

Dear all,

fully supports the proposed merger of the virtual trading point with virtual gas storage points. Removing the need to book and pay for transmission entry/exit capacity at Czech storage facilities will, all other things being equal, increase the attractiveness of Czech storages for traders, particularly by increasing the extrinsic value. The merger will also lead to higher liquidity of primary (and secondary) storage capacity market, especially after current mid and long-term storage capacity contracts mature.

The proposed new gas market model based on Advanced Virtualisation proposal is also more administratively efficient and avoids the distortion of all gas injected into and withdrawn from storage having to pay an exit/entry capacity fee, despite an entry fee already having been paid when gas is brought into the system and exit fee being paid when gas leaves the system.

As regards to the method, we propose to recover the lost revenues on TSO level by the increase in DSO related tariffs. We are proposing the impact of Virtualisation to be passed on to end customers as we expect the merger of points will result in the lower price of flexibility in the Czech market with the end customer to be the main beneficiary.

Should you have any further queries please do not hesitate to contact us.

Kind regards,