

Press Release

NetConnect Germany will reduce its control and balancing energy levy and its conversion fee from 1 April 2013

Ratingen, 15 February 2013. As of 1 April 2013, NetConnect Germany (NCG) will reduce the control and balancing energy levy applicable in its market area from the current level of 0.06 ct/kWh to 0.02 ct/kWh. As of the same date the conversion fee will also go down, from 0.7 €/MWh to 0.6 €/MWh (independent of the direction of conversion). Furthermore, NCG will continue not to charge a conversion levy on physical entry volumes.

The reduction of the control and balancing energy levy can be attributed in particular to the positive development of the exchange-based procurement of balancing gas using the wholesale trading hub European Energy Exchange (EEX), with delivery at the NCG VTP and the Dutch VTP Title Transfer Facility (TTF). At the exchange balancing gas is procured at optimised prices within the market area, which contributes to a reduction in the costs that are charged to the control and balancing energy levy account.

According to analyses carried out by NCG the current period has seen an increase in the use by market participants of the conversion facilities provided in the market area. Thanks to the current balance of the conversion account and the projections for the future evolution of the conversion scheme NCG is in a position to further reduce the conversion fee.

	Currently; until 31 March 2013	New; from 1 April 2013
Control and balancing energy levy	0.06 €ct/kWh	0.02 €ct/kWh
Conversion fee	0.7 €/MWh	0.6 €/MWh

NetConnect Germany is the entity implementing the market area cooperation between the transmission system operators bayernets GmbH, Fluxys TENP GmbH, Open Grid Europe GmbH, GRTgaz Deutschland GmbH, terranets bw GmbH and Thyssengas GmbH in the joint market area NetConnect Germany (NCG). Its market area, which stretches from the North Sea coast down to the Alps, is the largest German market area, connecting around two thirds of all end users in Germany.

NCG's core activities are the management of balancing groups, the operation of a virtual trading point, the handling of physical balancing activities and the online provision of, inter alia, market and settlement data for network operators and balancing group managers.

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