

Our date
2016-04-15

Our reference

Our name
Christian Schülke

Your date
2016-03-09

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BK9-13-607

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Bundesnetzagentur für Elektrizität, Gas, Telekommunikation, Post und Eisenbahnen
- Beschlusskammer 9 -
Herr Thorsten Dickopp
Tulpenfeld 4
53113 Bonn
By e-mail: Thorsten.Dickopp@BNetzA.DE

Statoil response to second draft of decision “HoKoWä”

Berlin, 15 April 2016

Dear Mr Dickopp,

Statoil ASA welcomes the opportunity to submit remarks to the second draft of the HoKoWä decision.

As the largest gas producer on the Norwegian Continental Shelf, a significant importer of gas to Germany and a shipper with substantial capacity bookings with German TSOs, Statoil is directly affected by all changes to German gas transport tariffs. It is for this reason that we wish to specifically comment the proposal to introduce harmonised entry tariffs for each of the German market areas.

We cannot follow the reasoning of Beschlusskammer 9 regarding the proposed harmonisation of entry tariffs. Given the existing structure of gas TSOs in Germany, it is to our mind positive that there is competition between TSOs with regard to tariff setting. This gives an incentive to TSOs to reduce their costs and work in the most efficient manner. TSOs with efficient operations can offer lower tariffs and will see a higher level of bookings. This is positive for the end-consumer, as the cost of gas supplies will be lower; it is also positive for the attractiveness of the German gas market, as lower entry tariffs make the market more interesting for international producers and traders. With regard to exit tariffs, Beschlusskammer 9 is recognizing the advantages of competition between TSOs and of some degree of freedom for TSOs to set their tariffs. It is difficult to understand why the situation for entry and exit would be so different that different rules for tariff setting should be used. Statoil hence recommends not to harmonise entry tariffs.

We take note of the intention of Beschlusskammer 9 to avoid any undue imbalance between entry and exit tariffs in the current system. We however believe that any unjustified shifting of costs towards exit tariffs can be avoided by other means than harmonised entry tariffs. By imposing a fix share of cost recovery from entries and exits (e.g. one third from entries and two thirds from exits), TSOs will not be able to overallocate costs on exits, while at the same time competition at entry level can be safeguarded.

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Beschlusskammer 9 is arguing that the current system provides an incentive for TSOs to set higher exit and lower entry tariffs. By assessing the tariffs of German TSOs, we however find that this is not the case: some TSOs charge (nearly) identical prices for entry and exit, some charge higher prices at exit level, some charge higher prices at entry level.

What is more, the reasoning of Beschlusskammer 9 regarding “captive customers” at exit level is not convincing, as this only applies to exits to end-consumers. Beschlusskammer 9 however does not distinguish between, on one hand, exits at cross-border, cross-market area or storage points, and on the other, exits to end-consumers. Also due to these significant differences in nature between different types of exit points, we believe that tariff setting at entry and exit level should generally follow the same logic: TSOs should have some degree of commercial freedom when setting tariffs, within the limits of their allowed revenues.

With regard to the proposed methodology for setting harmonised tariffs, we fear that a system based on assumed flows opens the way for flawed results. In such a system, there might be incentives for TSOs to make “strategic” assumptions which could in turn lead to volatile tariffs. It might be better to use flows of previous gas years as a starting point for tariff calculations.

While not directly related to HoKoWä, we wish to underline that the imposition of ad-hoc fees on top of regular transport tariffs (like the conversion charge under KONNI Gas or the market area conversion fee) is not helpful if the regulator and the TSOs wish to incentivise long-term capacity bookings. As a large producer, Statoil commercially plans some of its gas flows a couple of years in advance and would therefore normally be inclined to make longer term bookings. However, the current German experience of ad-hoc fees or charges on top of the regulated tariffs – which do not give companies the right to cancel long term bookings – act as a clear disincentive to long-term bookings.

We are at your disposal to discuss any of the abovementioned points with you in further detail.

Yours sincerely,

Christian Schülke

Christian Schülke
Principal Consultant
Marketing and Trading – Government and Regulatory Affairs
Statoil ASA