



To:
RAE
via
gasconsultation@rae.gr

Athens, 29 September 2021

No. RAD/ S.C. 146742/ 1346

Subject: Public Consultation of RAE concerning the Terminal Access Code
in Alexandroupolis LNG Terminal

Re: Announcement of RAE as of 26.08.2021

Dear Sirs,

PPC would like to comment on the draft "Terminal Access Code" (TAC) for the Alexandroupolis LNG Terminal released for public consultation by the Regulatory Authority of Energy as follows:

General Comments:

- The text in subject should have been set under public consultation together with the Inter-User Agreement (IUA) and the Terminal-User Agreement (TUA) draft texts, so that the market players could develop a clear and comprehensive understanding of the whole terminal operation as well as the trading framework within the terminal.
- Consequently, the comments submitted by PPC under the present public consultation are subject to potential revision, once the draft TUA and IUA texts will have been released.
- In any case, the terms included in all texts concerning the operation of and trading within the terminal should be consistent with the globally applicable commercial terms in LNG trading contracts.
- Although several provisions concerning the Guarantee arrangements are included in the TAC under consultation, the guarantees to be provided by the terminal users are not specified, since they are supposed to be included in the TUA and IUA texts. Consequently, PPC reserves the right to come back with comments on the issue as soon as the aforementioned additional texts are released.



- More specific provisions are required for the various references about "reasonable" time (e.g. para. 4.6.3) or in cases of complete lack of a concrete time specification (e.g. para. 4.6.2.c) in the TAC.

Particular Comments:

- Environmental responsibility: Any environmental damages to the terminal user should be attributable either to the vessel operator or the terminal operator, as the case may be, on the basis of the actual events. Apparently, the terminal user may not be held responsible for any such environmental damage since he has no control over the LNG discharge and handling process (para. 10.8.2).
- Reconciliation of LNG positions: The intervention of the Terminal Operator in setting the price for any LNG volume exchanges between users should be kept at a minimum - if not completely avoided - aiming exclusively for the purpose of facilitating cooperation between users for reconciliation of their LNG positions. In any case, we shall come back to the issue as soon as the draft IUA is released (para. 8.3.1).
- Access of Terminal Operator to IUA Guarantees: Although the IUA text is not released, we assume that such guarantees are intended to cover the risks of terminal users associated with their transactions with other users. Therefore, such funds should not be accessible to anyone other than the terminal users, nor should they be used for any purpose other than the one for which they are intended.
- Cargo Tolerance - Cargo Failure: The TAC provision considering the deviation of an LNG cargo from the tolerance allowed as a cargo delivery failure should be reconsidered. Furthermore, clarity is required as regards the exact timing for the relevant notification. The revised relevant provisions should be compatible with normal LNG market practices (para. 9.2.1).
- Limitation of the Operator's Liability: Fraud and corruption should also be considered as failure of the Operator to perform its obligations under this TAC (para. 12.1.1.a).
- Long-Term Users' entitlement to Reserved Capacity: Clarification is required concerning the rights of a long-term user for the next Contract Year. (para. 4.2.2.).
- Concerning the unused capacity sold to other users, it should be clarified that the long-term user shall only be liable for payment of the administrative fee and not for the unused capacity (para.4.2.3).



- Given that, at global level, the unit of measurement employed in natural gas trading and relevant services is the MWh, it is advisable that this should be also the unit of all transactions and invoicing at Alexandroupolis LNG terminal.

We remain at your disposal for any further clarifications.

Sincerely,

Gkatzou Evangelia
Director of Regulatory Affairs