

# Results of the 2019 VTP market consultation

September 2019

# VTP market consultation process

## Aims

- Surveying our customers as to their satisfaction with the VTP services
- Developing measures for further development

## Market consultation procedure

- Notification of market partners by email and press release
- Survey via NCG website by means of online survey tool

## Consultation period

- Start date: 05/06/2019 06:00
- Closing date: 19/06/2019 23:00

## Respondents

- 39 (6 of whom have not released their responses for publication)

## VTP portal, VTP system and customer service

- With regard to the NCG customer service and support nearly all respondents have expressed their satisfaction
- All respondents are satisfied with the availability of the VTP system
- Specific suggestions for further development of the VTP portal/VTP system have been submitted

## Liquidity in the NCG spot and forward/futures markets

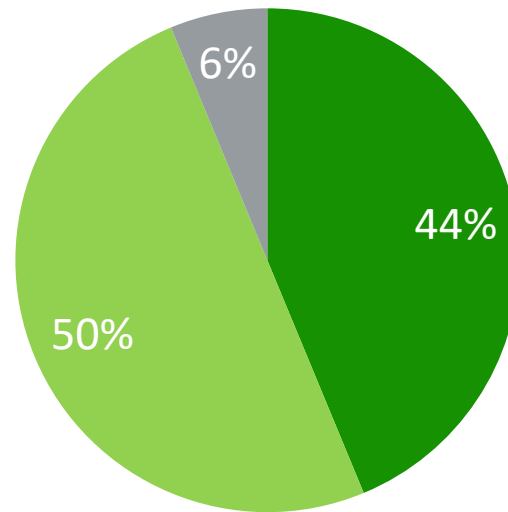
- Market mergers considered positive for development of liquidity

## Results of the survey in detail

Please note:

For all free-text questions only excerpts of the responses are presented.

# As a VTP user, how satisfied are you with the availability and support of the customer service provided by NCG?



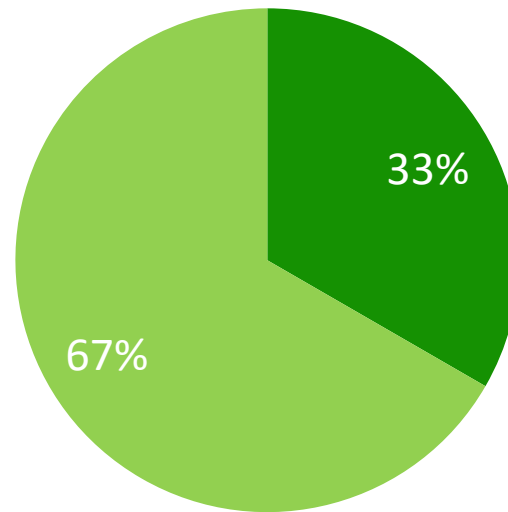
■ Very satisfied   ■ Satisfied   ■ Only partly satisfied   ■ Dissatisfied   ■ Very dissatisfied

No answer: 1



94% of respondents are satisfied or very satisfied with the support and availability of the customer service provided by NCG.

As a VTP user, how satisfied are you with the availability and support of the NCG department “Operations Virtual Trading Point & Balancing Gas”?



■ Very satisfied   ■ Satisfied   ■ Only partly satisfied   ■ Dissatisfied   ■ Very dissatisfied

No answer: 9

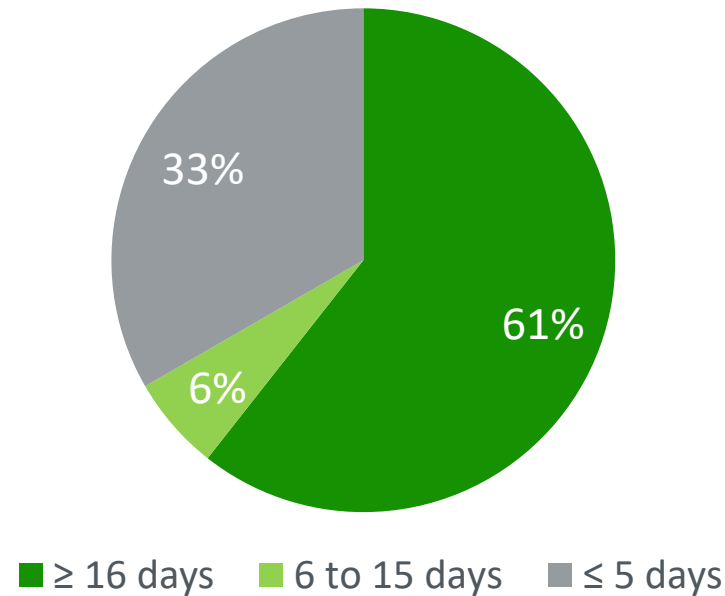


All respondents are satisfied or very satisfied with the support and availability of the NCG department “Operations Virtual Trading Point & Balancing Gas”.

# What measures would increase your satisfaction with the NCG customer service or the NCG department “Operations Virtual Trading Point and Balancing Gas”?

- Automated email notifications for mismatches relating to exchange nominations (e.g. due to bank holidays)
- Contact BGMs if you do not receive CONTRL messages in response to NOMRES messages sent by MAM
- It should be ensured that BGMs are always contacted by phone in case of a mismatch (24/7 phone contact)
- Former buy/sell positions should automatically be set to zero when nomination direction changes to sell/buy, respectively
- General availability of NCG staff should extend to the late afternoons and early evenings, especially – but not only – on “critical” days (change of month, change of gas year/calendar year)

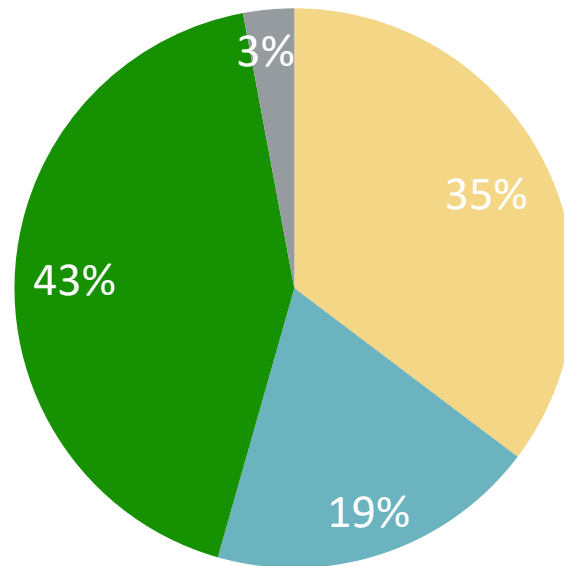
# On how many days in a month do you use the VTP portal provided by NCG?



67% of respondents use the VTP portal on a regular basis.



# For what type of activity do you use the VTP portal provided by NCG?\*



■ Nominations   ■ Reporting   ■ Monitoring of matching status   ■ I don't use the VTP portal

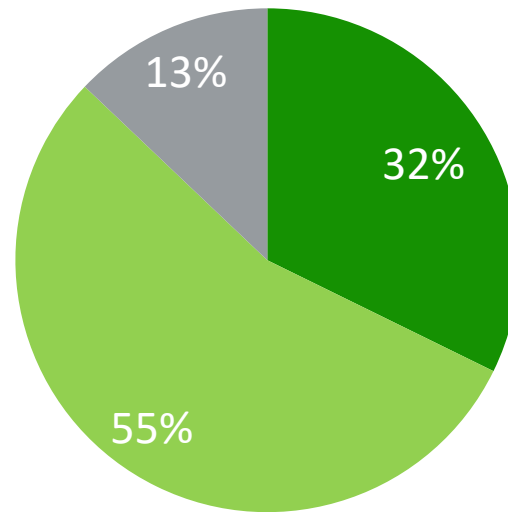
No answer: 1

\*) Multiple answers possible



Respondents primarily access the VTP portal for the purpose of monitoring their matching status.

# How satisfied are you with the functions provided on the VTP portal for use of the VTP?



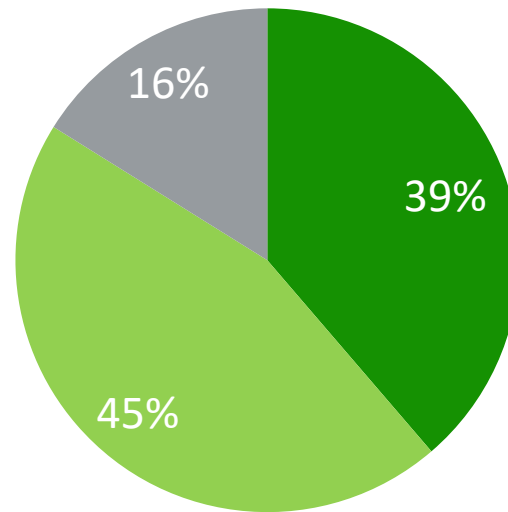
■ Very satisfied   ■ Satisfied   ■ Only partly satisfied   ■ Dissatisfied   ■ Very dissatisfied

No answer: 2



**87% of respondents are satisfied or very satisfied with the functions provided on the VTP portal for use of the VTP.**

# How satisfied are you with the performance (e.g. response times, reliability) of the VTP portal?



■ Very satisfied   ■ Satisfied   ■ Only partly satisfied   ■ Dissatisfied   ■ Very dissatisfied

No answer: 2



84% of respondents are satisfied or very satisfied with the performance of the VTP portal.

# What specific functions or changes (e.g. to the user interface) would improve usability of the VTP portal? (1/4)

- Daily overview: show several days on the same page
- Display of partner names next to codes in hourly overview and nomination screen: show data in the form of a matrix (e.g. row = partner, column = hours)
- Matching overview showing matching status for several days or defined time periods (e.g. current day + day-ahead)
- Add option to hide “zero” nominations
- Add option to search for counterparty by entering their balancing group code
- If a party has not submitted any nominations but data is available from a counterparty, this is “greenlighted” under the traffic-light colour coding scheme used on the portal; it should be clear at first glance that this is not a match

# What specific functions or changes (e.g. to the user interface) would improve usability of the VTP portal? (2/4)

- Portal should be able to show at a glance all nominations, counterparty nominations and the matching status for all balancing groups managed by a BGM (including third-party balancing groups managed under service agreements), regardless of gas quality or balancing group owner
- All mismatches should be displayed clearly on a single screen (as is currently the case for the mismatch filter)
- Ensure consistency across all functional areas (Field\_1: Company name, Field\_2: DVGW code) including efficient search options
- Add function to change balancing group characteristics (master vs. subordinate balancing group vs. balancing subgroup) → market participants would then not have to notify changes by meter point using EDIFACT; allow sub-structure for balancing subgroups within balancing subgroups (if necessary add provisions to Cooperation Agreement)

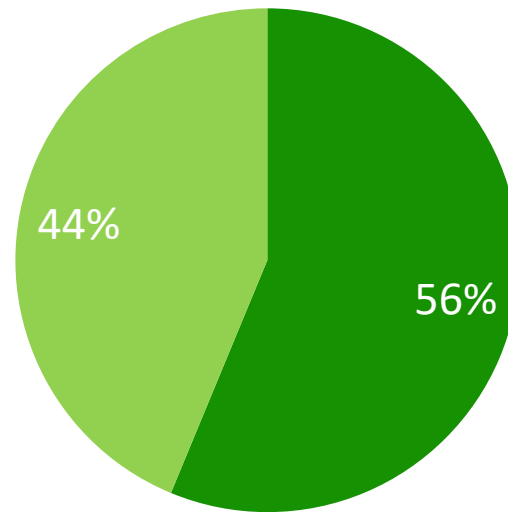
# What specific functions or changes (e.g. to the user interface) would improve usability of the VTP portal? (3/4)

- When selecting a balancing group the date always changes to the current date, even when a past day was selected in the daily overview; when entering nominations for several days the date of the last gas day frequently moves to the same date as the first gas day after the counterparty balancing group is selected
- Improve the time the VTP portal takes to load
- Login via Safari is difficult
- Optimise display in Safari browser
- Sometimes multiple logins are necessary to access the overview
- Enable portal use via smartphone (responsive design)
- Usability is not 100% intuitive for new users

# What specific functions or changes (e.g. to the user interface) would improve usability of the VTP portal? (4/4)

- VTP matching overview needs to be optimised for mobile devices (traffic-light colour coding scheme)
- Android compatibility (tablets) should be reviewed and improved
- Hours when the clocks change from and to daylight saving time should be marked with a clear line
- Don't reject entire nomination if counterparty nomination has errors

# How satisfied are you with the availability of the VTP system?



■ Very satisfied   ■ Satisfied   ■ Only partly satisfied   ■ Dissatisfied   ■ Very dissatisfied

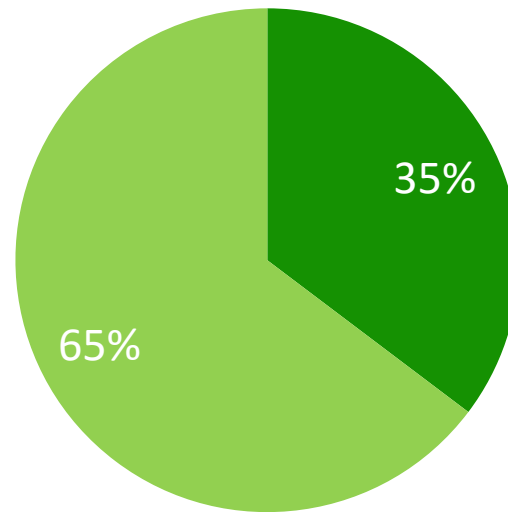
No answer: 1



All respondents are satisfied or very satisfied with the availability of the VTP system.



# How satisfied are you with the assistance provided by NCG when the VTP was unavailable?



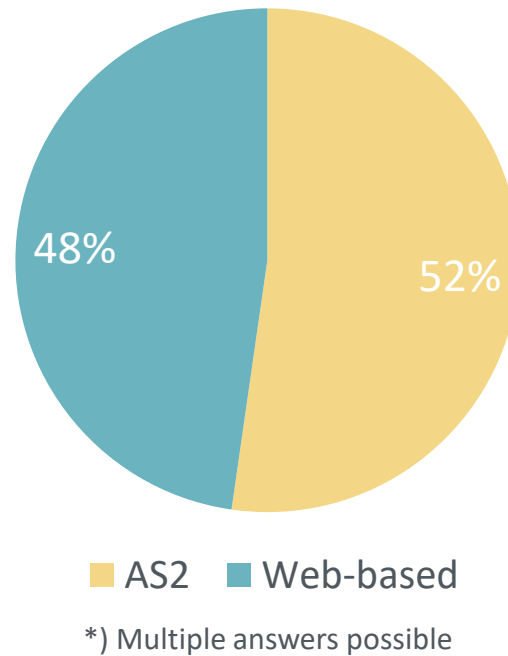
■ Very satisfied   ■ Satisfied   ■ Only partly satisfied   ■ Dissatisfied   ■ Very dissatisfied

No answer: 16

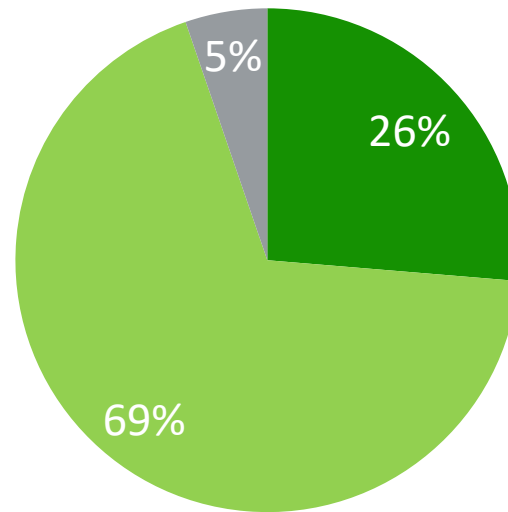


All respondents are satisfied or very satisfied with the assistance provided for system issues.

# Which channel do you use for submitting VTP nominations?\*



# How satisfied are you with the VTP statistics published by NCG (e.g. trading volumes, churn rate)?



■ Very satisfied   ■ Satisfied   ■ Only partly satisfied   ■ Dissatisfied   ■ Very dissatisfied

No answer: 14



95% of respondents are satisfied or very satisfied with data transparency and availability.

# What other data do you think should be published?

→ *No answers.*

What measures would you say could be taken to increase the level of liquidity in the spot market (exchange and/or OTC) operated at the NCG VTP?

- Market mergers (e.g. with GPL and/or TTF)
- Within-day and spot trading via NCG at OTC or settlement price without charges etc.
- Lower financial barriers (exchange) for small suppliers
- Market-making agreements
- Leaner, standardised alternative to EFET etc.
- Implement market area merger with higher level of entry capacity than the ~20% currently under discussion

Are you aware that NCG has tendered out contracts for market-making services? Do you have any suggestions in this context?

→ *No suggestions received.*

# What measures would you say could be taken to increase the level of liquidity in the futures/forwards market (exchange and/or OTC) operated at the NCG VTP?

- Reduce or eliminate the high basic trading fees charged by PEGAS
- Option to buy trade products at settlement price
- Within-day and spot trading via NCG at OTC or settlement price without charges etc.
- Market merger (e.g. with TTF)
- Exchange and brokers should adjust minimum contract size for futures/forward trading to 1 MW as in electricity trading
- Implement market area merger with higher level of entry capacity than the ~20% currently under discussion

# Please state your expectations as to the future VTP (VTP services, VTP portal etc.) (1/2)

- The VTP and services of NCG should be maintained
- In comparison with GPL, the services provided on the NCG portal are better, easier to understand and more clearly structured
- Functions should be designed as on the NCG VTP portal and the NCG Market Partner Portal (including the data portal)
- We expect that the merger of the two different systems will simplify our processes and work significantly
- Either the Gaspool or the NCG balancing group codes should be used in the future (no new codes)
- Nominations should be possible at balancing subgroup level; this would be especially helpful for BGMs who use complex balancing subgroup structures and manage their portfolio by assigning individual balancing subgroups to individual shippers



# Please state your expectations as to the future VTP (VTP services, VTP portal etc.) (2/2)

- Central phone number/email contact
- Harmonise matching codes used in NOMRES messages so that only 16G is used; today monitoring of matching status in NCG market area requires checks against 32G/33G while for GASPOOL you have to check against 16G. Flexibility nominations are matched using the 16G code in both NCG and GASPOOL, so it would make sense to confirm matching results for all nominations using 16G
- Publish detailed information on market area merger website as early as possible, including information on most likely options (especially regarding impact on balancing group structure)
- We hope that futures/forward liquidity will increase
- The number of nomination processes that need to be handled will go down as market participants will no longer have to nominate high-cal and low-cal quantities separately for each market area

## Do you have any other comments or suggestions for improvement regarding the NCG VTP? (1/2)

- It would be more convenient if users received an email reminder when their password needs to be changed; this email should be sent on business days
- Change nomination format from AS2 to market standard AS4
- Introduce once-per-day/twice-per-day message runs (e.g. 7pm and 8pm) sending out NOMRES 18G messages for all received VTP nominations to make the counterparty nominations valid at that time available to all market partners – even if the matching result remains unchanged; this allows for an early identification of mismatches that do not change a BGM’s own matching result
- Name of the future MAM must be announced shortly, preferably in the current or next quarter so that the products traded in the futures/forward markets for the years 2021 and upwards can be planned early and liquidity can grow
- Definitive timing of the market area merger should be confirmed before the end of this year

## Do you have any other comments or suggestions for improvement regarding the NCG VTP? (2/2)

- It should be possible to save and print the responses entered in the VTP market consultation survey
- Where linking arrangements are in place, it should be possible for the BGM owning the higher-level balancing group to terminate the link on the Market Partner Portal; currently this can only be done by the owner of the lower-level balancing group
- It should be possible for BGMs to close/terminate balancing subgroups via the Market Partner Portal, too; currently this requires a written letter (by email)
- Provide additional reports via monthly subscription service (reports for the prices applied to RLM quantity differences, within-day flexibility charges and daily imbalance prices)
- The conversion neutrality charge (delivery of gas at entry points) should be billed by TSOs and published as part of TSOs' transportation tariffs