Press release

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No derogation from regulation for Nord Stream 2

The Bundesnetzagentur has today rejected the application of Nord Stream 2 AG for derogation from regulation for the section of the Nord Stream 2 pipeline located in German territory.

Pipeline not completed

The section of a gas interconnector involving a third country located in German territory can be granted a derogation from regulatory requirements upon application and under certain conditions. For this, it is necessary that the gas interconnector was completed before 23 May 2019.

Since the Nord Stream 2 pipeline had not been fully laid by 23 May 2019, the Bundesnetzagentur has rejected the application for derogation made by Nord Stream 2 AG. When it is put into operation, therefore, Nord Stream 2 will be subject to German regulatory requirements and European rules on unbundling, network access and cost regulation.

The responsible ruling chamber of the Bundesnetzagentur understands the term "completion" in a constructional/technical sense. The applicant, by contrast, believes it to mean completion in an economically functional sense and refers to the investment decision, which was made well before 23 May 2019.

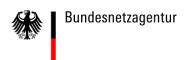
Nord Stream 2 AG can appeal and have today's decision examined before a court.

Bundesnetzagentur Tulpenfeld 4 53113 Bonn

<u>bundesnetzagentur.de</u> twitter.com/bnetza

Press contact person Fiete Wulff Head of Press and Public Relations

Tel. +49 228 14 - 9921 pressestelle@bnetza.de



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Responses to the proceedings

All European Union Member States had the opportunity to examine Nord Stream 2 AG's application, with its annexes, and to submit a response. Responses to the consultation were taken into account in the decision, as was the joint statement submitted by PGNiG S.A. and PGNiG Supply & Trading GmbH, which were summoned to the proceedings upon application in a decision of 18 March 2020.

Neither any of the Member States nor the parties summoned shared the viewpoint of Nord Stream 2 AG as regards the term "completion".

Background

Since the amendment of the Gas Directive 2009/73/EC, the European regulatory provisions have also applied to interconnectors between a Member State and a third country. The new European provisions were transposed in the German Energy Industry Act (EnWG), which entered into force on 12 December 2019.

Subject to the conditions of the amended section 28b EnWG, the section of a gas interconnector with third country involvement located in German territory is to be granted a derogation from regulatory requirements provided it was completed by the relevant date and the other conditions under subsection 1 of the provision have been met.

A version of the decision from which confidential information has been removed will be published shortly at www.bundesnetzagentur.de/BK7-20-004 under the file number BK7-20-004.



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The Bundesnetzagentur is an authority under the responsibility of the Federal Ministry for Economic Affairs and Energy. Its core tasks include supervising the energy, telecommunications, postal and railway markets.

As part of its mandate, the Bundesnetzagentur ensures that as many undertakings as possible can use the infrastructure in these sectors so that consumers benefit from competition and favourable prices.

The authority employs over 2,900 people at its headquarters in Bonn and Mainz and its 46 regional offices.