

**Commission regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (hereinafter referred to as „TAR NC“)**

**Art. 29(b) of the TAR NC – Information for standard capacity products for interruptible capacity**

**i) The reserve prices applicable until at least the end of the gas year beginning after the annual yearly capacity auction**

Regulatory Office for Network Industries based on the price decision No. 0040/2019/P of 29 May 2019 has determined an ex-ante approach to be applied to calculate the discounts on reserve prices for standard capacity products for interruptible capacity for EU Interconnection Points<sup>1</sup>, which applies also for the year 2024. The price decision No. 0001/2025/P dated 05 June 2024, valid for period from 01.01.2025 till 31.12.2027, which amends the price decision No. 0040/2019/P dated 29 May 2019, determined that the ex-ante principle for calculating the discount on reserve prices for standard capacity products for interruptible capacity for EU Interconnection Points remains unchanged and will also apply for the period from 01 January 2025.

The reserve prices for standard capacity products for interruptible capacity is determined as multiplying the reserve prices for the respective standard capacity products for firm capacity calculated in line with Article 14 of the TAR NC, and the difference between 100% and the level of an ex-ante discount.

The ex-ante discount shall be calculated according to the following formula:

$$D_{\text{ex-ante}} = \text{Pro} \times A \times 100 \%$$

Where:

$D_{\text{ex-ante}}$  is the level of an ex-ante discount,

Pro is the factor, which represents the probability of interruption, and which refers to the type of standard capacity product for interruptible capacity,

A is adjustment factor, which aim is to reflect the estimated economic value of the respective type of standard capacity product for interruptible capacity, calculated for all interconnection points to directly connected Member States, which shall be no less than 1.

Pro factor is determined to be calculated for all interconnection points to directly connected Member States per type of standard capacity product for interruptible capacity offered in accordance with the following formula on the basis of forecasted information related to the components of this formula:

$$\text{Pro} = \frac{N \times D_{\text{int}}}{D} \times \frac{\text{CAP}_{\text{av. int}}}{\text{CAP}}$$

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<sup>1</sup> Entry/exit points Lanžhot, Baumgarten, Veľké Zlievce and Výrava are interconnection points according to the Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 („EU Interconnection Points“).

Where:

N is the expectation of the number of interruptions over the period D,

$D_{int}$  is the average duration of the expected interruptions expressed in hours,

D is the total duration of the respective type of standard capacity product for interruptible capacity expressed in hours,

$CAP_{av. int}$  is the expected average amount of interrupted capacity for each interruption where such amount is related to the respective type of standard capacity product for interruptible capacity;

CAP is the total amount of interruptible capacity for the respective type of standard capacity product for interruptible capacity.

The calculation of the Pro factor in case of interruption of transmission once a year (which means that the total interruptible capacity for each interruptible product will be interrupted during 24 hours in a given year).

$$Pro = \frac{N \times D_{int}}{D} \times \frac{CAP_{av.int}}{CAP}$$

$$Pro = \frac{1 \times 24}{24 \times 365} \times 1$$

$$Pro = \frac{24}{8760}$$

$$Pro = 0.00274$$

The value of the Pro factor is 0.00274.

The value of the adjustment factor A is set at 1, which results into the following level of ex-ante discount:

$$D_{iex-ante} = 0.00274 \times 1 \times 100 \%$$

$$D_{iex-ante} = 0.274 \%$$

The full text of the price decision of the Regulatory Office for Network Industries No. 0040/2019/P of 29 May 2019 and the price decision of the Regulatory Office for Network Industries No. 0001/2025/P of 05 June 2024 shall be available on the website of the Regulatory Office for Network Industries in the section "Plynárenstvo >> Cenové rozhodnutia" and on the website of the transmission system operator eustream, a.s. in the section "Products and Services >> Download >> Prices and Tariffs" (please see the following links):

<https://www.urso.gov.sk/926-sk/cenove-rozhodnutia-2017-2024/>

