



Draft project proposal for incremental capacity between the entry-exit systems of Hungary (‘HU’) and Slovakia (‘SK’)

13-01-2020

This draft project proposal is a joint public consultation document pursuant to Article 27 (3) of 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 (‘the NC CAM’) prepared by FGSZ Ltd. (‘FGSZ’) and eustream (‘EUS’).

The public consultation on this present draft project proposal runs from 13 January 2020 until 14 February 2020. Please provide your responses by 14 February 2020 via email to businessdevelopment@fgsz.hu and transmission@eustream.sk. Please note, that your responses will be published on the internet pages of FGSZ and EUS.

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A. Description of the incremental capacity project, including cost estimation

The demand assessment report for incremental capacity between HU and SK, dated 21 October 2019, concludes that FGSZ and EUS conduct technical design studies for an incremental capacity project. The incremental capacity project aims at establishing increased firm technical capacity from HU to SK and SK to HU direction up to 600,000 Sm³/h (15°C), which equals 6,360,378 kWh/h (25°C/0°C).

i. Parameters and components of a technical design of 600,000 Sm³/h (15°C)

Parameter	HU section	SK section
Technical capacity	600,000 Sm ³ /h (15°C)	600,000 Sm ³ /h (15°C) ¹
Capacity quality	Firm	Firm
Interconnection point	Exit / Entry Balassagyarmat/Velke Zlievce (HU>SK) and (SK>HU)	Entry / Exit Balassagyarmat/Velke Zlievce (HU>SK) and (SK>HU)
Flow direction	HU>SK and SK>HU	HU>SK and SK>HU
Border delivery pressure	67/53 barg (minimum)*	67/53 barg (minimum)*
Length of new pipeline	-	-
Above ground installations	Two compressor units at Szada (2x8 MW) and one compressor unit at Városföld (1x5.7 MW))	-
Cost estimate	mn EUR 89.69 (2020 value)	-
Cost estimation related HU>SK	mn EUR 89.69 (2020 value)	-
Cost estimate accuracy	+/- 10%	

* - min 67 barg in HU>SK direction, applying Pressure Management Agreement

B. Offer levels for bundled capacity products at the interconnection point

Based on the above description of the incremental capacity project, and setting aside an amount of 10% of the incremental technical capacity pursuant to Article 6(8) of the NC CAM, and applying a gross calorific value of 11.188 kWh/Nm³ (0 °C) the offer levels for bundled capacity products at the interconnection point are as follows:

Gas year	Offer level in the direction from HU to SK for the technical design of 600,000 Sm ³ /h (15°C) (kWh/h rounded to integers)	Offer level in the direction from SK to HU for the technical design of 600,000 Sm ³ /h (15°C) (kWh/h rounded to integers)
2024/25	5,724,340	5,724,340
2025/26	5,724,340	5,724,340
2026/27	5,724,340	5,724,340
2027/28	5,724,340	5,724,340
2028/29	5,724,340	5,724,340
2029/30	5,724,340	5,724,340
2030/31	5,724,340	5,724,340
2031/32	5,724,340	5,724,340
2032/33	5,724,340	5,724,340
2033/34	5,724,340	5,724,340
2034/35	5,724,340	5,724,340
2035/36	5,724,340	5,724,340
2036/37	5,724,340	5,724,340
2037/38	5,724,340	5,724,340
2038/39	5,724,340	5,724,340

FGSZ and EUS did not receive conditional demand indications.

C. Provisional timelines of the incremental capacity project

Milestone	Planned date of FGSZ	Planned date of EUS
Auctions & economic tests ¹	July 2020	July 2020
Final investment decision	3 rd Quarter 2020	
Engineering & permitting completed	1 st Quarter 2022	
Construction start	2 nd Quarter 2022	
Construction end	3 rd Quarter 2024	
Commercial start-up	01.10.2024	01.10.2024

¹ This milestone is viable only, if the concerned national regulatory authorities publish a coordinated and positive decision on the project proposal by 05 May 2020 at the latest.

D. General rules and conditions for the binding capacity allocation phase

EUS's general rules and conditions that a network user must accept to participate and access capacity in the binding capacity allocation phase of the incremental capacity process are set out in Operational Order of EUS accessible [here](#).

FGSZ's general rules and conditions that a network user must accept to participate and access capacity in the binding capacity allocation phase of the incremental capacity process are set out in the Business Code of FGSZ Ltd. accessible [here](#).

E. Level of user commitments as an estimate of the f-factor

The level of user commitments, expressed as EUS's estimate of the f-factor is 1.0.

The level of user commitments, expressed as FGSZ' estimate of the f-factor is 1.0.

I. Additional demand indications

FGSZ did not receive any additional demand indications in accordance with Article 26(7) of the NC CAM.

EUS did not receive any additional demand indications in accordance with Article 26(7) of the NC CAM.

Reference is made to the demand assessment report for incremental capacity between HU and SK, dated 21 October 2019.