Eni's response to the consultation on the draft Network Development Plan Gas 2013 provided by the German Transmission System Operators (2 April 2013)

eni welcomes the possibility to comment on the NDP Gas 2013 and provides its non confidential response to the relevant questionnaire specifically with reference to questions no. 1, 2.2, 8.

As **eni** has underlined in different occasions (lately in its response to the NDP Gas 2012), the scarce availability of freely allocable capacity (FZK) – constrained by the unsolved physical bottle-necks inside the two German market areas - goes to the detriment of competition in the German gas market. In this respect, **eni** shares German TSOs' concern that network development projects have to be socially sustainable in the long term and economically reasonable for the TSOs. Nevertheless, it's **eni**'s opinion that the qualification as FZK if not of the whole at least of a significant part of the interconnection capacities at the main border entry points is an essential prerequisite for the creation of the European internal market in natural gas, delivering real choice for all consumers, new business opportunities and more cross-border trade. For these reasons, we are concerned about the fact that no actual increase of the FZK available on the TENP system is planned by Fluxys TENP up to 2023: the "new" 2500 MWh/h of FZK which will be made available at Wallbach as a result of the reverse flow project is, in fact, in competition with the same amount of FZK currently offered at Bocholtz entry point.

In this respect, the assumption of the TSOs of a continuation of the current Load Flow Commitments (LFC) up to 2023 cannot be considered a conclusive solution. In **eni**'s opinion when the availability of capacity is constrained by physical bottle-necks in the grid, LFC are a good measure to maximize the capacity that can be offered but only as a temporary solution. In the meantime, investment for grid developments have to be planned in order to provide a long-term solution to the congestions and to ensure the security of supply.

With specific reference to the project for allowing reverse flow in the TENP system, while reiterating its full sustain for it, **eni** would like to remark that:

- this project, if completed, contributes significantly to the security of supply in Central-West Europe providing links between the North and Mediterranean seas, areas that both host significant LNG and pipeline gas import capacity. For this reason it has to be fully supported by a stable and suitable regulation. In this respect **eni** shares the view of German TSOs as for the necessity of some amendments of the German regulatory framework to ensure an adequate risk coverage, as specified in Chapter 6.1 (and also highlighted in the Executive summary) of NDP Gas 2013;
- such a framework would also allow Fluxys TENP to alleviate the commitment requested to shippers interested in the project (e.g. reducing the 15 year binding commitment period), thus ensuring to a more balanced risk sharing among different stakeholders;
- since this project is part of the Entsog South – North Corridor Gas Regional Investment Plan and involves both EU and non-EU systems with different odourisation practices, in order not to hamper cross-border trade odourisation issues should have to be tackled and solutions should have to be timely found. As **eni** proposed in its response to ENTSOG Public Consultation Questionnaire concerning the Draft Network Code on Interoperability and Data Exchange Rules, it is also necessary that, in the timeframe needed to identify and implement the final solution, proper temporary solutions are implemented to allow the highest technically possible level of flows between the different systems.

Finally **eni** would like to signal that interconnection difficulties with the Belgian network at Eynatten (pointed out in eni's response to the NDP Gas 2012) aree only partially alleviated by the increase of FZK at the Eynatten/Gascade IP provided for in the NDP Gas 2013 since the entry capacity on the German side still remain far lower than the corresponding exit capacity available on the Belgian side.

San Donato Milanese, June 21st 2013