

Summary of the responses to the final consultation on information referred to in the Article 26(1) of the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas

Introduction

On November 6, 2018, the Slovak TSO, company eustream, a.s. (hereinafter referred also to as “Eustream”), based on the decision of the Regulatory Office for Network Industries No. 0001/2017/P-TS, dated on November 20, 2017, launched a final consultation regarding the reference price methodology for access to the transmission network and natural gas transmission in the Slovak Republic (hereinafter referred also to as “final consultation”) in accordance with the requirements set in the Article 26 of the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (hereinafter referred also to as “TAR NC”). The final consultation was opened to all interested parties. Market participants were invited to join the final consultation and submit their responses to the published consultation documents until January 6, 2019.

Summary

In response to the final consultation on the proposed reference price methodology conducted by Eustream, pursuant to the Article 26 of the TAR NC, the following entities replied:

- European Federation of Energy Traders (EFET)
- ENGIE

Meeting the requirements set in the Article 26(3) of the TAR NC, Eustream hereby provides a summary of consultation responses received. In order to make the consultation process more transparent and to render it more effective, the summary is published in Slovak as well as in English language. In case of any discrepancy between the original version of the published responses and their interpretation in the summary, the original version shall prevail.

The responses received referred to the following aspects of the proposed reference price methodology:

- the level of a detail in respect to the published information in comparison to the information published by some other European TSOs;
- the expected level of target revenues in respect to the length of the pipeline in comparison to some other chosen European TSOs, proposal to provide a more detailed explanation of the cost allocation;
- the correction factor (by distance or topology of the network) in respect to benchmarking;
- remark on a current level of multipliers applied to reserve prices for short-term capacity products during this tariff period in comparison to the level set in the Article 13 of the TAR NC to be applied in the following tariff period;

- suggestion on a title transfer to be a part of the final consultation, comparison of price for the title transfer with the prices invoiced by some chosen EU hubs;
- justification of a choice of usage of postage stamp methodology to determine the tariffs in comparison to CWD methodology;
- suggestion to consider the impact of proposed methodology on tariffs in Baumgarten and to demonstrate a possible impact of legacy contracts on other shippers (if relevant);
- level of forecasted capacity bookings in respect to the tariff level;
- question why the reserve prices for non-IPs (entry/exit Domestic point, entry/exit Veľké Kapušany and entry/exit Budince) will be set based on national legislation, and not on TAR NC;
- uncertainty about the discount mechanism that would decrease flow-based charge for transmission to domestic market before the start of the next tariff period, proposal for further consultation before such mechanism being applied in the future;
- question about supportive information on the complementary revenue recovery charge,¹ especially how it increases SoS in Slovakia;
- comment on the proposal not to offer discount to be applied to capacity-based transmission tariffs at entry points/exit points from/to the storage facilities, proposal to consider reimbursement principles similar to principles applied in Germany or Austria distinguishing between the different roles of storages;
- remark why the consultation document did not include any reference on how the interruptible reserve prices are set;
- suggestion to provide further information before the beginning of a new tariff period.

¹ Complementary revenue recovery charge has been set, based on the decision of ÚRSO No. 0001/2016/P-ST from 7th November 2016, on a provision of regulatory incentives for the project of the Polish-Slovak Interconnection. For more information, please consult the following link:

[http://www.urso.gov.sk:8088/CISRES/Agenda.nsf/0/8AC268DE13721B0DC1258064002DE8E1/\\$FILE/0001_2016_P-ST.pdf](http://www.urso.gov.sk:8088/CISRES/Agenda.nsf/0/8AC268DE13721B0DC1258064002DE8E1/$FILE/0001_2016_P-ST.pdf)