

Dear Sirs,

Please find here the comments to the public consultation on amendments to the Regulations of Use of the Inčukalns UGS Facility on behalf of Baltic Energy Partners OÜ and Scener SIA.

- 1) We see that the changes would provide necessary longer term product that is missing from the market today, however, the target share of planned long term product as 80% is too high and it would limit the competition too much in the region. **We would suggest to reduce the share to 50-60% maximum of the expected technical capacity of UGS. Otherwise there is a serious threat to competition in the region** in times when we have too dominant market players in the region while the competition in Europe should intensify for offering natural gas/LNG.

- 2) Secondly, we see that the assessment that the competition for 1-year product will be less with smaller capacity in the market is not true – in fact the competition will be higher. In addition, if there is no stock transfer product, then there will be a number of market players who are in fact forced to buy new 1-year bundled products. Therefore, we **strongly suggest to keep the Stock Transfer Product (INTP) as otherwise the value of the product will less than in todays market. This would also keep some needed continuity in the mix of offering of USG that market players are used to today. Essentially the clauses 1.12 and 4.11 should be deleted** from the regulations.

With regards,

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