



## Ukrainian gas transmission and storage system

---

Deputy Head of Commercial Dispatching Division  
Branch TSO of Ukraine  
JSC “Ukrtransgaz”  
Agneta Kutselim



# Ukrainian GTS – secure transit and transportation

## One of the largest in Europe

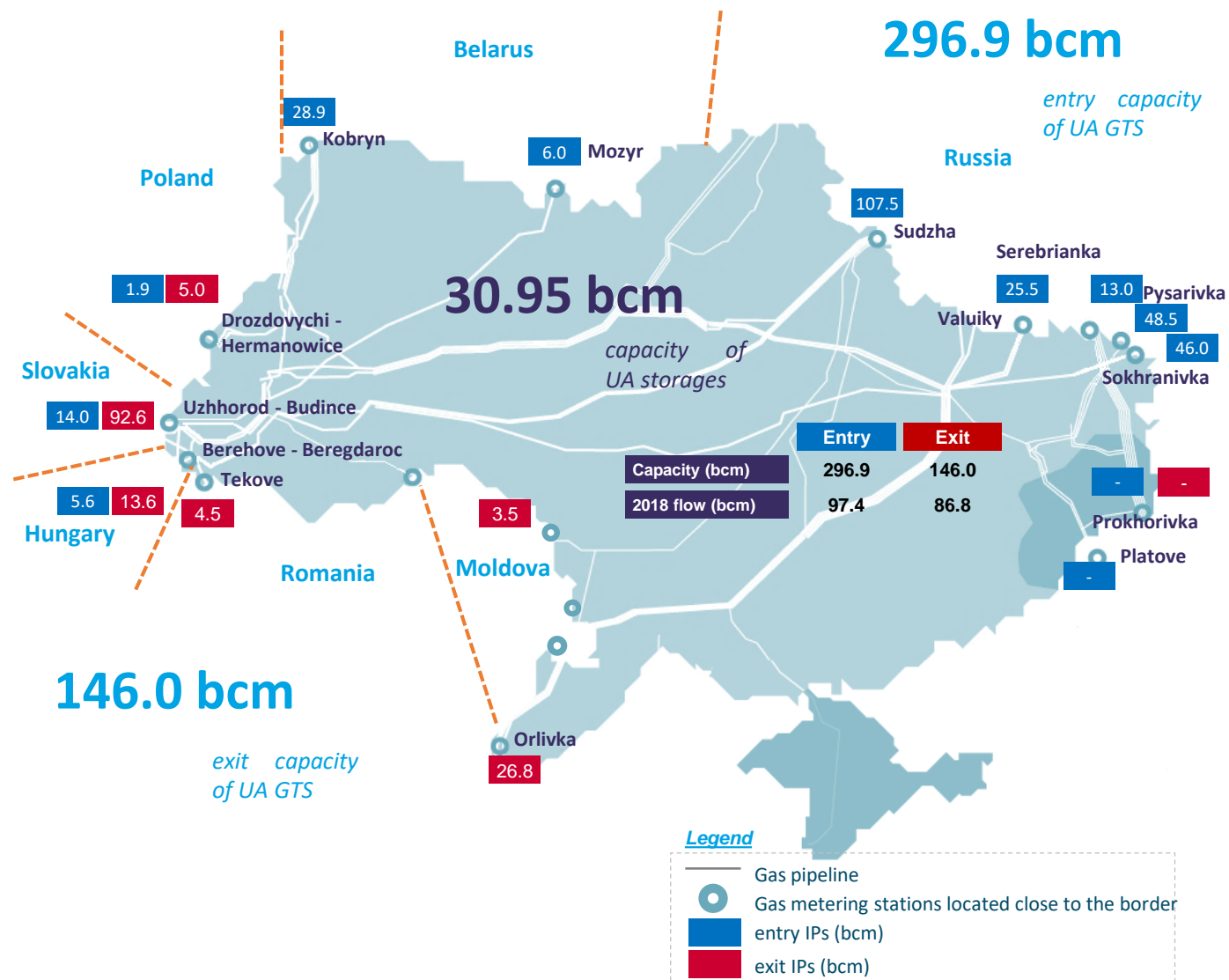
- 35576 km of pipelines (+ 2450 km on TOT\*)
- 1 392 Distribution stations (+83 on TOT)
- 70 Compressor Stations (+3 on TOT)
- 11 storages with total capacity of 30.95 bcm (+1 storage of 0.4 bcm capacity on TOT)

## High interconnectivity

Existing direct connections to 4 EU countries (PL, SK, HU, RO), direct Trans-Balkans pipelines to BG, GR and TR, connections to MD, BY and RU.

## Reliability and flexibility

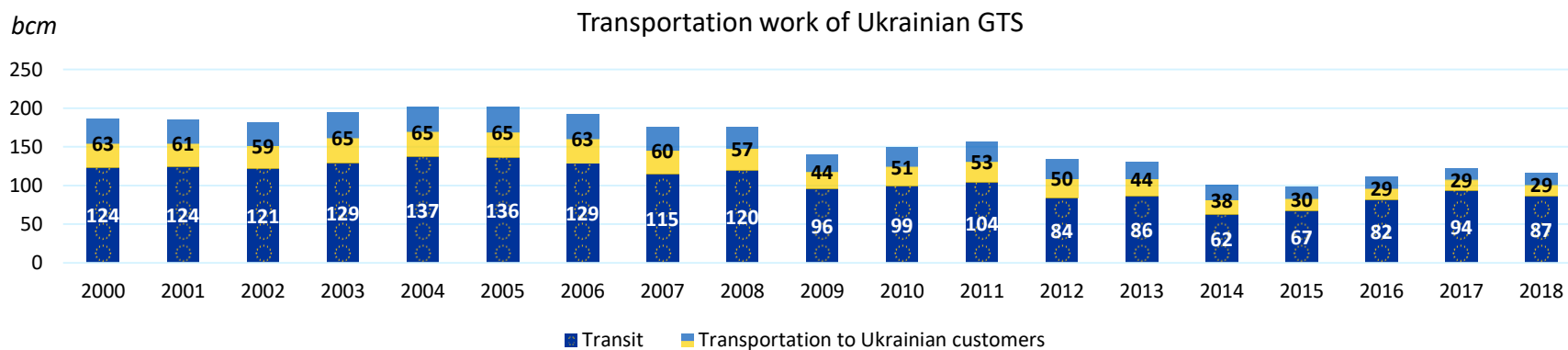
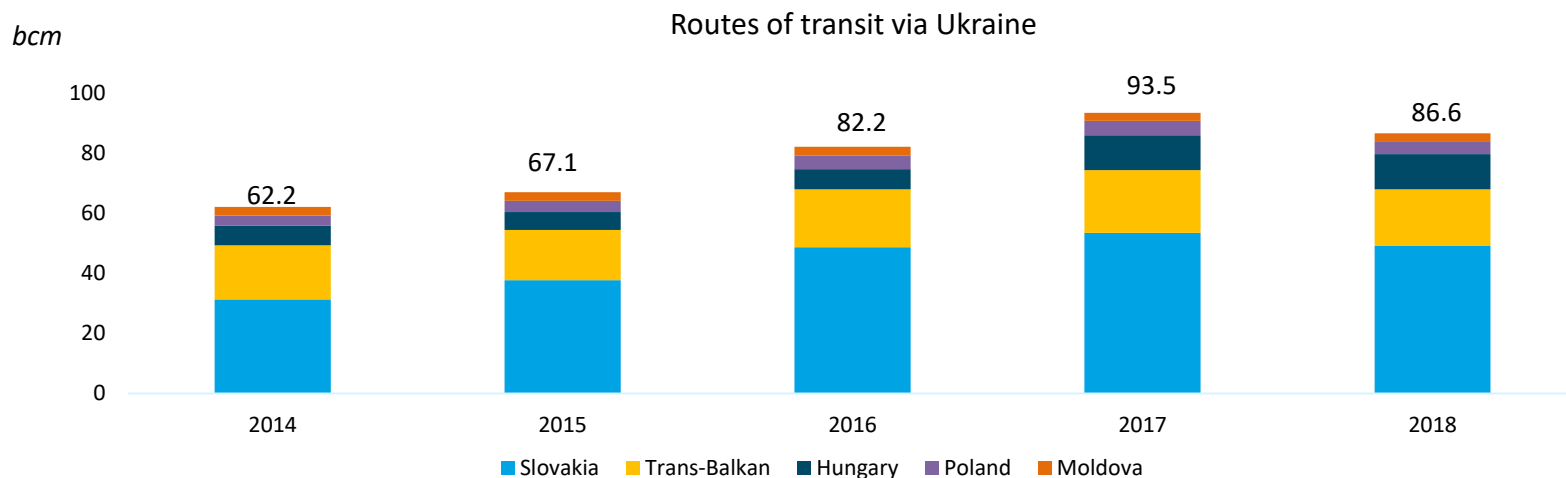
Extensive gas transportation infrastructure as well as huge storages guarantee safe and reliable transit, providing stable flexibility tool for transit to the EU.



\* TOT – temporarily occupied territories of Donetsk and Lugansk regions, Crimea



# Transit and transportation via GTS of Ukraine





# Main regulatory achievements and next steps

## Gas Law aligned with the 3rd Energy Package

In 2015 the Law “On natural gas market” aligned with Directive 2009/73/EC was adopted in Ukraine. In 2015 Gas transportation code was adopted, where the main requirements of Third Energy Package Regulations were transposed. As a result:

- Number of international traders opened Ukrainian offices (Trafigura, MET, Engie, DufEnergy, etc.);
- 70 independent gas importers to Ukraine in 2018, growing for three years in a row;
- about 300 active local gas traders;
- Share of main supplier (Naftogaz) decrease to 5% at the deregulated gas market segment.

## Improved interconnectivity

In 2012-2015 three new entry IPs were created, which are functioning in accordance with the EU Regulations, providing the opportunity to freely import natural gas and eliminating gas dependency on Russian Federation.

## Customs warehouse for gas

In summer 2017, UTG opened a “customs warehouse” for European traders on the basis of 10 gas storage facilities, allowing to temporary store natural gas in Ukraine for 1095 days without paying taxes and customs duties.

## Daily balancing

From 1 March 2019, UTG switched to daily balancing, which resulted in decrease of imbalances and boosted the interest in UA natural gas market.

## New services – to be applied starting from this summer

Shorthaul service (discounted transmission tariffs for transit via IPs in Western border of Ukraine).

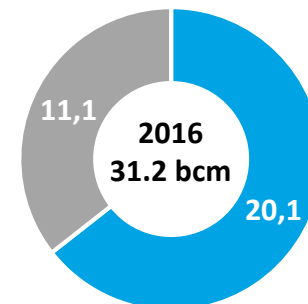
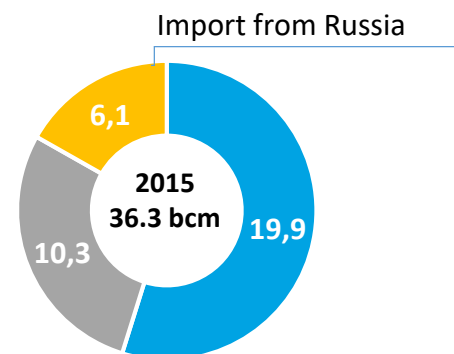
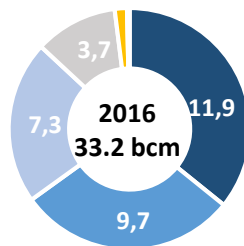
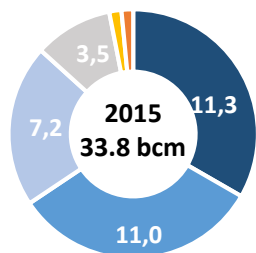
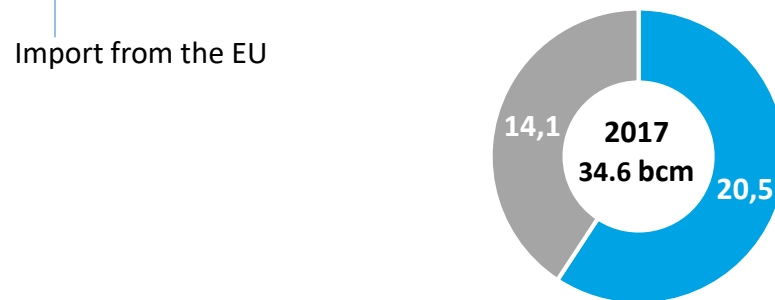
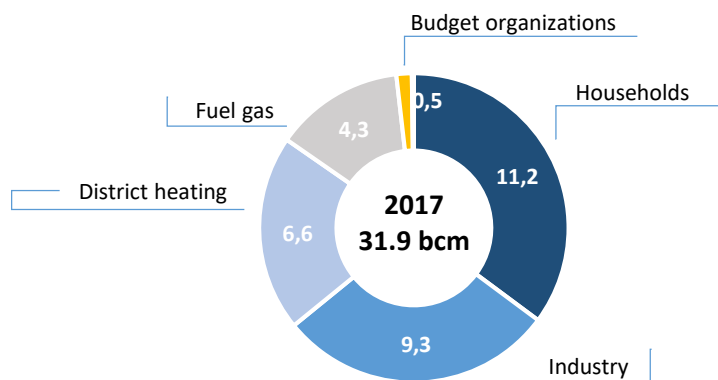
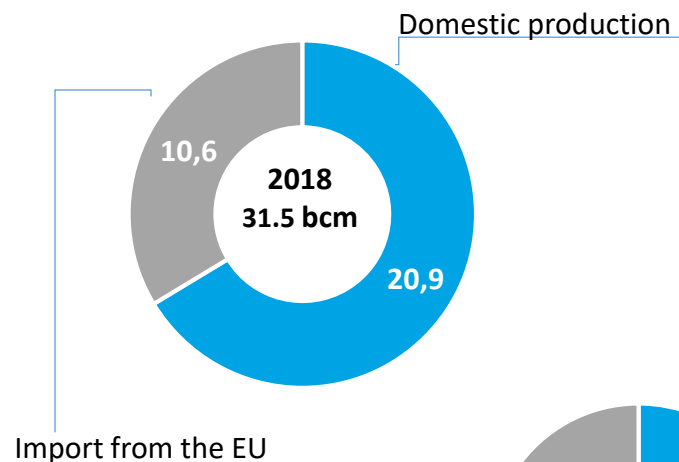
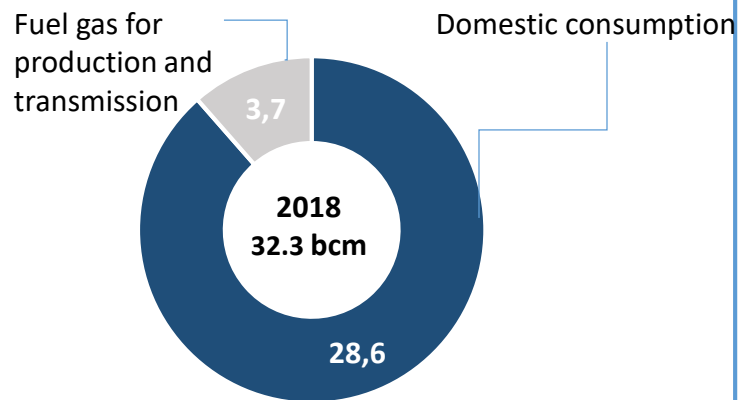
## Next important step – unbundling of the TSO and engagement of the international partner

In 2017 UTG branch TSO was created, which combined all assets, personnel and business processes needed to execute TSO-related activities.

TSO LLC created in 2019, transfer of operation and maintenance function - by 1 July 2019, from 1 January 2020 - transfer of remaining functions and full unbundling. Negotiations with potential international partners are continued.

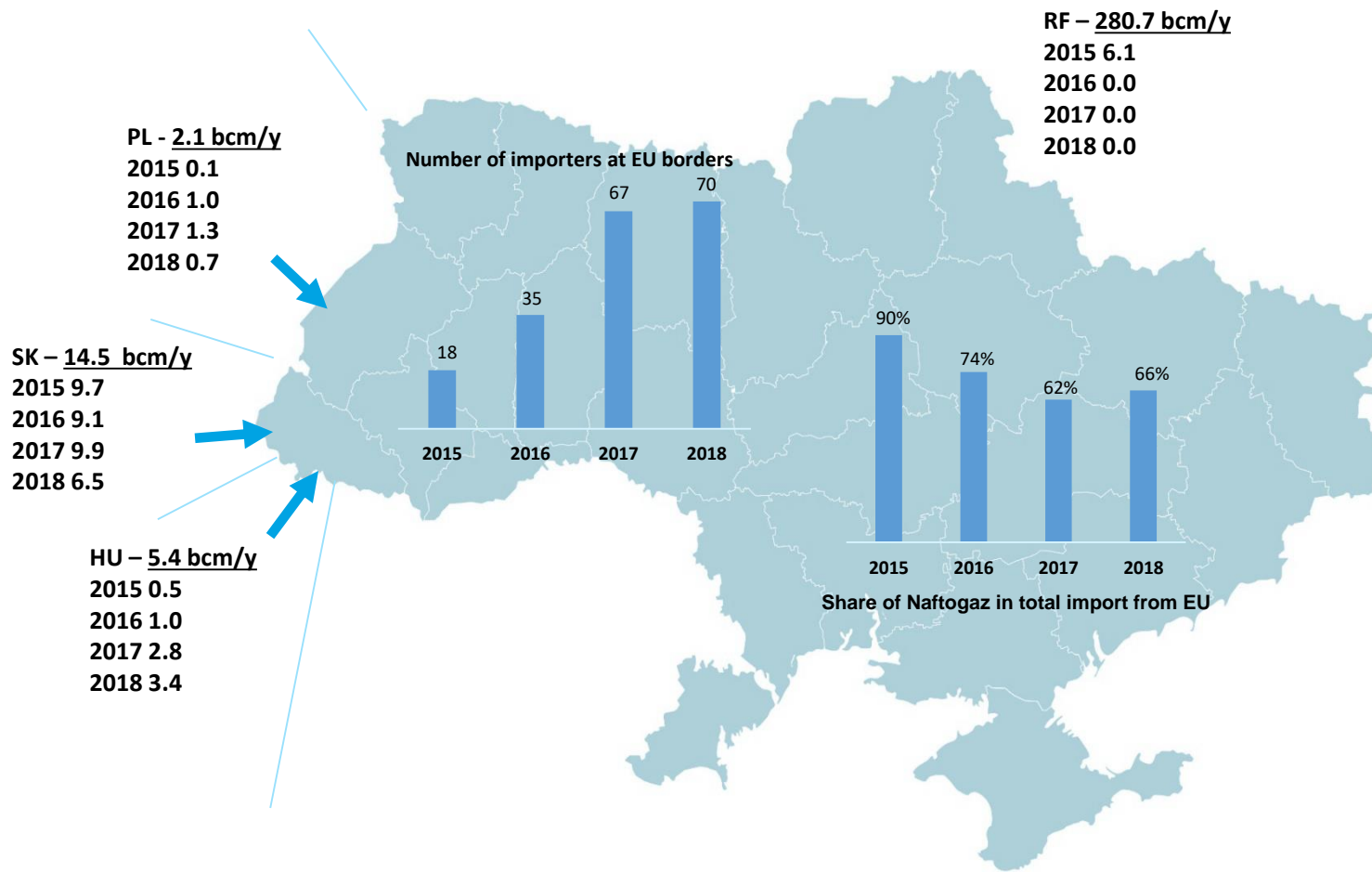


# Key indicators – demand and supply





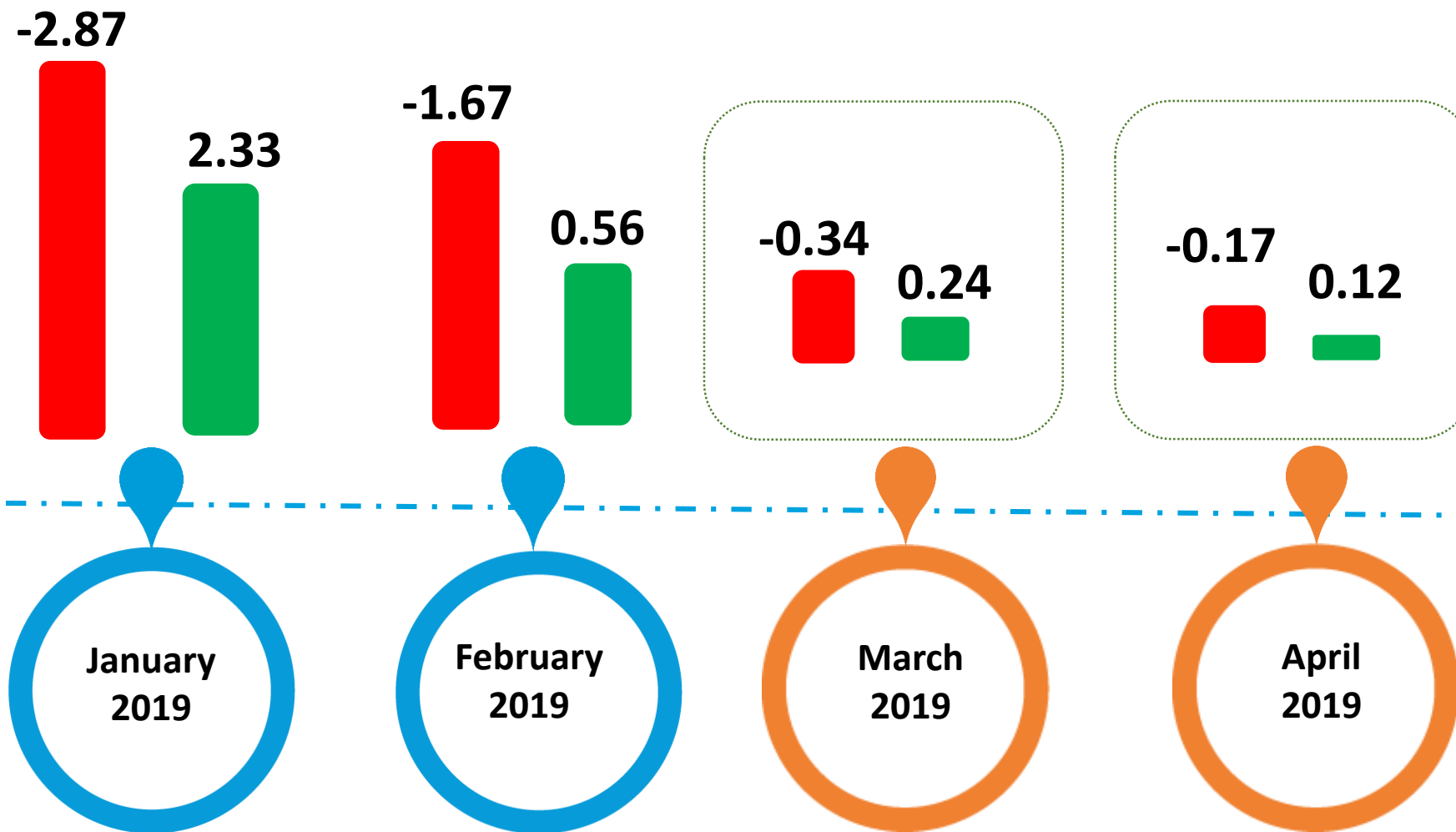
# Import of natural gas to Ukraine





# Daily balancing launched in March, 2019

According to the results of the first month of Daily balancing, suppliers more precisely regulated their withdrawals



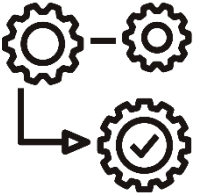
bcm

Positive daily imbalance  
Negative daily imbalance



# What has changed with the introduction of Daily balancing?

Transition to the electronic form of the primary documentation –



**Maintenance of the Transportation Agreement by electronic documents in the Information platform:**

- Nominations / Renominations
- Information exchange on volumes of gas in-takes and off-takes - forecast (initial) / actual allocation
- The act of regulating daily imbalances
- Invoice for a daily imbalance fee



**Centralized and regular collection of physical data on the operation of the GTS**



**The balance between the GTS and underground gas storage facilities (UGSF) is achieved - synchronized daily operation**





## Information platform – next steps



Capacity allocation



Improvement of the system of commercial balancing



*Allocation agreements*



*Balancing groups*



*Balancing of PSO portfolio*



*Start of co-operation with Trading platforms*



Practical issues of optimizing the system



Start of the Information platform of SSO



**Thank you for your attention!**