

ACM  
Directie Energie  
Muzenstraat 41  
2511 WB The Hague

22 April 2020

**Subject: Opinion by EFET<sup>1</sup> on the Draft Decision neutrality charge and exceeding credit limit of 10 March 2020  
(Zaaknummer ACM/19/035511 – Documentnummer ACM/UIT/525975)**

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EFET welcomes the opportunity to comment on the Draft Decision amending the calculation of the neutrality charge. We believe that the decision to allow inclusion of the costs incurred in 2018 as a result of a fraud case in the neutrality charge unduly burdens the system users and is premature. Below we provide some detailed comments, some of which we have already raised during the [tariff consultation](#).

First, we would like to highlight that the loss incurred by GTS due to the imbalance caused by one of the market participants is not an exceptional event that would fall out of the scope of the system operator's activities in terms of debt collection. We believe that the TSO should first prove that all legal means to execute the payment from the responsible entity have been exhausted before the costs can be distributed between other market participants. With the decision still pending in court, we do not believe that GTS has grounds to move the costs onto the system users.

Secondly, we note that the inclusion of the costs in question in the neutrality charge will place part of the costs on interconnection points, affecting cross-border trading and moving part of the burden to the neighbouring countries along with the exported gas. Since the imbalance costs in question relate to the Dutch system exclusively, this would lead to unduly cross-subsidization.

Thirdly, we think that Credit risk management requires a detailed and diligent professional process. The proposed code change does not describe the elements of the Know Your Customer (KYC) scrutiny process of professional credit risk management and the considerate attribution of credit limits on the basis of KYC profiles. The credit rules ideally should distinguish between parties that have proven their trustworthiness and others. Additionally, we could not

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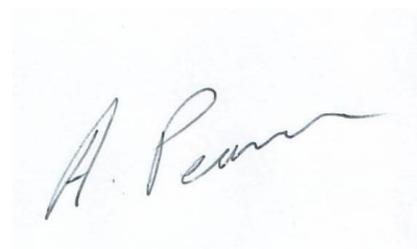
find the rules and procedures regarding debt collection that debtors need to be aware of before entering into credit positions with GTS.

We finally note that the imbalance of the responsible party was built up over four days before the system operator reacted, causing a cost of more or less 16 million euros, while much swifter responses could be observed in reaction to more recent incidents. This would imply that the credit risk management procedures of GTS were inappropriate back in 2018 and that a large share of the loss incurred could have been avoided. For that reason, we do not believe that GTS should be allowed to transfer the entire loss onto the system users even after it becomes apparent that the costs cannot be recollected from the responsible entity.

To conclude, we believe that GTS should first exhaust all the legal means to recollect the costs from the responsible company and if this proves to be impossible (in full or in part), part of the loss should be incurred by the system operator. Only after a relevant decision has been taken by the court, should the cost distribution methodology be determined by the ACM, and not anticipated as in the GTS tariff proposal for 2021. We also believe that such decision should consider the abovementioned consequences before placing a share of this costs on cross-border interconnection points.

Kind Regards,

On behalf of EFET TF BeNeLux



Andrew Pearce,  
Chairman of EFET TF BeNeLux



Doug Wood  
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