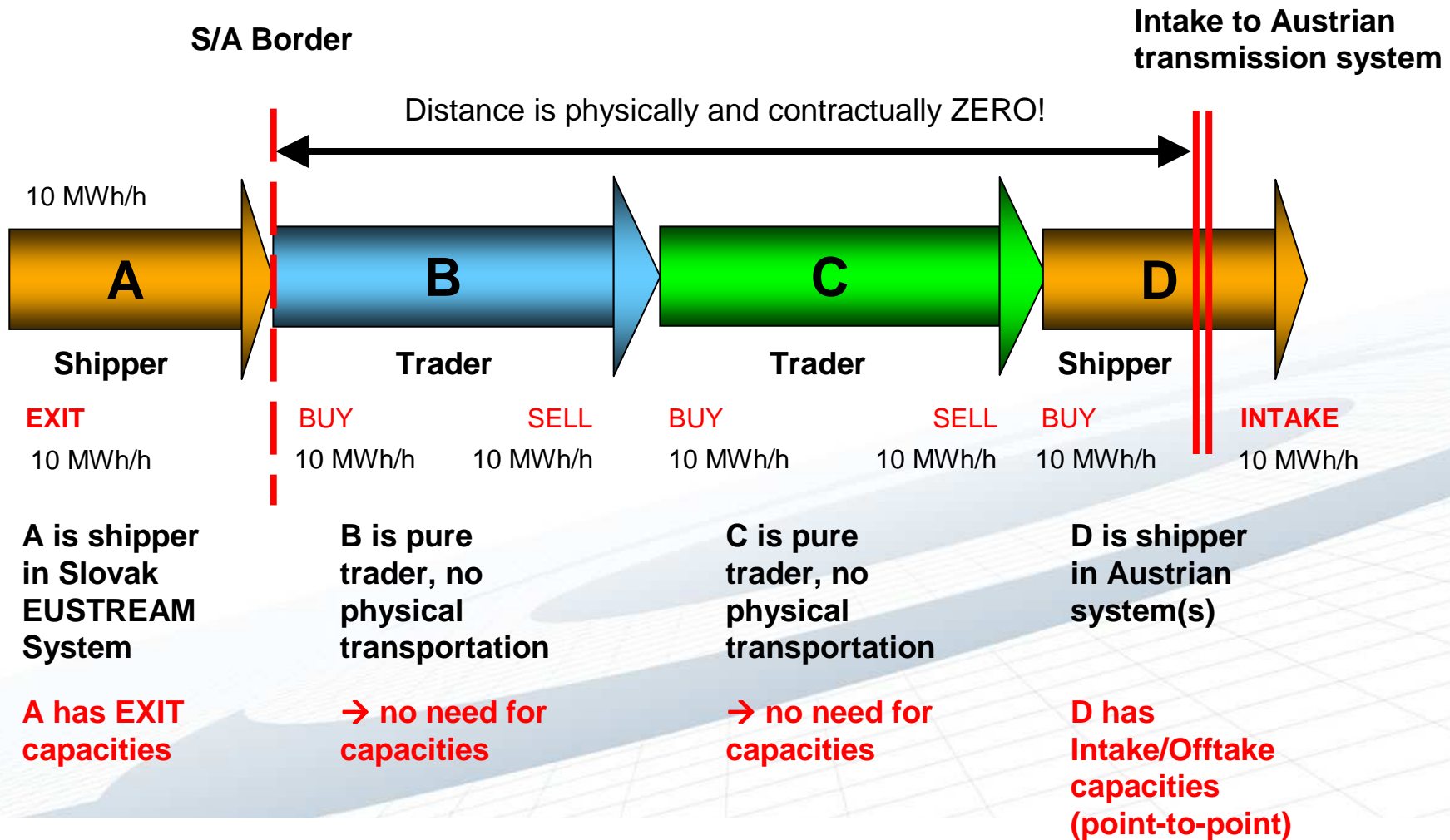


TT... title transfer

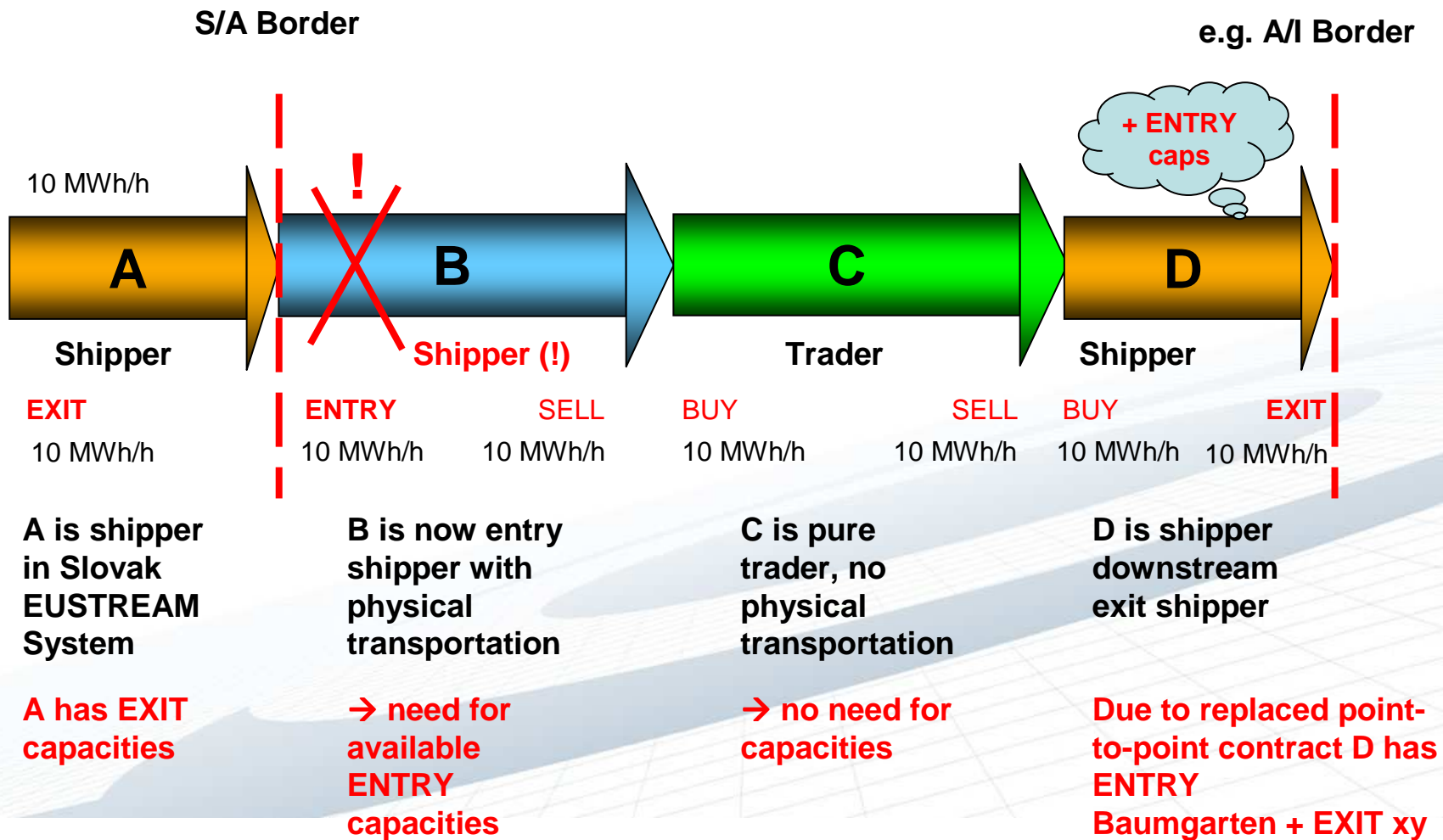
01.01.2013: Migration of flange-based trading to VTP-based trading



Current setup: flange-based trading



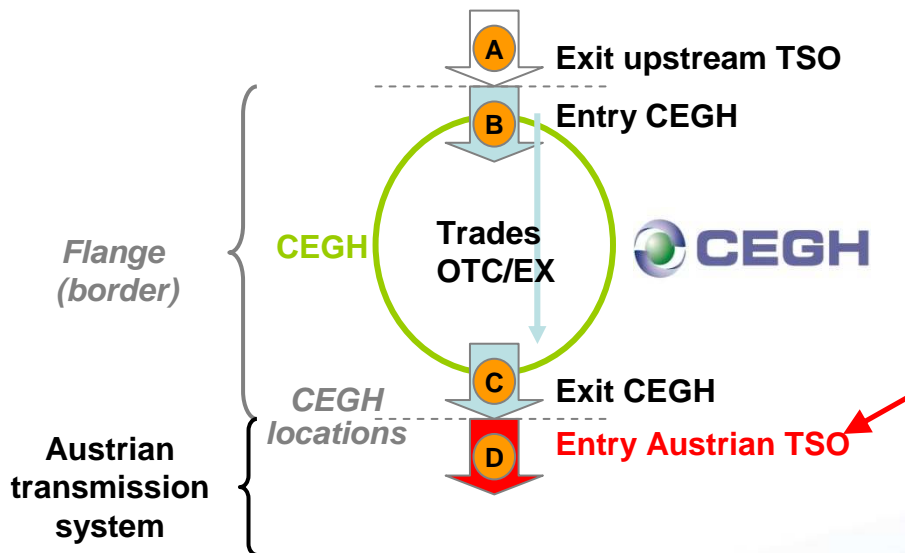
Switch to new model: Entry/Exit system



Changes in the integrated transport and trading chain

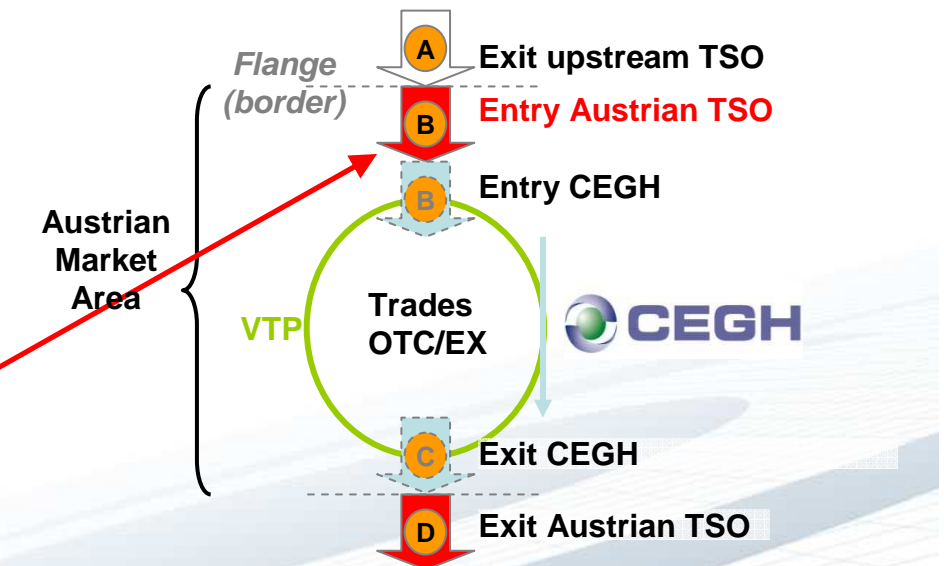


Current transport/trading chain



- CEGH trading takes place, before gas enters the Austrian transmission systems
- Trader B buys from upstream shipper/supplier A at the border flange and injects it into the hub, where he sells it via CEGH OTC or via CEGH exchange
- Trader C buys gas from trader B and sells it to shipper D (ships in a TSO system via (point-to-point contract))

Future transport/trading chain



- CEGH trading takes place, after gas has entered the Austrian transmission systems
- Shipper B buys from upstream shipper/supplier A at the border flange and injects it into the Austrian entry/exit-system
- Shipper B sells gas at the VTP (via CEGH OTC or via CEGH exchange) to trader C
- Shipper C buys gas at the VTP from B and sells it to shipper D (ships in a TSO system via (point-to-point contract))

 transport nomination (capacity mandatory)
  hub/trade nomination (no capacity required)

Summary

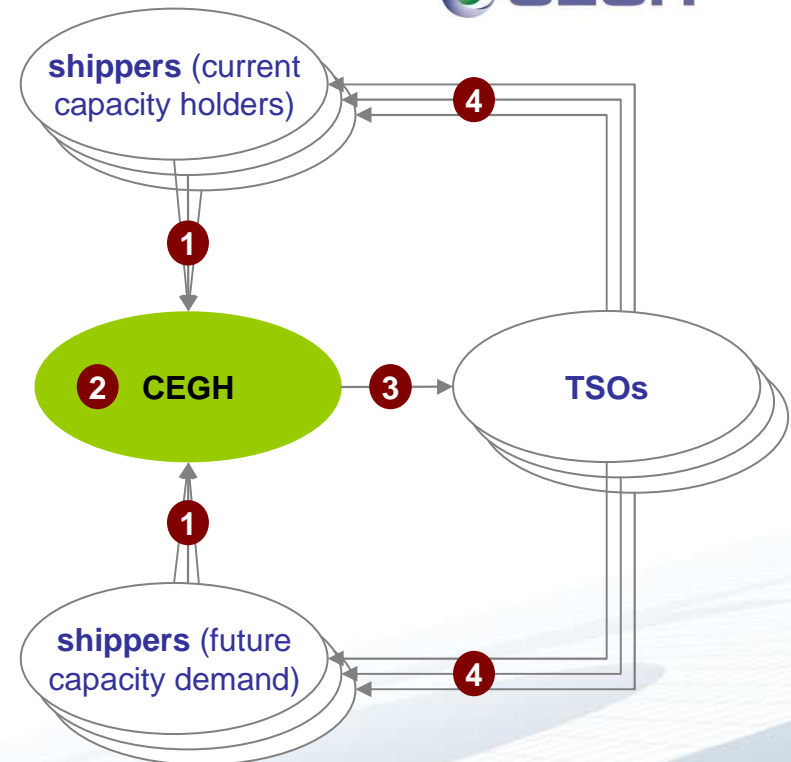
Starting with
January 1st 2013

- For all trades at CEGH Virtual Trading Point:
 - physical sellers require entry capacity at the market area border to fulfill existing and future contracts
- Some shippers might not have entry capacity although they would need some to conclude their contractual obligations
- Information and timing issues

Capacity transfer platform



- 1 All market participants will be provided with the opportunity to make one-sided binding bids/offers¹ to give back or acquire entry capacity at the affected delivery points.
- 2 CEGH will organize capacity transfer platform.
- 3 CEGH will then conduct the anonymous capacity transfer between market participants by assignment with TSOs.
- 4 TSOs confirm new capacity contracts to shippers.



Current working assumption:

Capacity transfer is based on regulated tariffs → bids and offers only refer to amount and duration.

(Possible fallback-option in the case of time dependent entry/exit tariffs: auction-based capacity transfer with rather high complexity)

¹ Bids/offers are made at the regulated tariff and consist of amount, entry/exit-point and duration

**Thank you very much
for your attention**



wiener  borse.at

<<< OTC MARKET S E L E C T GAS EXCHANGE >>>