

12 July 2012

## Press release

### Gas Connect Austria secures ITO certification

**In a notice issued on 6 July 2012, Austrian energy regulator E-Control certified Gas Connect Austria's status as an independent transmission operator (ITO). This move complies with the EU requirement for the unbundling of natural gas transmission systems and energy companies.**

Commenting on the certification, Gas Connect Austria Managing Director Harald Stindl said: *"This decision marks the conclusion of a process stretching back several years. Gas Connect Austria can now operate as an independent transmission operator, and its high-performance pipeline network will continue to play a significant part in safeguarding gas supply security in Austria."*

Gas Connect Austria had already been named market area manager before the certification notice was issued. Following certification, the company will perform key network control tasks, and will be in charge of infrastructure planning for the transmission system. The company will remain a part of the OMV Group.

### Europe's unbundling process

Last year, Austria's Council of Ministers passed the Natural Gas Act 2011 (GWG 2011), thereby transposing the EU's third energy package for gas into national law. A central aspect of unbundling is the separation of the role of transmission system operator from a vertically integrated gas company's other activities, a step designed to enhance competition. Austria's transmission system operators (TSOs) – Gas Connect Austria, TAG GmbH and BOG GmbH – have a choice of four unbundling models:

- Ownership unbundling: this basic model requires the complete spin-off and sale of the transmission grid, or trading and production activities
- Independent system operator (ISO): a group retains ownership of transmission infrastructure, but grid management responsibilities pass to an independent company
- Independent transmission operator (ITO): under this model the transmission network is spun off to an independent company which remains part of an existing group. Strict regulations are in place to safeguard the complete independence of the transmission operator.
- A hybrid model that combines elements of the ISO and ITO models is also permitted under the EU legislation.

Gas Connect Austria opted for certification as an ITO.

## **Complete independence**

As an ITO, Gas Connect Austria is obliged to take steps that eliminate possible confusion between it and a vertically integrated undertaking (in this case, the OMV Group) or parts of the latter. This refers to aspects including corporate identity, communications, branding and business premises. Consequently, Gas Connect Austria is a separate and fully independent member of the OMV Group.

## **Background information**

### **Gas Connect Austria GmbH**

Gas Connect Austria is a wholly owned subsidiary of OMV Gas & Power GmbH. Gas Connect (head count approx. 380) is the independent transmission operator (ITO) that runs Austria's 2,000-km high-pressure gas pipeline network, which has a marketed capacity of some 100 billion cubic metres/year. It operates the physical hub in Baumgarten an der March, near the Slovak border, which is the heart of the Austrian gas grid. The Baumgarten hub receives incoming gas supplies, mostly imported from Russia, and dispatches them to domestic distribution networks, and to Croatia, France, Germany, Hungary, Italy and Slovenia. As a key link in Europe's interconnected gas grid, Gas Connect plays a crucial part in maintaining supply security for Austria and the EU as a whole. About one-third of all Russian exports to Western Europe are handled by the Baumgarten hub. Austria's gas transportation capacity is steadily being expanded to keep up with growing gas demand.

## **Contact**

### **Gas Connect Austria GmbH**

Communications Department

Tel.: +43 (0)1 27500 ext. 88052

Email: [communications@gasconnect.at](mailto:communications@gasconnect.at)

[www.gasconnect.at](http://www.gasconnect.at)