



London, 26 June 2015

Gazprom Marketing & Trading Limited response

REMIT – Common Schema for the Disclosure of Inside Information Public Consultation Paper

Gazprom Marketing & Trading Limited (GM&T) is responsible for the optimisation of Gazprom's energy commodity assets and it is active as a shipper, trader and marketer of gas in various countries, interconnection points and European hubs, especially in North West Europe.

GM&T welcomes the opportunity to comment the consultation launched by ACER and appreciates the proposal to enhance the effectiveness of disclosure of inside information by wholesale energy market participants.

GM&T believes that a good level of transparency has been achieved in disclosure of fundamental data, but we also agree that the working practices may differ across Europe and we understand the objective of improve effective disclosure of inside information.

GM&T believes that System Operators play a fundamental role in providing up to date information on the availability and the use capacity of infrastructures that is very much relevant for market participants like GM&T. In this context, we believe that there is still room for improvement especially on the timeliness of information published by TSOs and in particular in developing European hubs.

1. Would you add any other field not included in the current proposal? If so, please explain your reasoning
2. Would you remove any field represented in the current proposal? If so, please explain your reasoning.

Concerning the detailed proposals put forward by ACER we do not have specific observations to the List of fields of Urgent Market Messages (UMMs) related to capacity changes and other type of inside information (both for gas and electricity).

In the table proposed for 'Other' type of inside information however we do not see a clear field for the description of the event, unless this is expected to be included in the field 'Remarks' (17), which does not seem fully appropriate.

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3. Would you change any of the descriptions, accepted values or applicability? If so, please explain your reasoning. Are the schemas or values that you are suggesting based on any industry standard? Which one(s)?

We are especially concerned about the proposals for the accepted values for the field (4/b) Message Type (gas capacity). We see that ACER proposes 'import contract curtailment' as a potential accepted value.

GM&T strongly disagree with this proposal for several reasons.

First, the term 'import contract' is not defined and very difficult to define in any case. We assume this including all type of contracts e.g. LNG. We fail however to recognise whether there is any differentiation between spot and longer term contracts.

Secondly, it is the only event in the list referring specifically to commercial information (a contract) rather than to the availability/use of infrastructures. We believe that contractual information cannot be considered related to the availability or the use of capacity (Article 2.1, lit a-c of REMIT). Therefore we believe that the proposal is inappropriate.

Whilst we recognise that inside information can be also of 'other type' and not only strictly related to availability and use of infrastructure facilities, we also believe that the more we move away from events related to infrastructures, the more it is difficult to 'codify' publication rules.

The Agency is also well aware of the risk for market participants of publishing misleading information. The publishing party of an 'import contract curtailment' may not know the precise reason and information about the 'curtailment' and this is a key difference with asset owners/operators which are in the condition to consider well defined events.

We also believe that the proposal is eventually discriminatory towards 'importers' provided that this category of market participants could be clearly defined. If the value 'import contract curtailment' would be covered by ACER guidance, then all contractual arrangements in gas as well as in power should be in scope. For instance, why a contract to transport gas between e.g. the Dutch TTF and the Italian PSV should be excluded?

The conditions underlying bilateral contracts are private, confidential and individually agreed between the counterparties. A publication of such information e.g. field 6b), 10b), 11b) and 12b), would harm the business of a company significantly and substantially because it is part of the business strategy to build up a portfolio with different contracts, locations and optionality/flexibility. Also, the public disclosure of contractual information may determine the breach of non-disclosure clauses and would lead to legal disputes.

Finally it is not clear what could be meant by 'curtailment'. For instance, changes in nominations within the timeline for submission of revised nominations within contractual flexibilities of the counterparties cannot be understood as a 'curtailment'.

We believe that any message type related to Capacity Change should avoid values referred to contracts because it is incorrect and can be misleading. More in general that we believe

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that any guidance or manual must be balanced in its approach and not penalising certain type of market participants.

We support equal treatment of market participants and therefore we urge caution in defining the Common Schema for the Disclosure of inside information. For these reasons GM&T believes that this value should be removed from the list of 'accepted values'.

We believe that TSOs and other system operators are best placed to publish information on the use of the transportation facilities, which would reflect issues related to changes in gas capacity availability.

Finally we would like ACER to clarify whether the list of the accepted values should be considered as exhaustive or it is only a minimal list.

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