
Finalization of Discussion on Delivery Points in the context of the Glossary of Terms

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Work Stream 2

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Outline

Retention of Delivery Points in EU Member States

Legal Consequences of Amended Contracts/Sunset Clause

Conclusion



Retention of Delivery Points in EU Member States



MS and Delivery Points (1)

- EU-level rules (CAM NC) do not foresee mandatory bundling of capacity in existing transmission contracts (contrary to new capacity contracts)
- Consequently flange delivery points for existing contracts may continue to exist
- Upon request from the Russian side, the EU side obtained confirmation from NRAs in a number of Member States that no national provisions exist that indicate a move of delivery points in existing gas contracts from the flange to the virtual point



MS and Delivery Points (2)

- NRAs of the following Member States have confirmed retention of delivery points in existing contracts:

| Country | Remarks |
|----------------|--|
| Austria | delivery points in existing long-term GSA (gas supply and purchase agreements) can be preserved but delivery points in existing (short- to medium-term) contracts which have been concluded on the basis of commercial hub services (CEGH) have to be transferred to the VTP |
| Belgium | |
| Czech Republic | |
| Denmark | |
| Finland | |
| Germany | |
| Great Britain | |
| Greece | |
| Hungary | |
| Italy | |
| Lithuania | |
| Netherlands | |
| Poland | |
| Portugal | |
| Slovenia | |
| Spain | |



Legal Consequences of Amended Contracts/Sunset Clause



Legal Base

- Distinction between **commodity and capacity contracts**:
 - The bundling obligation contained in the CAM NC (including the sunset clause) only applies to capacity contracts, whereas delivery points are usually laid down in commodity contracts
- For capacity contracts, Article 20 CAM NC obliges parties to existing contracts to aim to reach an agreement on the bundling of the capacity via contractual arrangements ("bundling arrangement").
- The same provision also states that all capacity shall be bundled at the earliest opportunity (para 5). Existing transport contracts for unbundled capacity cannot be renewed, prolonged or rolled over after their expiration date.



Explanation

- It can be inferred from these provisions that amendments to existing contracts aiming at postponing their expiration date will not hinder the application of the bundling obligation.
- Other amendments to existing contracts will generally not change the qualification of a contract as "existing contract".
 - However, the question is to what extent an amendment of these contracts would be necessary at all: If a network user buys additional capacity, the rules of the CAM NC apply; if he surrenders capacity, the respective provisions of Regulation 715/2009 apply.
- For commodity contracts, on the other hand, the bundling obligation of the CAM NC does not apply. Whether or not amendments to these contracts amount to a "new contract", makes no difference in terms of bundling, as long as the underlying transport (capacity) contract remains the same.



Conclusions



Conclusions

- The European side has now provided answers to all open questions from the Russian side on delivery points
- If everything is clear, the discussion on this issue can be considered closed

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