

RULING

Ref. No.: 0001/2014/P
Doc. No.: 6172-2013-BA

Bratislava 02.09.2013

The Regulatory Office for Network Industries, as the competent authority under section 9, par. 1, item b) count 1 and section 9, par. 1, item c) count 1 together with section 5, par. 7, item c) of the Act No. 250/2012 Coll. on the regulation in network industries, on the issue of the draft price for an access to the transmission network and gas transmission

h a s d e c i d e d

based on section 14, par. 5 of the Act No. 250/2012 Coll. on the regulation in network industries in accordance with the section 2, item e) and section 3 item e) of the Decree of the Regulatory Office for Network Industries No.193/2013 Coll., which sets up the price regulation in network industries, that for the regulated entity **eustream, a.s.**, with its registered office at Votrubova 11/A, 821 09 Bratislava, company ID: 35 910 712, **approves** for the period from 1st January 2014 until 31st December 2014 the following comparable prices for an access to the transmission network and gas transmission, which are set in the form of tariffs:

1. Initial tariffs for entry points to the transmission network for the calendar year 2014:

Table No. 1

Tariff group (booked daily capacity, $T_{en(m)}$)	Initial tariff rate at the entry point (n) ($P_{0en(n)(m)(2014)}$) (EUR/(MWh/d)/y)				
	Lanžhot	Baumgarten	Veľké Kapušany	Veľké Zlievce	Domáci bod
T_{en1} (up 18 200 MWh/d)	104,10	80,42	162,62	107,22	15,34
T_{en2} (over 18 200 MWh/d incl. up to 416 000 MWh/d)	105,73	81,68	165,16	108,90	15,58
T_{en3} (416 000 MWh/d incl. up to 1 372 800 MWh/d)	74,47	57,53	116,33	76,71	10,98
T_{en4} (over 1 372 800 MWh/d incl.)	54,81	42,34	85,62	56,46	8,08

while for the calendar years 2015 and 2016 shall be determined as follows:

$$P_{0en(n)(m)(t)} = P_{0en(n)(m)(t-1)} * (1 + 0,5 * IR_{(t-2)}/100)$$

where

$P_{0en(n)(m)(t)}$ – adjusted figure of the initial tariff rate for an entry point (n) to the transmission network to be applied in the relevant calendar year (t),

$P_{0en(n)(m)(t-1)}$ – initial tariff rate for an entry point (n) to the transmission network, which was applied in the immediately preceding calendar year (t-1),

$IR_{(t-2)}$ – inflation index in the European Union published by the office of Eurostat, item “HICP - annual average inflation rate - European Union” valid in the calendar year (t-2), determined in percentage.

The final tariff rate at the entry point (n) to the transmission network shall be determined for the calendar year (t) as follows:

$$P_{en(n)(t)} = P_{0en(n)(m)(t)} * (1 - \alpha_{(m)(t)}/1\,000\,000 * C_{en(n)(t)}) * I_{y/m/d}$$

where

$P_{en(n)(t)}$ – final tariff rate at the entry point (n) to the transmission network for the calendar year (t) (in EUR/(MWh/d)/y),

$\alpha_{(m)(t)}$ – daily capacity factor for the tariff group (m) for the entry point to the transmission network for the calendar year (t) (in d/ MWh),

$C_{en(n)(t)}$ – contractually agreed daily capacity at the entry point (n) to the transmission network for the calendar year (t) (in MWh/d),

$I_{y/m/d}$ – duration factor, determined according to the type of the contract (in years/months/days),

n – entry point, for which the final rate shall be determined for the calendar year (t),

t –calendar year, for which the final rate shall be determined for entry point (n),

m = 1, for all $C_{en(n)(t)}$ up to 18 200 MWh/d,

m = 2, for all $C_{en(n)(t)}$ in the range btw. 18 200 MWh/d incl. up to 416 000 MWh/d,

m = 3, for all $C_{en(n)(t)}$ in the range btw. 416 000 MWh/d incl. up to 1 372 800 MWh/d,

m = 4, for all $C_{en(n)(t)}$ over 1 372 800 MWh/d incl.,

$\alpha_{(m)(t)} = 0$, for m = 1 and m = 4,

$\alpha_{(m)(t)} = 0,8462$, for m = 2,

$\alpha_{(m)(t)} = 0,1923$, for m = 3.

2. Initial tariffs for exit points from the transmission network for the calendar year 2014:

Table No. 2

Tariff group (booked daily capacity, $T_{ex(m)}$)	Initial tariff rate at the exit point (n) ($P_{0ex(n)(m)(2014)}$) (EUR/(MWh/d)/y)				
	Lanžhot	Baumgarten	Veľké Kapušany	Veľké Zlievce	Domáci bod
T_{ex1} (up 18 200 MWh/d)	161,72	183,92	225,94	183,92	82,93

T _{ex2} (over 18 200 MWh/d incl. up to 416 000 MWh/d)	164,25	186,80	229,47	186,80	84,23
T _{ex3} (416 000 MWh/d incl. up to 1 372 800 MWh/d)	115,68	131,57	161,62	131,57	59,33
T _{ex4} (over 1 372 800 MWh/d incl.)	85,14	96,84	118,95	96,84	43,67

while for the calendar years 2015 and 2016 shall be determined as follows:

$$P_{0ex(n)(m)(t)} = P_{0ex(n)(m)(t-1)} * (1 + 0,5 * IR_{(t-2)}/100)$$

where

$P_{0ex(n)(m)(t)}$ – adjusted figure of the initial tariff rate for an exit point (n) from the transmission network to be applied in the relevant calendar year (t),

$P_{0ex(n)(m)(t-1)}$ – initial tariff rate for an exit point (n) from the transmission network, which was applied in the immediately preceding calendar year (t-1),

$IR_{(t-2)}$ – inflation index in the European Union published by the office of Eurostat, item “HICP - annual average inflation rate - European Union” valid in the calendar year (t-2), determined in percentage.

The final tariff rate at the exit point (n) from the transmission network shall be determined for the calendar year (t) as follows:

$$P_{ex(n)(t)} = P_{0ex(n)(m)(t)} * (1 - \alpha_{(m)(t)}/1\ 000\ 000 * C_{ex(n)(t)}) * I_{y/m/d}$$

where

$P_{ex(n)(t)}$ – final tariff rate at the exit point (n) from the transmission network for the calendar year (t) (in EUR/(MWh/d)/y),

$\alpha_{(m)(t)}$ – daily capacity factor for the tariff group (m) for the exit point from the transmission network for the calendar year (t) (in d/MWh),

$C_{ex(n)(t)}$ – contractually agreed daily capacity at the exit point (n) from the transmission network for the calendar year (t) (in MWh/d),

$I_{y/m/d}$ – duration factor, determined according to the type of contract (in years/months/days),

n – exit point, for which the final rate shall be determined for the calendar year (t),

t – the calendar year, for which the final rate shall be determined for exit point (n),

m = 1, for all $C_{ex(n)(t)}$ up to 18 200 MWh/d,

m = 2, for all $C_{ex(n)(t)}$ in the range btw. 18 200 MWh/d incl. up to 416 000 MWh/d,

m = 3, for all $C_{ex(n)(t)}$ in the range btw. 416 000 MWh/d incl. up to 1 372 800 MWh/d,

m = 4, for all $C_{ex(n)(t)}$ over 1 372 800 MWh/d incl.,

$\alpha_{(m)(t)} = 0$, for m = 1 and m = 4,

$$\alpha_{(m)(t)} = 0,8462, \text{ for } m = 2,$$

$$\alpha_{(m)(t)} = 0,1923, \text{ for } m = 3.$$

3. Tariff rates concerning the real transmitted quantities of gas covering gas for operational purposes for the calendar years 2014 - 2016:

Table No. 3

	Entry/exit points				
	Lanžhot	Baumgarten	Veľké Kapušany	Veľké Zlievce	Domáci bod
Tariff rate at the entry point (%)	0,10	0,14	0,60	0,10	0,00
Tariff rate at the exit point (%)	1,10	1,10	0,70	0,70	0,00

Conditions of applicability of tariffs for the access to the transmission network and gas transmission:

1. Types of tariffs for the access to the transmission network and gas transmission

Tariff groups for the access to the transmission network and gas transmission (hereinafter referred to as “access and gas transmission”) are divided into tariff groups applicable for pricing of access and gas transmission through the entry points to the transmission network ($T_{en(m)}$), and tariff groups applicable for pricing of access and gas transmission through the exit points from the transmission network ($T_{ex(m)}$), which further split into individual types on the basis of the contractually agreed daily capacity of the gas transmission through the entry point (n) to the transmission network for the calendar year (t) (hereinafter “ $C_{en(n)(t)}$ ”) and/or through the exit point (n) from the transmission network for the calendar year (t) (hereinafter “ $C_{ex(n)(t)}$ ”; $C_{en(n)(t)}$ and/or $C_{ex(n)(t)}$ hereinafter the „**daily capacity**“) stipulated in the contract on access to the transmission network and gas transmission concluded by and between eustream, a.s., with its registered office at Votrubova 11/A, 821 09 Bratislava (hereinafter referred to as “eustream”) and the transmission network user (hereinafter referred to as „**contract**“) in the following manner:

- **tariff T_{en1}** – shall be used to evaluate the access and gas transmission through the entry points to the transmission network with daily capacity up to 18 200 MWh/d,
- **tariff T_{en2}** – shall be used to evaluate the access and gas transmission through the entry points to the transmission network with daily capacity over 18 200 MWh/d including and up to 416 000 MWh/d,
- **tariff T_{en3}** – shall be used to evaluate the access and gas transmission through the entry points to the transmission network with daily capacity over 416 000 MWh/d including and up to 1 372 800 MWh/d,
- **tariff T_{en4}** – shall be used to evaluate the access and gas transmission through entry points to the transmission network with daily capacity over 1 372 800 MWh/d including,

- **tariff T_{ex1}** – shall be used to evaluate the access and gas transmission through the exit points from the transmission network with daily capacity up to 18 200 MWh/d,
- **tariff T_{ex2}** – shall be used to evaluate the access and gas transmission through the exit points from the transmission network with daily capacity over 18 200 MWh/d including and up to 416 000 MWh/d,
- **tariff T_{ex3}** – shall be used to evaluate the access and gas transmission through the exit points from the transmission network with daily capacity over 416 000 MWh/d including and up to 1 372 800 MWh/d,
- **tariff T_{ex4}** – shall be used to evaluate the access and gas transmission through the exit points from the transmission network with daily capacity over 1 372 800 MWh/d including.

2. Structure of tariff groups for the access and gas transmission

- 2.1 Tariff groups for the access and gas transmission through the entry points to the transmission network ($T_{en(m)}$) comprise initial tariff rates ($P_{0en(n)(m)(t)}$) applied at the relevant entry points (n) to the transmission network in the calendar year (t).
- 2.2 Tariff groups for the access and gas transmission through the exit points from the transmission network ($T_{ex(m)}$) comprise initial tariff rates ($P_{0ex(n)(m)(t)}$) applied at the relevant exit points (n) from the transmission network in the calendar year (t).

3. Use of tariffs for the access and gas transmission

- 3.1 A yearly payment for the access and gas transmission through the transmission network for the calendar year (t) shall be determined as a sum of yearly payments for the calendar year (t) for each entry point to the transmission network and each exit point from the transmission network agreed in the contract in the following manner:

$$P_{(t)} = \sum_{n=1}^5 (P_{en(n)(t)} * C_{en(n)(t)}) + \sum_{n=1}^5 (P_{ex(n)(t)} * C_{ex(n)(t)})$$

- 3.2 The transmission network user shall be included in respect of each entry point to the transmission network and each exit point from the transmission network agreed in the transmission contract into a tariff group ($T_{en(m)}$, $T_{ex(m)}$) taking into account his total daily capacity of gas transmission agreed for each entry point and each exit point for the calendar year (t) ($C_{en(n)(t)}$, $C_{ex(n)(t)}$). Classification does not change depending on the real quantity of the transmitted gas.
- 3.3 The initial tariff rate at each entry point to the transmission network for the calendar year (t) ($P_{0en(n)(m)(t)}$) and the initial tariff rate at each exit point from the transmission network for the calendar year (t) ($P_{0ex(n)(m)(t)}$) applied within the tariffs groups, to which the network user is included in respect of each entry point and each exit point agreed

in the contract, shall be determined pursuant to a specification of the entry points and exit points of the gas transmission provided for in the contract. The entry points to and the exit points from the transmission network shall be considered the following points:

- **Lanžhot** – shall be considered as the entry/exit point from/to the transmission network of gas facilities on the territory of the Czech Republic,
- **Baumgarten** – shall be considered as the entry/exit point from/to the transmission network of gas facilities on the territory of the Austria,
- **Velké Kapušany** – shall be considered as the entry/exit point from/to the transmission network of gas facilities on the territory of the Ukraine,
- **Velké Zlievce** – shall be considered as the entry/exit point from/to the transmission network of gas facilities on the territory of the Hungary,
- **Domestic point** – joint virtual point on the territory of the Slovak Republic; shall be considered as the entry/exit point from/to the gas distribution networks and storages located on the territory of the Slovak Republic.

3.4 Daily capacity factor ($\alpha_{(m)(t)}$) shall be determined for each entry point to the transmission network and each exit point from the transmission network agreed in the contract for the calendar year (t) depending on the classification of the network user to the tariff group applied for a certain entry point and a certain exit point in the calendar year (t). For the network user included in respect of a certain entry point and/or a certain exit point to the tariff group T_{en1} and/or T_{ex1} , a daily capacity factor at the amount of 0 shall apply. For the network user included in respect of a certain entry point and/or a certain exit point to the tariff group T_{en2} and/or T_{ex2} , a daily capacity factor at the amount of 0.8462 shall apply. For the network user included in respect of a certain entry point and/or a certain exit point to the tariff group T_{en3} and/or T_{ex3} , a daily capacity factor at the amount of 0.1923 shall apply. For the network user included in respect of a certain entry point and/or a certain exit point to the tariff group T_{en4} and/or T_{ex4} , a daily capacity factor at the amount of 0 shall apply.

3.5 Duration factor of long-term and one-year contracts (I_y) shall be determined depending on the agreed number of years of the gas transmission agreed on the basis of the contract. If the number of years of the gas transmission performed by eustream shall be 20 years and more, the duration factor in the amount of 0.886 shall apply. If the number of years of the gas transmission performed by eustream shall be less than 20 years, the duration factor of long-term contracts shall be determined in the following manner:

$$I_y = 1.006 - 0.006 * D_y$$

where

D_y – duration of gas transmission under the contract in years.

3.6 Duration factor of short-term (monthly or daily) contracts ($I_{m/d}$) shall be determined depending on the agreed number of months/days of the gas transmission agreed on the

basis of the contract. The duration factor of short-term contracts shall be determined in the following manner:

For monthly contracts:

$$I_m = 0.1 + 0.1 * D_m$$

where

D_m – duration of gas transmission under the contract in months.

For daily contracts:

$$I_d = 0.001 + 0.0072 * D_d$$

where

D_d – duration of gas transmission under the contract in days.

- 3.7 The final tariff rate at each entry point to the transmission network for the calendar year (t) ($P_{en(n)(t)}$) and the final tariff rate at each exit point from the transmission network for the calendar year (t) ($P_{ex(n)(t)}$) shall be determined in accordance with the Sections 3.2 to 3.6 above in the following manner:

$$P_{en(n)(t)} = P_{0en(n)(m)(t)} * (1 - \alpha_{(m)(t)}/1\,000\,000 * C_{en(n)(t)}) * I_{y/m/d}$$

$$P_{ex(n)(t)} = P_{0ex(n)(m)(t)} * (1 - \alpha_{(m)(t)}/1\,000\,000 * C_{ex(n)(t)}) * I_{y/m/d}$$

- 3.8 The yearly payment for the access and gas transmission through the transmission network determined pursuant to Section 3.1 shall apply in the first calendar year of the gas transmission on the basis of the contract. If the agreed time period of the gas transmission does not start on 1st January of the respective calendar year, the network user is obligated to pay in the first calendar year to eustream a proportionate part of the yearly payment for the access and gas transmission through the transmission network, which shall be determined as a ratio of days of the agreed time period of the transmission in the given calendar year to the total number of days in the given calendar year. The network user shall pay the yearly payment for the access and gas transmission, or its proportionate part, in a manner agreed in the contract.
- 3.9 The yearly payment for the access and gas transmission through the transmission network for contracts with duration which includes the change between consecutive calendar years shall be in the first year of validity of the contract determined pursuant to Section 3.1 in accordance with Sections 3.2 to 3.6 by applying the entry data valid for the respective calendar year and for every following calendar year (t) in the following manner:

$$P_{en/ex(n)(m)(t)} = P_{en/ex(n)(m)(t-1)} * (1 + 0,5 * IR_{(t-2)}/100)$$

where

$P_{en/ex(n)(m)(t)}$ – adjusted figure of the final tariff rate for an entry point (n) to the transmission network or an exit point (n) from the transmission network to be applied in the relevant calendar year (t),

$P_{en/ex(n)(m)(t-1)}$ – final tariff rate for an entry point (n) to the transmission network or an exit point (n) from the transmission network, which was applied in the immediately preceding calendar year (t-1),

$IR_{(t-2)}$ – inflation index in the European Union published by the office of Eurostat, item “HICP - annual average inflation rate - European Union” valid in the calendar year (t-2), determined in percentage.

3.10 If the agreed time period of the gas transmission does not end in the last calendar year of the agreed time period of the transmission performance on the basis of the contract on 31st of December of the given calendar year, the network user is obligated to pay in the last calendar year to eustream a proportionate part of the yearly payment for the access and gas transmission through the transmission network determined pursuant to Section 3.9, which shall be determined as a ratio of days of the agreed time period of the transmission in the given calendar year to the total number of days in the given calendar year.

3.11 The price for the access and gas transmission in the calendar year (t) for contracts with the interruptible transmission capacity shall be determined in a way that reflects the probability of the interruption. In such case the yearly payment for the access and gas transmission through the transmission network $P_{(n)(t)}$ in the calendar year (t) is for yearly contract through the entry or exit point (n) determined by the following formula:

$$P_{(n)(t)} = P_{an-t} / y * \sum_{n=1}^y [L_i]$$

where

$P_{(n)(t)}$ – yearly payment for the access and gas transmission through the entry or exit point (n),

P_{an-t} – yearly payment for the transmission capacity without interruption,

y – total number of days in the relevant year (t),

L_i – factor of real interruption, if $C_S/C_I \geq 0.04$, then $L_i = C_S/C_I$
if $C_S/C_I < 0.04$, then $L_i = 0.04$

C_S – really offered interruptible capacity in the case of interruption or limitation of the transmission,

C_I – interruptible daily capacity agreed in the contract.

Monthly invoices of yearly payment $P_{(n)(t)}$ are not equal, but reflect the interruption in the respective month.

3.12 The transmission network user is obligated to provide eustream gas for operational purposes of the transmission network for each entry point to the transmission network and each exit point from the transmission network separately. The transmission network user shall provide eustream gas for operational purposes in the way agreed in

the contract. The volume of the provided gas for operational purposes shall be determined as a multiplication of the real metered and transported volume of gas at each entry point of the user to the transmission network and each exit point of the user from the transmission network (according to which one is used) and applicable rates of gas for operational purposes, stipulated in Table No. 3. The transmission network user and eustream should on the transmission contract agree also on provision of the gas for operational purposes in financial terms. In such a case, the respective quantity of gas for operational purposes shall be multiplied by price CEGHIX, published on website of the company CEGH Gas Exchange of Wiener Boerse (www.ceghex.com), valid for the day of the transmission.

- 3.13 In case that the network user exceeds the contractually agreed daily capacity at the entry or exit point (n), then the network user is obliged to pay the overrun charge as specified in the section 48 of the Decree of Regulatory Office for Network Industries No. 24/2013 Coll., which lays down the rules for the functioning of the internal market with electricity and rules for functioning of the internal market with gas.
- 3.14 The mentioned prices, tariffs and conditions of their application for the access to the transmission network and gas transmission shall be applied by eustream for the contracts on access to the transmission network and gas transmission entered into force in the time period from the 1st January 2014 (including) till 31st December 2016 (including).
- 3.15 Initial and final tariffs, expressed in EUR/MWh/d/y, are rounded to two (2) decimal places.
- 3.16 The tariffs laid down in this Ruling are without VAT.