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Press release

Gas Connect Austria helps launch new gas market model

In its capacity as the market area manager (MAM), Gas Connect Austria (GCA) played a major part in the successful launch of the new Austrian gas market model at the start of this year. The changeover was a requirement of the Natural Gas Act 2011 and the Gas Market Model Order 2012. Key features of the new system are the creation of a standardised market area, a shift to a flexible entry-exit tariff scheme and revised balancing rules.

Since the implementing order was not enacted until May 2012 the entire market infrastructure, including an online registration platform for market participants, had to be created in a few months. "We have mastered these challenges and lived up to the heavy responsibilities that come with our new role. From the very beginning we managed all requests from our clients on time and transported 100 million cubic metres of gas on the first day," said GCA Managing Director Harald Stindl.

Big contribution to smooth changeover

In line with its customer driven approach and commitment to top service quality, Gas Connect Austria began rolling out the new market model as early as possible. Implementation of the online registration platform was already going ahead at full steam by the summer of 2012. Comprehensive information was posted on the portal – accessed via GCA's corporate site (<u>www.gasconnect.at</u>) – and the registration procedure for balance group representatives (BGRs) put in place. GCA provided candidate BGRs with ongoing support during the registration process.

All these activities were carried out in close consultation with regulator E-Control Austria and fellow market participants AGCS, AGGM and CEGH. GCA held a large number of information events, and used the MAM portal to spread the message about the new market model and the requirements that market participants must meet. Existing contracts were converted to the new tariff scheme in good time, and as a result all the applicants were able to complete the lengthy registration procedure before the 1 January launch date.

Next steps

The introduction of the new Austrian model marked a major advance towards integrating gas markets across Europe. The next big milestone will be the launch of the PRISMA European Capacity Platform in April. At the start of December 2012 Gas Connect Austria and 18 other transmission system operators from seven countries formed a company to operate the platform. As an MAM, Gas Connect Austria is also responsible for drawing up coordinated network development plans (CNEPs). The first CNEP is expected to be approved shortly.

Background information

Gas Connect Austria GmbH

Gas Connect Austria is a wholly owned subsidiary of OMV Gas & Power GmbH. It is the country's largest transmission system operator, with around 400 employees. Besides marketing transport capacity at home and abroad, the company maintains smooth and reliable operation of Austria's 2,000-km high-pressure gas pipeline network. It operates the physical hub in Baumgarten an der March, near the Slovak border, which is the central crossroads of the Austrian transmission network. The Baumgarten station is Austria's largest gas import and reception point, and one of Central Europe's most important gas hubs. It dispatches incoming gas supplies to domestic distribution networks, and to Croatia, France, Germany, Hungary, Italy and Slovenia. 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. In its role as the market area manager, the company is responsible for coordinating natural gas transportation in Austria's Eastern market area.

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