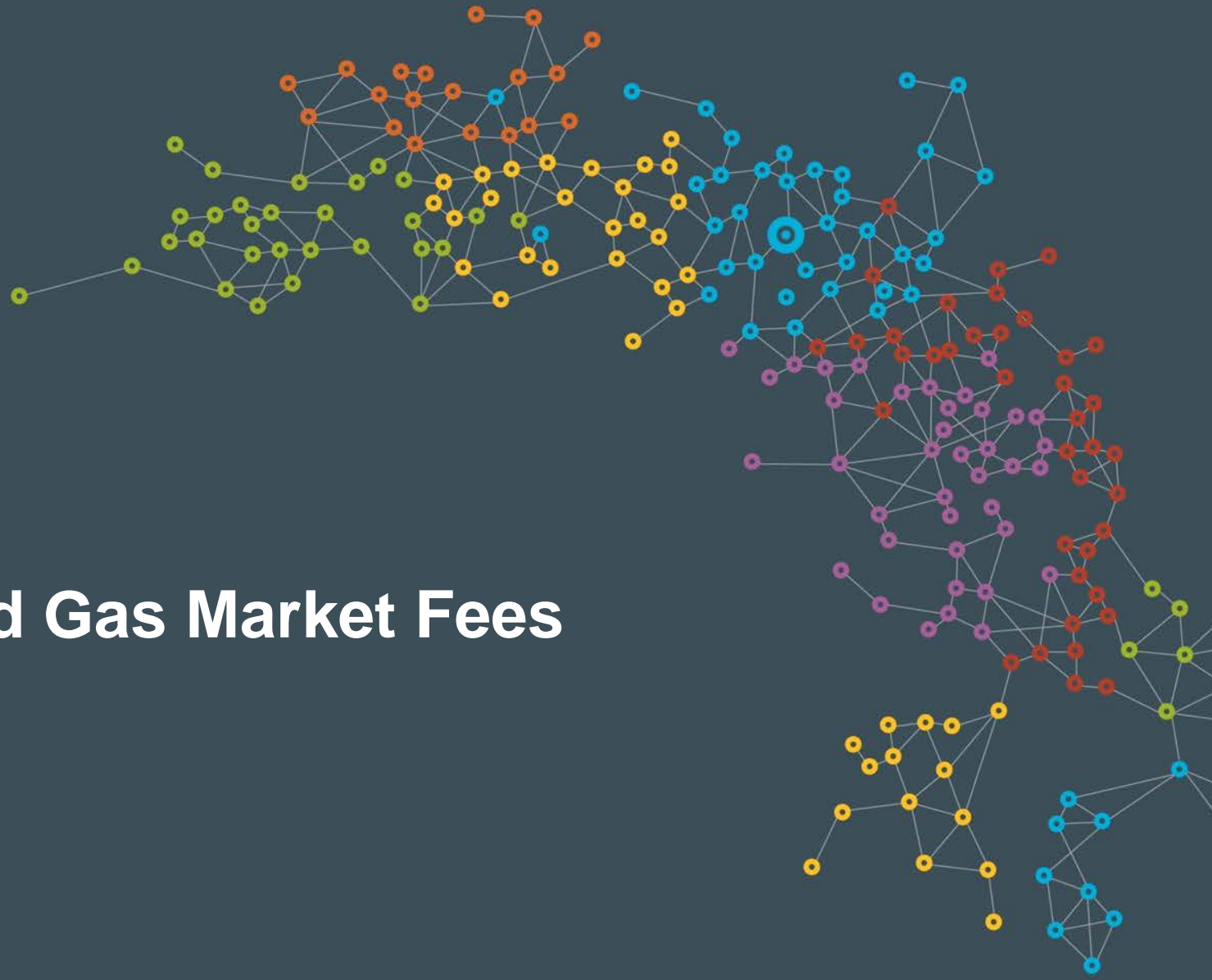




INDEPENDENT
MARKET
OPERATOR



Proposed Gas Market Fees

Overall Assumptions

- Implementation costs \$1,000,000
- Operational costs \$400,000 (yearly increase of 3%)
- Ongoing depreciation of implementation costs

- Proposed transaction fee of \$50/TJ

- Additional service to settle bilateral contracts
- Proposed settlement fee \$25/TJ

- No capacity trading

- Costs not recovered will be payed through GSI fees (and possible sponsorship)
- After break even gas market will fund GSI costs

- Based on conservative estimates
- Gas consumption as published in GSOO
- Market start in 2017

Estimates

Input Costs and Fees	
Implementation costs	1,000,000
Yearly operational costs	400,000
Proposed trading fee [\$/TJ]	50
Proposed bilateral settlement fee [\$/TJ]	25

Input Market Shares	
1st year share hub trading	0.50%
Yearly increase hub trading	0.50%
Share bilateral settlement	0.25%
Share capacity trading	0.00%

General Cash flows												
1 st year with positive revenue		4	2020									
Year of break even		6	2022									
Cash flows initial 5 years												
estimated total GSI burden year 1-5			135,929									
Year	Daily Consumption	share traded at hub	monthly volume traded at hub [TJ]	share bilateral settlement	yearly revenue	accumulated revenue	current GSI fee [ct/GJ]	increase of GSI budget	extra fee [ct/GJ]	hub share for cost recovery	monthly volume for cost recovery [TJ]	
1	2017	991	0.50%	151	0.25%	- 373,837	- 373,837	0.64	16%	0.10	1.66%	500
2	2018	998	1.00%	304	0.25%	- 202,032	- 575,869	0.55	10%	0.06	1.68%	510
3	2019	1,012	1.50%	462	0.25%	- 24,177	- 600,046	0.46	1%	0.01	1.69%	520
4	2020	1,012	2.00%	616	0.25%	147,764	- 452,282	0.46	-9%	0.04	1.72%	531
5	2021	1,009	2.50%	767	0.25%	316,353	- 135,929	0.46	-19%	0.09	1.77%	542
6	2022	1,008	3.00%	919	0.25%	485,584	349,656	0.46	-28%	0.13	1.80%	553
7	2023	1,012	3.50%	1,077	0.25%	661,382	1,011,037	0.46	-39%	0.18	1.83%	565
8	2024	1,012	4.00%	1,231	0.25%	831,743	1,842,780	0.46	-49%	0.23	1.87%	577
9	2025	1,012	4.50%	1,385	0.25%	1,001,674	2,844,455	0.46	-59%	0.27	1.91%	589
10	2026	1,012	5.00%	1,539	0.25%	1,171,163	4,015,618	0.46	-69%	0.32	1.95%	602

Expected Revenue 2017-2026

