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**Legacy capacity contracts  
and why reverse flow on pipelines with these  
contracts is a problem**

DI Walter Boltz , E-Control



# From Point-to-Point to Entry Exit

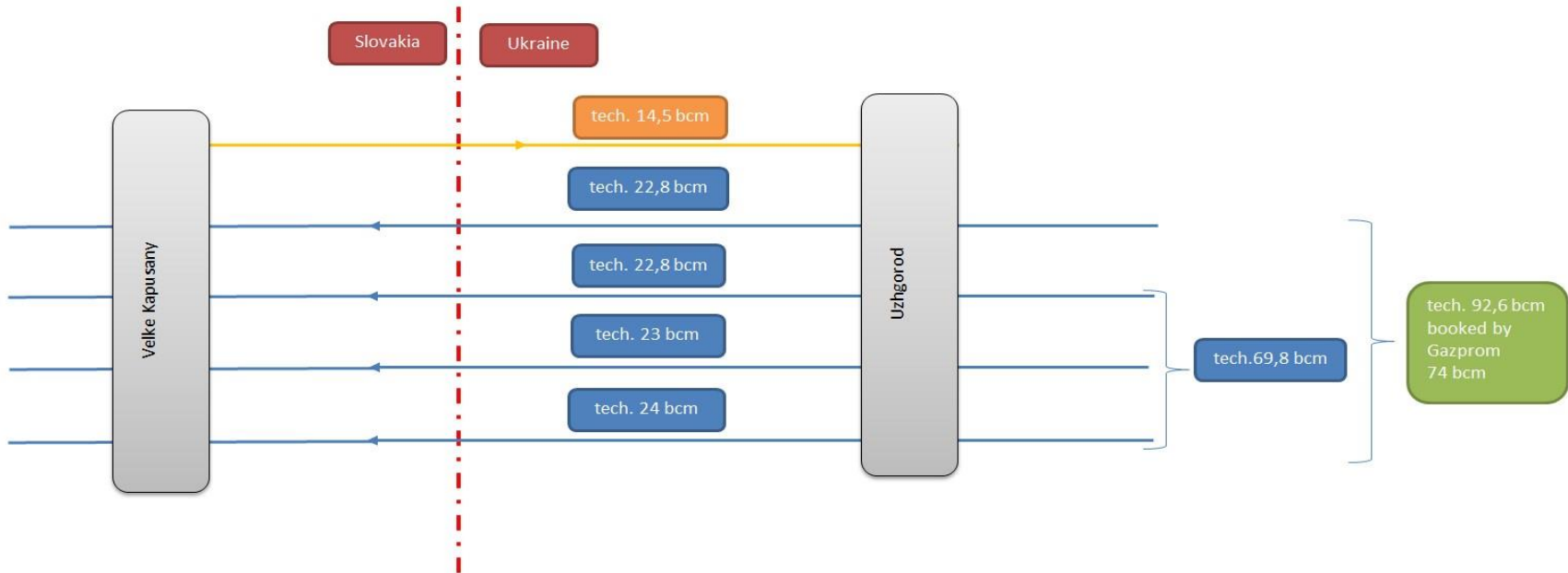
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- All transport contracts had to be adapted and transferred in the Entry-Exit-System: Coexistence of Entry Exit and Contract path is in contradiction to Regulation 715/2009
- Articles 6 and 7 of SoS Regulation (EU) No 994/2010 require Member States to enable physical bidirectional capacity on all cross-border interconnections at the latest by 3 December 2013
- Exclusive usage of gas pipeline not possible
- But legitimate rights of shippers remain in place
- But there is no right of market foreclosure
  - Booking for reverse flows obligatory
  - When capacity is not used: UIOLI

# Possibility to free up capacity in reverse flow at SK/UA IP?



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- Gazprom booked 74 bcm in normal flow, while the technical capacity is 92,6 bcm (4 blue lines)
- Basically 18,6 bcm are free but due to the legacy contracts are not used in reverse flow.
- Up to 14,5 bcm in reverse flow are available due to dedicated line.

# Legacy agreement between Eustream and Gazprom



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Eustream, the TSO of the Slovak gas transmission system (GTS), has declined to enter into an interconnection agreement with Ukrtransgaz, the TSO of the Ukrainian GTS.

Eustream explained that they cannot sign an interconnection agreement with Ukrtransgaz for the following reasons:

- Gazprom Export's exclusive rights under a **legacy agreement between Eustream and Gazprom** regulating the utilization of the Uzhgorod/ Veľké Kapušany interconnection point. Under the interconnection legacy contract, Gazprom Export is given the right to control the pipelines between the Uzhgorod and Veľké Kapušany gas metering stations on the Ukrainian/Slovak border.
- The interconnection legacy contract allows Gazprom Export to **exchange shipping code pairs** with Eustream, effectively making Gazprom Export the matching partner of Eustream.
- **Ukrtransgaz cannot perform all necessary functions of a TSO** because Ukrtransgaz cannot provide shipping code pairs for Gazprom's gas flow.

# Gas Transit via Poland



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- Polish part of Yamal pipeline:  
EuRoPol Gaz  
Shareholder:
  - [Polskie Górnictwo Naftowe i Gazownictwo S.A.](#) - 48% shares
  - [OAO GAZPROM](#) - 48% shares
  - [Gas-Trading S.A.](#) - 4% shares
- Physical reverse flow from Germany to Poland possible since 2014



# Gas Transit via Romania



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- Isaccea Entry point is divided into three pipelines
- capacity on two lines is booked entirely by Russia's Gazprom so it can transit flows through Romania onward to Bulgaria, Greece and Turkey.
- The two contracts booked by Gazprom will expire in 2015 and 2023.
- The third contract was booked by Bulgargaz and will end in 2016.





# Open questions

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- What is the status of the legacy transit contracts with Eustream, Transgaz and EuRoPol Gaz?
- Are the legacy contract between Eustream and Gazprom and the contractual agreements for the transport through Poland, Rumania and Bulgaria compliant with the EU *acquis communautaire* on energy?
- Are the legacy contracts compliant to the requirement of the competition law (market foreclosure)?





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## Contact

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# Process of implementing the 2012



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