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&
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Natural gas infrastructure and market development in Croatia

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Content Overview

- Natural gas infrastructure development
 - Transport system
 - Storage facilities
 - LNG terminal
 - Distribution system
- Gas Market Development in Croatia
 - Legal framework
 - Market opening



The text is centered within a graphic consisting of two overlapping circles, one red and one gold. A red bracket is on the left and a gold bracket is on the right, both pointing towards the text.

Natural gas infrastructure development

Development of transport facilities – PLINACRO's (TSO) plan of development



➤ TSO's plan for development 2001 - 2011 approved by MOELE in two phase (2001-2006; 2007-2011)

➤ Planned transport system sections in the second phase (2007-2011):

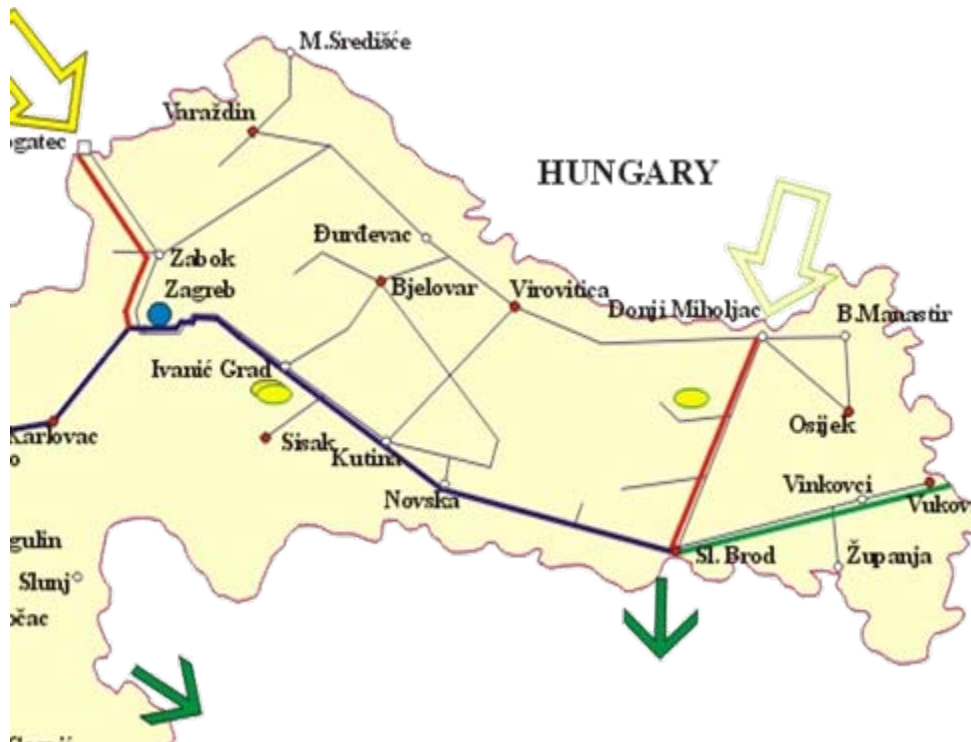
- Pula – Umag
- Kukuljanovo – Omišalj
- Lučko – Zabok
- Zabok - Rogatec
- D.Miholjac – Dravaserdahely
- Slobodnica – D. Miholjac
- Slobodnica – B.Brod
- Bosiljevo – Split
- Dugopolje – Ploče

➤ Possible transport system sections (after 2011):

- Ploče – Dubrovnik
- Dubrovnik – Igalo
- Slobodnica – Sotin
- Sotin – Bačko Novo Selo



Development of storage facilities



Operating and planned underground storage facilities:

➤ OKOLI

- **Operating** since 1987
- Capacity of 558 mil. m³ with withdrawal capacity of 5,8 mil. m³/d

➤ OKOLI 2

- **Possible** additional 500 million m³

➤ BENIČANCI

- **Possible** storage capacity 400 million - 2 billion m³



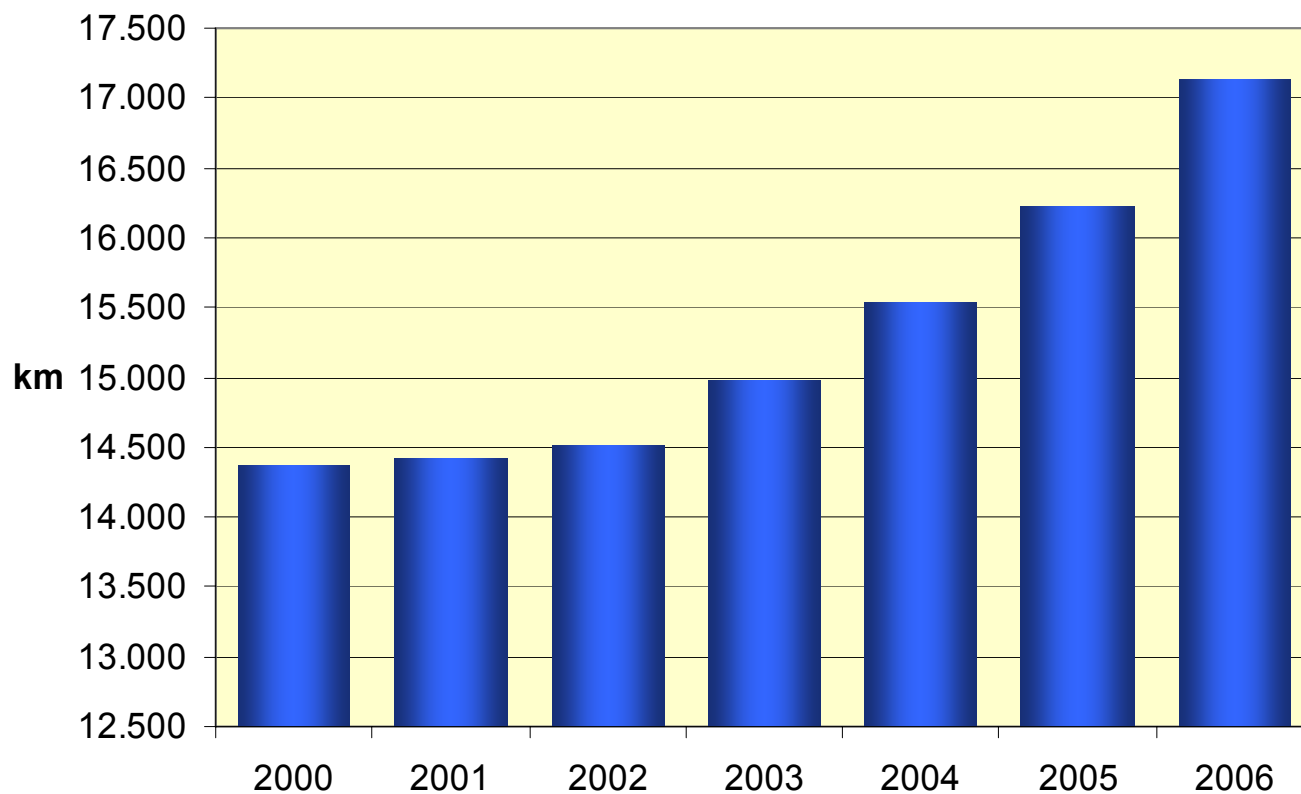
Development of LNG terminal – Adria LNG project

- Adria LNG; international consortium of 7 companies (foundation planned for 2007)
- Development of project in 5 - 7 years.
- Finishing project according to available capacities;
 - the first phase: 5-6 billion m³,
 - the second phase: 14 billion m³.



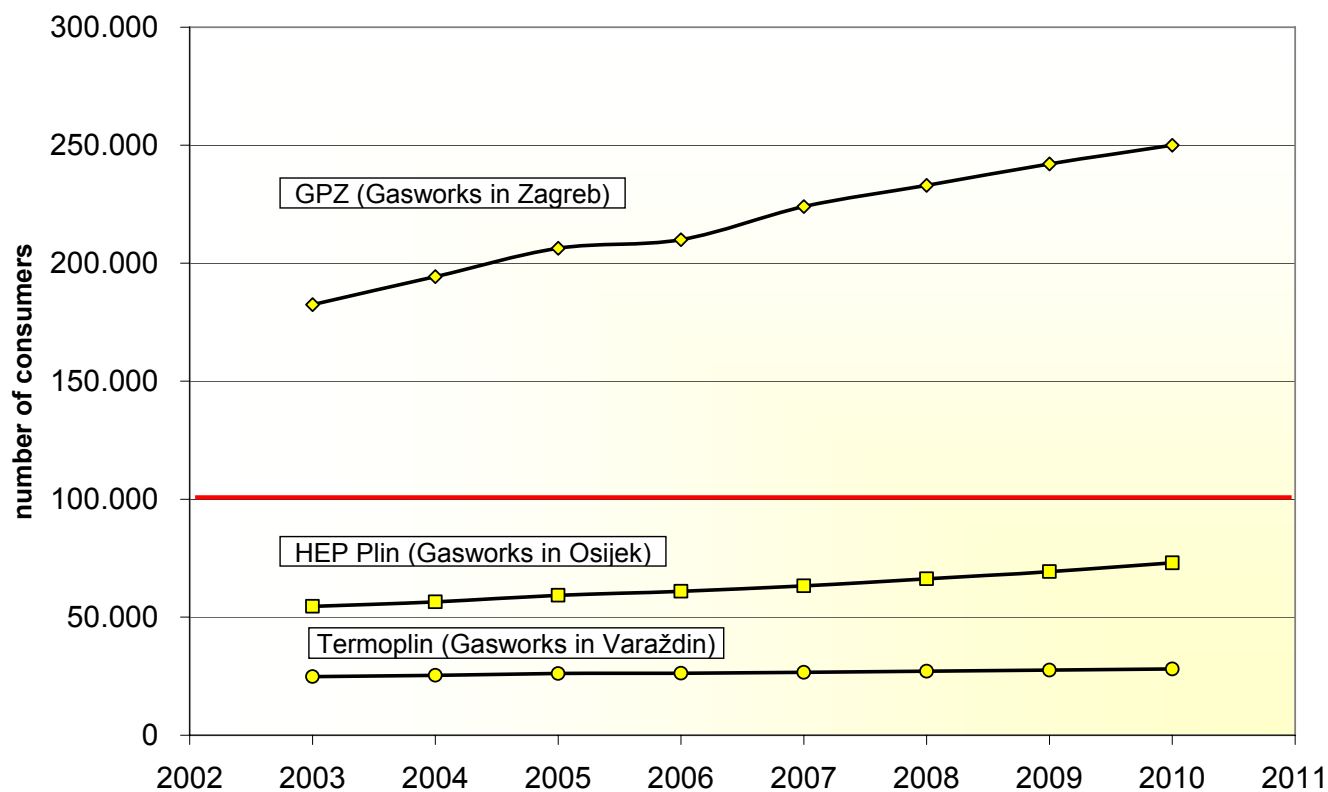
Development of distribution network

Total length of distribution network



Development of distribution network

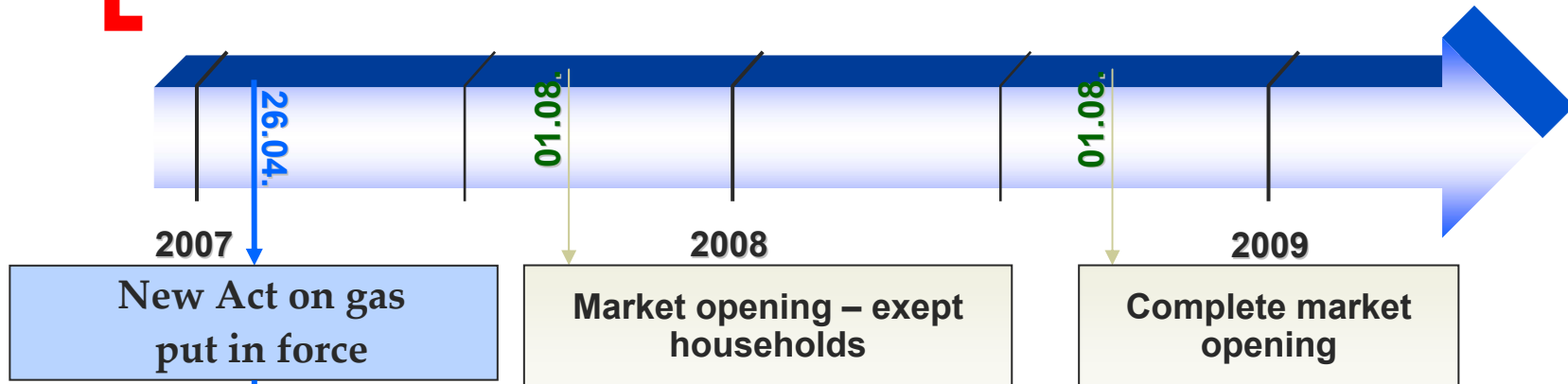
Number of consumers for three leading distribution companies





Gas Market Development in Croatia

Legal framework



The Rulebook on the Natural Gas Market Organisation (+6m)

The Decree on Security of Natural Gas Supply (+12m)

Grid Code for Natural Gas Transportation (+12m)

Grid Code for Natural Gas Distribution (+12m)

General Conditions for Gas Supply (+12m)

Connection Charge Code (+18 m)

Tariff systems (+12m)



Natural Gas Market Opening – until 2006.


The status of the eligible customer, pursuant to the Act on the Gas Market (NN 68/01 and 87/05), Article 12, has been granted to the following gas customers:

- For electricity production, regardless of the annual consumption (HEP - 578 million m³)
- For synchronous production of electricity and heat energy, regardless of the annual consumption (Pliva, Savski Marof - 14 million m³)
- Customers who buy gas for their own purposes exclusively with annual consumption of more than 100 million m³ of gas (Petrokemija Kutina - 528 million m³)
- Customers who carry out the activity of production of crude cast iron, steel and ferroalloy, with annual production of at least 50,000 tons of crude steel (Sisak Ironworks – 13 million m³)

In 2006 the total gas consumption in the Republic of Croatia has come up to 2,683.5 million m³ - the declarative gas market opening was **44,5%**.



Natural Gas Market Opening - according to new Act on the Gas Market (OG 40/07)

- Consumer that uses gas for electricity generation in own facility
(HEP - 578 million m³)
- Consumer that uses gas for synchronous generation of electricity and heat energy
(Pliva, Savski Marof - 14 million m³)
- Consumer with the consumption of more than **25 million m³** of gas

- Consumer that uses gas for carrying out the activity of production of crude cast iron, steel and ferroalloy, with annual production of at least 50,000 tons of crude steel
(Sisak Ironworks – 13 million m³)



Consumers on transportation network with consumption (in 2006) over 25 mil.m³

1. Petrokemija Kutina
2. BELIŠĆE d.d., Belišće
3. DIOKI d.d., Zagreb
4. VETROPACK STRAŽA d.d., Hum na Sutli
5. SLADORANA d.d., Županja
6. VIRO TVORNICA ŠEĆERA d.d., Virovitica

The declarative gas market opening is **50,5%** (according to the total gas consumption 2,683.5 million m³ in 2006)



Natural Gas Market Opening

According to new Act on the Gas Market:

from **August 1, 2007** the status of eligible customer is granted to consumers that do not belong to the households' category,

☉ **35.250** consumer with total annual consumption of
aprox. **2 billion m³**

from **August 1, 2008** the status of eligible customer is granted to all consumers, including households.



THANK YOU
FOR ATTENTION!



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