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**Vattenfall's response to the approval of the ICE Endex as a relevant trading platform according to Art. 22 para. 3 Network Code Balancing (BK7-15-018)**

Vattenfall welcomes the opportunity to provide our views on the approval procedure of a relevant trading platform according to Art. 22 para 3 of the Network Code Balancing (NC BAL) in Germany. As we have been involved in the drafting process of the NC BAL at a European level, we are very interested in the process of its application in the national markets.

We support a market that allows competition between platforms, in this case NetConnect Germany (NCG) using ICE Endex as an additional trading platform – next to PEGAS (previously EEX) – in order to procure gas for market based balancing actions. Using different trading platforms should have a positive effect on the procurement of balancing volumes by decreasing the transaction costs and costs for balancing gas and services. Thus, we support that the Federal Network Agency aims to approve the request of NCG to use ICE Endex as a second relevant trading platform next to PEGAS, as of 01.10.2015. Furthermore, we would like to stress that the Federal Network Agency should remain open to requests from market parties to approve additional trading platforms, according to Art. 22 para. 3 NC BAL. We come closer in reaching one objective of the Network Code; procuring balancing gas in the most cost efficient manner, which can mainly be achieved via the competitive short term wholesale gas market.

In addition to the above support, we do wish to point out that additional platforms may fragment liquidity of the market, which could be a negative side effect of more than one platform in a market. However, we believe competition should not be disallowed for this reason. The market will choose its preferred (single or multiple) platform to use, based on the characteristics of each platform. This encourages the realisation and operation of a transparent and competitive platform.

Please feel free to contact us, should you have any questions or wish to discuss in more detail.

Kind regards,

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