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Kassel,
16. September 2011

Public consultation: Preliminary Consultant Report on Cost-benefit assessment of Gas quality harmonization in the EU

Dear sir or madam,

WINGAS GmbH & Co. KG, an European gas trader, appreciates the information provided concerning the Cost Benefit Analysis for the Gas Quality Harmonisation in Europe. To our understanding the harmonisation of gas quality standards has an important impact on the interoperability performance of a free liberal European gas market. Enclosed you will find our feedback to the consultations questionnaire.

If you have any questions please do not hesitate to contact us.

1. Do you agree with the high-level conclusions of this report?

We do not agree with the high-level conclusion of this report, because the assumptions and calculations that were made for the cost consideration seem to be too high and therefore unrealistic. The input data – i.e. for the Pegasus Program – is not sufficiently revealed.

The result of the costs analysis (173 bn. €) indicate a consideration of a far too wide scope of the study, especially for gas processing which is to our understanding not needed. To use the right framework of such a pan European study we would suggest the consideration of the most important issues for the gas quality harmonisation, e.g. the Wobbe Index between Continental Europe and the UK.

2. As a manufacturer do you maintain an inventory of installed appliances?

We are a gas trader.

No comment.

WINGAS GmbH & Co. KG

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3. Are there any specific gas quality-related issues not recognised within this report?

We would welcome an estimation about how far and in which intensity the EASSEE-gas parameters were considered.

For interoperability between the European gas infrastructures, issues like odorization should be taken into account, too.

4. Do you manufacturer appliances that can operate over the full EASEE-gas specification without loss of efficiency or increased of emissions?

No comment.

5. Do you have evidence of damage or failures caused by appliance operating on gas that is not compliant with the local gas quality?

No comment.

6. Would you support the adoption of the proposed EUROMOT gas quality specification (Appendix B)?

No, we don't support the EUROMOT gas quality specification. Because most parameters there have a far too narrow range. For example the variation of the Wobbe Index of 2% is far too narrow. The maximum sulphur content like the Mercaptane contents and the hydrocarbon dew point is also much too low.

Standard requirements of the supply pressure are quite not common in existing infrastructure. This infrastructure was designed under consideration of its own environmental issues, i.e. like upstream infrastructure, customer needs, safety-, material- and investment issues.

7. Are there any specific circumstances that should be assessed in detail?

In our point of view, the parameter with the highest importance for the pan European unrestrained transportation of gas is the Wobbe Index.

To estimate the real costs for gas processing of this parameter including publication of all assumptions like location, flow rates, etc. would enormously increase the quality of this study, far more than the consideration of processing facilities for all parameters on cross border points.

It is not quite sufficiently shown, how the harmonisation of the Wobbe Index was reflected in the total cost calculation (CAPEX / OPEX). Therefore we have a very high interest in understanding the assumptions that were made concerning the cost estimation for harmonisation of the Wobbe Index in particular.

More specifically we would like to know what gas specifications for the gas processing of the Wobbe Index have been assumed (adaption from which level to which level), further which amounts were assumed to be processed and blended, which specified locations of processing plants, which specification limits, which technologies, which investment and processing/operational costs were assumed.

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It would be quite interesting to know if the today existing gas blending and processing services, for example at landfall terminals of offshore pipelines, and the operational regime which is used today was already considered and how.

8. Do you consider that the data used to undertake this analysis is sufficient to support the conclusions presented in this report?

Since the presentation of the assumptions and calculations are not sufficient enough, we do not agree with the conclusion of this report. We think that the data bases which were considered to undertake the Cost- Benefit- Analysis and the presentation of the assumptions and calculations is not sufficient enough.

9. Should significant effort be made to improve the data used in the analysis presented in this report?

Yes, as sufficient data should already be available.

10. Do you have access to further data that could (if it were made available) improve the quality of the data used in the analysis presented in this report?

WINGAS GmbH & Co. KG is a mere shipping and trading company. We consider a corresponding data request to be addressed to Transmission System Operators to be a more convenient way to receive information on quality measurement values, for instance via WINGAS TRANSPORT GmbH.

11. Can you provide typical gas composition at cross border points?

See point 10.

12. If so, can this data be made available (respecting confidentiality, as required)?

See point 10.

13. How should data be collected for such a study?

It should be considered which future gas qualities from new entry points in the European market can be expected.

Also the volatile impact of LNG deliveries should be taken into account as well.

Yours faithfully,

WINGAS GmbH & Co. KG



Groh



Kupetz

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