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16th November 2011

RE: GTS Balancing System issues

Dear Floris,

I would like to bring to your attention an issue that energy traders have experienced with the current GTS balancing system, which, if allowed to continue, could lead the industry to face significant unnecessary costs.

The European Federation of Energy Traders (EFET)¹ is seriously concerned about recent lapses in information and accurate allocation data for both overall system balance and for individual shipper allocations. This has led the system to take unnecessary balancing actions even when it was physically not out of balance and has exposed network users and the TSO to an uncontrollable risk. The issue occurred on 26th and 28th October, 2011, affecting the Industry as a whole and therefore, action needs to be taken to ensure that this is not allowed to happen again.

Consequently, I suggest as a priority that measures are taken to ensure back-up human intervention. For example, when GTS knows that the system is showing an imbalance due to incorrect data, the system should be suspended ('system freeze') to ensure that GTS does not have to take actions to rectify an artificial imbalance at the expense of the Industry. In a mid-term perspective the balancing of the whole system must be properly assessed to ensure that the correct trend and price signals are sent to the market.

I urgently request that this issue be addressed in an open and transparent way towards the whole shipper community. If you have any questions please do not hesitate to contact Fiona

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.



Strachan (Chair EFET Task Force Netherlands), Gunnar Steck (Chair EFET Balancing Group), or Cemil Altin (Chair EFET Information Group).

Yours sincerely

Dr Colin Lyle
Chair of EFET Gas Committee
European Federation of Energy Traders

CC:

Jan van Aken, *Secretary General, EFET*