

National Gas Transmission

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Consultation Response OMV GAS Periodic Consultation on the Reference Price Methodology

Dear colleagues

OMV Gas Marketing & Trading GmbH (OMV Gas) in its role as natural gas importer into the UK, welcomes the opportunity to comment on the Reference Price Methodology, as described in the document provided in February 2024 by NGT.

RPM:

We do not see the need to deviate from the existing approach to apply the postage stamp methodology as it provides considerable advantages to the market. Applying the same Entry tariff across import points creates an equal playing field for importers and is therefore crucial for well-functioning competition.

However we strongly advise to adjust the entry/exit split. The changing circumstances in the Energy market since end of February 2022 have resulted in intense efforts to secure Security of Supply (SoS) standards across the continent. Also the supply portfolio across Europe has seen drastic changes (strong emphasis on “non-Russian gas”) and these developments are likely to continue over the upcoming regulatory period. One of the effects is that non-Russian supplies such as Norwegian gas are highly demanded in all relevant importing countries. Another observation is that many countries keep supporting their SoS requirements by maintaining low E/E splits to attract future imports. OMV Gas therefore suggests that a modification of the E/E split towards a substantially lower entry share will be vital for the liquidity of the UK gas market and thus should be implemented.

With best regards

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