

Dear madam, sir

In response to your request "Konsultation zur konkurrierender Kapazitätsvergabe nach Art 8. Netzkodex Kapazitätszuweisung" you will find the response of Gasunie Transport Services (GTS) hereafter.

### **Introduction**

In our planning of gas transport capacities GTS distinguishes between transport capacity at the main nodes in her pipeline network and capacity at the many different entry- and exit points in this network. At border points where capacity accumulates in one common node, we call this a clustered border point. At such points the actual transport capacity is determined on the cluster level. GTS has done so since many years, and way before any introduction of European Codes for capacity allocation (NC CAM). Maximization of available capacity and efficient allocation of capacity are the main reasons for GTS to work like this.

When NC CAM was implemented early 2014 GTS made use of the possibility (at PRISMA) to incorporate this way of "clustered capacity planning": capacity at border points having a common cluster is offered by means of the competing capacity algorithm.

For harmonization reasons, offering the best service to customers, we propose that any implementation of competing capacities in Germany - at the common Dutch / German border points - preferably fits with the policy that GTS has adopted.

In this respect GTS has, in the following text, simply written down her policy of how to deal with competing capacities.

### **General**

From the start of the early implementation of NC CAM in January 2014 GTS has adopted the functionality of competing capacity, as offered by Prisma, on several of her border points. It is our opinion that this functionality offers the most efficient way to make capacity available at clustered border points where the summarized capacity of the different points (or stations) capacity exceeds the total (cluster) network capacity. An ex post allocation of the total network capacity to specified cross border points could lead to unused capacity or to increased congestion. By using the competing capacity algorithm this capacity is offered flexible and parties that are most willing to buy the capacity will ultimately achieve the capacity. This is fully in line with spirit of the market based allocation in NC CAM.

### **Specific**

#### *Available Capacity at GTS competing points*

The functionality of competing capacity fits with the planning methodology of GTS, where in determining network capacity, distinction is made between cluster capacity (referred to as "netztechnisch" in your document) and border point or flange capacity (referred to in your document "Stationskapazität"). If there is a cluster of border points / flanges of which the total capacity of all flanges exceeds the cluster (network) capacity, the total available capacity at these points is offered competing. There is no capacity reserved upfront as being dedicated available for one single flange / station.

#### *Capacity reservation*

GTS has based its policy for reserving capacity (minimum 10% and 20% tranches) on network capacity, that means 10% resp. 20% of cluster capacity is set aside according to NC CAM. This means no reservation is done on the basis of the individual flange / station capacities where cluster capacity is determining the overall available amounts.

*Surrender of capacity*

Any surrender of capacity, which always is surrendered at network point / station level, will be transferred and re-offered at cluster level. This maximizes the chances of reselling the capacity and offers best opportunities for all market parties.

*Transparency*

All available capacities are published on the basis of available cluster capacities, except for the points where flange / station capacity is the limiting capacity.

*Renomination restriction*

GTS does not offer capacity based on renomination restriction. In stead, where necessary, GTS offers additional capacity based on oversubscription and buy back. Any oversubscription capacity is determined again on network (cluster) level. Capacity at individual flanges / stations simply competes on the basis of the increased total cluster capacity.

*PRISMA*

Finally we would like to remind you that implementation of competing capacity requires very specific and complicated algorithms, that are presently used by PRISMA. Any further developments should preferably fit within present algorithms or at least not lead to further complicating present algorithms.

As mentioned above, it is our opinion that cross border implementation of competing capacities should fit with the policy that GTS has adopted. This will reduce harmonization issues and make life easier for market parties.

We hope you can take this into account when introducing competing capacity at the German side of our common border points.

We are eager to know if and how the competing capacity algorithm will ultimately be implemented in Germany.

If you have any questions or if you need further information, please contact us via: [regulering@gastransport.nl](mailto:regulering@gastransport.nl)

Best regards

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