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Press release

Gas Connect Austria optimises organisational structure of Austrian gas market

- > **Functions of market area manager (MAM) and distribution area manager to be merged at the initiative of Gas Connect Austria**
- > **Transmission system operators designate Austrian Gas Grid Management AG (AGGM) as MAM**
- > **AGGM to assume overall responsibility for functions of distribution area manager and MAM**
- > **Restructuring delivers synergies that will benefit the market**

Gas Connect Austria has played a significant role since it was designated market area manager (MAM) in 2012. Its task was to establish the new gas market model and implement it as quickly as possible. The core aspects of this were the move from point-to-point shipments to an entry-exit system and the introduction of an overarching balance group model for all market participants. During this period of intense activity, Gas Connect Austria developed the function of the market area manager and met its statutory responsibilities objectively, independently and very cost-effectively. "Now it is a matter of taking the next step with a view to further optimising this important part of the Austrian gas market for customers and consumers," explained Harald Stindl, Managing Director of Gas Connect Austria.

Gas Connect Austria hands over MAM function well prepared to AGGM

The move was implemented at the initiative of Gas Connect Austria and the regulator E-Control in close consultation with TAG GmbH and AGGM, which will assume the responsibilities of the market area manager in addition to its duties as distribution area manager. After detailed preparations, the groundwork is now in place. Following approval by E-Control, Gas Connect Austria will pass on the function of market area manager – and the requisite know-how – to AGGM with effect from 1 June 2017. "We are convinced that AGGM will perform this role in an exemplary fashion. Bundling responsibilities will significantly simplify market access for market participants," commented AGGM's Supervisory Board Chairman Stefan Wagenhofer.

New structure creates synergies and resources for further innovations

Merging the functions of market area manager and distribution area manager will bring together similar tasks, such as the coordinated network development planning for the market area and long-term planning for the distribution area. A one-stop shop will be available for all market participants. This generates long-term synergies as well as direct cost savings that will be passed on to customers, making natural gas an even more attractive product.

Next steps

Gas Connect Austria and AGGM will provide market participants with full details of the next steps in good time, as well as staging a joint event on this topic.

Background information**Gas Connect Austria GmbH**

Gas Connect Austria maintains the smooth and reliable operation of a modern, high-performance high-pressure gas pipeline network. As well as operating transmission pipelines, the company is also responsible for an important part of the Austrian distribution network. Its core business is marketing gas transportation capacity at cross-border interconnection points, and providing capacity for domestic natural gas supply in Austria. As a transmission system and distribution system operator, Gas Connect Austria plays an important part in the Austrian and European gas supply network. Existing gas infrastructure is regularly inspected, maintained and modernised in order to safeguard long-term security of supply. Gas Connect Austria offers a comprehensive range of logistics services tailored to the requirements of domestic and foreign market participants.

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