

## **CASE STUDY**

### **NATIONAL GAS INDUSTRY DEVELOPMENT**

#### ***Natural Gas provider to nascent Gas Industry***

#### **The Business Challenge**

As the leading natural gas producer and supplier to this new MENA gas market, the end client was seeking to stimulate the growth of the gas industry and influence the development of the market structure and commercial arrangements. The key to both the industry and market development was the national pipeline transportation company, its contractual processes and how it was going to develop.

#### **Approach**

Working with a partner consultancy, Holmwood Consultant's Principal critically examined the industry draft documentation in terms of the differing market participants and the wider concept of enhancing industry growth.

This draft documentation was reviewed and critiqued in detail against best practice examples from Europe and the USA resulting in wide ranging comments. Areas considered in the study included network investments, new gas suppliers, new gas customers, network models and methodology, effects of increasing inlet and outlet points for an expanding pipeline network, connection agreements, nominations and balancing processes, penalties for out of balance and for overrun situations.

A Discussion Report was issued describing and referencing best practices examples for the nascent gas industry, making recommendations on a variety of topics ranging from inadequate nomination processes to un-equitable gas balancing and overrun penalties and gave options for future development dependent on Government and other considerations.

#### **The Benefits**

The client was able to use the results of the report and its recommendations as a basis to actively influence national gas industry development and to assist the participant activities and assets to be more consistent with the working of a gas market. Our competence and experience in the energy industry and gas market implementation provided a major capability to assist the client in understanding and adapting to the new and developing market.