



To:
RAE
via
gasconsultation@rae.gr

Athens, 24 January 2022

No. RAD/ S.C. 10441/72

Subject: Public Consultation of RAE concerning on the Inter-User Agreement for the Alexandroupolis Independent Natural Gas System

Re: Announcement of RAE as of 13.01.2022

Dear Sirs,

PPC would like to comment on the Inter-User Alexandroupolis LNG Terminal Use Agreement released for public consultation by the Regulatory Authority of Energy as follows:

Regarding the definition of "**Guarantee LNG Price**":

- TTF Day Ahead Index would introduce unnecessarily high volatility in LNG trading between users. Furthermore, it is by no means cost reflective since it is not used in European LNG pricing. In that context we propose that the Guarantee LNG Price should reflect the TTF monthly index.
- Moreover, despite that financial contracts, such as futures and options on JKM, are listed on exchanges (ICE) - the use of indices not used in any European LNG cargoes in the Guarantee LNG price calculation, such as the JKM index which represents spot LNG prices for delivery to northeast Asia, would further complicate the procedure, potentially leading to market distortions as a result of giving wrong messages to the market. In any case, should the FSRU Operator insist in using the JKM it would be absolutely necessary to source all indices from the same publication (e.g.: ICIS).
- It is necessary to clarify the approach adopted regarding the calculation of premiums, including any assumptions that have been made, primarily for



transparency reasons, but also for information completeness and further common understanding.

Concluding, we would like to propose that the Guarantee LNG Price should be calculated on the basis of the TTF monthly index plus the two premiums.

We remain at your disposal for any further clarifications.

Sincerely,

Gkatzou Evangelia
Director of Regulatory Affairs

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