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COMP/M.4922 - EMCC

SECTION 1.2

Description of the concentration

The notifying parties, being Energinet.dk (“**ENDK**”), E.ON Netz GmbH (“**ENE**”), Vattenfall Europe Transmission GmbH (“**VE-T**”), EEX European Energy Exchange AG (“**EEX**”), and Nord Pool Spot AS (“**NPS**”), intend to establish a joint cross-border service company. The envisaged joint venture company with the name European Market Coupling Company GmbH (“**EMCC**”) will be established to provide congestion management services for cross-border exchanges in electricity. In a first step, these services will be provided in relation to the interconnections between the bordering electricity transmission networks at the Danish-German border. The parties will own equal shares of 20 % each in the company. The company will be located in Hamburg.

ENE, ENDK and VE-T are electricity transmission system operators (“**TSOs**”); EEX and NPS are power exchanges:

ENDK is the wholly state-owned Danish gas and electricity transmission system operator and owns and operates the natural gas transmission lines and the high voltage electricity transmission system in Denmark. ENE is an indirect 100%-subsidiary of E.ON AG, the ultimate parent company of the E.ON group of companies, an energy undertaking with its main activities in the electricity and gas sectors. ENE operates the electricity transmission system (high and extra high voltage grid) of the E.ON group which spans the German states of Schleswig Holstein, Bremen, Lower Saxony, Hesse (partly), North Rhine-Westphalia (partly) and Bavaria (except for the South-West). VE-T is a 100%-subsidiary of Vattenfall Europe AG which, in turn, belongs to Vattenfall AB, a Swedish state-owned energy undertaking. VE-T operates the electricity transmission system of the Vattenfall Europe group, which spans the German states of Hamburg, Mecklenburg-West Pomerania, Brandenburg, Berlin, Saxony-Anhalt, Thuringia and Saxony. EEX is the German energy exchange, located in Leipzig, and operates an exchange for the following products and derivatives: power, natural gas, European emissions allowances and coal. NPS is the Nordic energy exchange operating and owning the day-ahead auction trading system Elspot and the intra-day trading system Elbas. In addition to its headquarters in Oslo, NPS has offices in Denmark, Finland and Sweden.

It is submitted that the concentration hereby notified will have no competitive impact on the Danish or German electricity markets, because no horizontal overlap exists between the

transmission networks of the participating electricity transmission system operators and the creation of the joint venture will not lead to any anti-competitive vertical or spill-over effects.

The strategic and economic rationale for the parties is to implement and comply with the requirements of Regulation (EC) No. 1228/2003 on conditions for access to the network for cross-border exchanges in electricity ("**Regulation 1228/2003**") and the "Guidelines on the management and allocation of available transfer capacity of interconnections between national systems" annexed to the regulation, as amended by Commission Decision of 9th November 2006 ("**Guidelines**"). The envisaged market coupling process will provide for an efficient usage of interconnector capacities in compliance with the requirements of the aforementioned Guidelines.