

Methodology for setting the
tariffs for the access to the
transmission network and
natural gas transmission

Table of Content

Table of Content.....	1
1. Introduction	2
2. Scope and major principles of the determination of the reference price methodology	5
3. Cost-based approach	7
4. Calculation of the reference prices	8
4.1. Step 1 – Reference price methodology based on the postage stamp principle	8
4.2. Step 2 – Secondary adjustment of raw reference prices – benchmarking	10
5. Tariffs at entry/exit points different than points from/to transmission systems of gas facilities located on the territories of other Member States of the European Union	12
6. Tariffs adjustments at entry points from storage facilities and exit points to storage facilities	13
7. Reference prices comparison based on TAR NC	14
8. Attachments	17

1. Introduction

The company eustream, a.s. (hereinafter only „Eustream“) based on requirements and conditions set out in the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (hereinafter only „TAR NC“) prepared a document „Methodology for setting the tariffs for the access to the transmission network and natural gas transmission“ (hereinafter only „Methodology“), which establishes the main principles for applying consistent and transparent reference price methodology. The objective of this document is description of the principles and reference price methodology for access to the transmission network and gas transmission (hereinafter only „reference price“ or „tariff“) through the territory of the Slovak Republic (hereinafter only „SR“).

The currently valid tariffs of Eustream are in force from 1 May 2026. TAR NC determines the obligation to consult the tariff methodology and decide on the level of transmission tariffs based on the consulted methodology at least every 5 years from 31 May 2019. At the same time, according to the Article 12(3)(b) of the TAR NC it is possible to adjust the tariffs, in case of exceptional circumstances, also within the current tariff period. In the pricing procedure carried out in 2024, the assumption was based on the continuation of Russian gas transit through the territory of Ukraine and subsequently through Eustream's transmission network, along with the related payments from the long-term transmission contract. However, it was already stated at that time that, in the event of a significant change in the input economic parameters, particularly in the case of a loss of revenues from Russian gas transit, it would be necessary to increase tariffs in order to ensure the financial sustainability of the operation of Eustream's transmission network. The consultation conducted between 7 October 2025 and 7 December 2025 was initiated in response to the prevailing circumstances with the objective of revising the tariff framework to ensure the long-term economic sustainability of the gas transmission system operation. Subsequently, the Regulatory Office for Network Industries (ÚRSO) repealed Decision No. 0001/2025/P of 5 June 2024 and Decision No. 0002/2025/P of 5 June 2024, and issued a new Decision No. 0040/2026/P on 13 April 2026, applicable for the period from 1 May 2026 to 31 December 2027. By Decision No. 0040/2026/P, ÚRSO did not approve the level of transmission tariffs proposed by Eustream. As a consequence, the economic sustainability of Eustream's operations has been adversely affected, which may negatively impact the company's ability to ensure the reliable operation of the transmission system, including its maintenance, refurbishment and the investments necessary to preserve the safety and integrity of the infrastructure. This, in turn, jeopardises one of the fundamental objectives of the regulatory framework in the energy sector, namely ensuring the reliable operation of regulated infrastructure, while also undermining the principles of regulatory predictability and stability. At the same time, Act No. 250/2012 Coll. on Regulation in Network Industries was amended by Act No. 116/2026 Coll.¹, pursuant to which Eustream, as a regulated entity, is required, with effect from 1 July 2026, to submit a price proposal annually no later than 31 August of the respective calendar year for the following calendar year. Consequently, Eustream is required to submit its price proposal for the following calendar year by 31 August 2026.

¹ Act No. 116/2026 Coll. of 2 June 2026 amending and supplementing Act No. 251/2012 Coll. on Energy and on Amendments to Certain Acts, as amended, and amending and supplementing certain other acts.

The tariffs approved by the Regulatory Office for Network Industries in Decision No. 0040/2026/P were lower than those proposed by Eustream. However, the economic assumptions underpinning the proposed tariffs have since been confirmed, and the expected gas flows correspond to the assumptions set out in the previous consultation and tariff proposal submitted for 2026. Eustream therefore proposes to initiate the present consultation on the basis of a tariff proposal that is substantively consistent with its most recent consultation and price proposal. The proposal contains no material changes that would justify the establishment of different tariffs. As in the previous proposal, Eustream also proposes a voluntary reduction of tariffs through the application of benchmarking.

The new consultation proposal primarily reflects the following updates:

- the update of the WACC value for the gas sector determined by the Regulatory Office for Network Industries with effect from 1 January 2027 for the remainder of the sixth regulatory period;
- the update of the 2027 transmission tariffs of transmission system operators used for benchmarking purposes;
- the adjustment of forecasted capacities based on the latest developments, including the incorporation of capacities at the Výrava exit point;
- the adjustment of the allocation of allowed revenues between entry and exit tariffs (Entry/Exit split);
- the update of the natural gas price assumption and the inflation forecast.

In preparing this consultation document, Eustream has also taken into account the requirement that the Regulatory Office for Network Industries determines the methodology for regulating tariffs for access to the transmission system and gas transmission while considering the utilisation of the transmission system. Accordingly, the proposed tariffs are based on the expected utilisation of the transmission system. Their calculation reflects the technical and booked capacities at individual entry and exit points, as well as the anticipated gas flows within the transmission system. This approach ensures that the proposed tariffs appropriately reflect the expected level of utilisation of the transmission system during the regulatory period.

In light of the above circumstances, Eustream therefore proposes to apply the tariffs established on the basis of this Methodology from 1 January 2027 for the following calendar year until the end of the current regulatory period (31 December 2027).

When preparing the Methodology, Eustream took into account the following circumstances:

- (i) by its activity it historically ensured high proportion of the international transmission (transit), in particular the transmission of natural gas of Russian origin,
- (ii) fact that despite the significantly decreasing volume of transit flows it still faces massive competition, e.g. in case of reverse natural gas transmission towards Ukraine,
- (iii) the current situation on the natural gas market, fundamentally influenced by the ongoing military conflict on the territory of Ukraine. As a result of the military conflict in Ukraine, the countries of the European Union are trying to displace Russian energy carriers (including Russian gas) from the overall energy mix. As a result of these efforts, the share of Russian natural gas in the total imports of EU countries fell to a fraction of pre-war times, which had a fundamental impact on the

development of natural gas transmission through the Eustream's transmission system. At the same time, as a result of the war, there was also a fundamental drop in natural gas consumption in Ukraine, which again contributed to the reduction of natural gas transmission through the Eustream's transmission system,

- (iv) As a result of the war conflict in Ukraine, the Russia–Ukraine transit contract was not extended after 1 January 2025, which led to the cessation of gas flows through Ukraine and subsequently through Eustream’s transmission network.

When preparing the Methodology, Eustream took into account also historical information on demand for transmission capacities and assumptions for the next period, appropriate operational costs, range of the investments needed for providing long-term safe, secure and effective operation of the transmission network and appropriate rate of return of the operational assets, which presents incentive for long-term business activity in the area of natural gas transmission on the territory of the SR.

This Methodology allows better understanding of the tariffs for transmission services, way of their determination, explanation of their past and future changes and it creates a space for shippers to predict the level of these tariffs. The Methodology will be subject of approval from the Regulatory Office for Network Industries (hereinafter only “ÚRSO”).

Eustream prepared the Methodology in good faith in accordance with the requirements of the TAR NC, Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets in renewable gas, natural gas, and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC, and Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal market for renewable gas, natural gas, and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942, and (EU) 2022/869 and Decision (EU) 2017/684, and repealing Regulation (EC) No 715/2009 (hereinafter only “Regulation 2024/1789”), with the aim of ensuring that the resulting transmission tariffs contribute to the development of both the national and the European gas market.

This document is published in both Slovak and English versions. In case of different interpretations, the Slovak version shall prevail.

Note: In terms of this Methodology, the tariff period means the period for which the tariffs are determined. The tariff period does not have to be equal as the regulatory period, or it may represent only part of the regulatory period.

2. Scope and major principles of the determination of the reference price methodology

Natural gas transmission via territory of the SR is provided entirely by the sole transmission system operator, company Eustream. The company Eustream operates following entry/exit points, at which the determination of the reference prices based on this Methodology applies:

Entry/exit points from/to the transmission networks of gas facilities on the territories of other EU Member States:

- Lanžhot (Entry/Exit Point from/to the transmission network of gas facilities on the territory of the Czech Republic),
- Baumgarten (Entry/Exit Point from/to the transmission network of gas facilities on the territory of the Austria),
- Veľké Zlievce (Entry/Exit Point from/to the transmission network of gas facilities on the territory of the Hungary),
- Výrava (Entry/Exit Point from/to the transmission network of gas facilities on the territory of the Poland).

Entry/exit points from/to the transmission networks of gas facilities on the territories of the third countries:

- Veľké Kapušany (Entry/Exit Point from/to the transmission networks of gas facilities on the territory of Ukraine),
- Budince (Entry/Exit Point from/to the transmission networks of gas facilities on the territory of Ukraine).

Entry/exit points from/to the distribution networks and storage facilities:

- domestic point (Entry/Exit Aggregated Virtual point).²

² Detailed information on the entry–exit points is set out in the Operating Order of Eustream, published on its official website.



Figure 1: Transmission system of Eustream

Reference prices, calculated on the basis of this Methodology, are determined for the tariff period from 1 January 2027 till 31 December 2027, which is equal with the length of rest of the regulatory period (*note: the terms “regulatory period” and “tariff period” are equivalent in this Methodology due to this reason*) approved by the Regulatory Policy published by ÚRSO.

3. Cost-based approach

Methodology described in this document reflects appropriate costs for the operation of the transmission network, including, but not limited to, costs of natural gas consumption, maintenance of the transmission infrastructure and its further development and also administrative, financial and marketing costs.

All costs included into the calculation according to this Methodology shall be transparent, provable, shall reflect costs of efficient and structurally comparable transmission system operator and shall contain appropriate rate of return of the invested capital.

Costs calculated by the transmission system operator, that serves as an input into the methodology for the calculation of reference prices according to this Methodology, shall be submitted to ÚRSO and approved by ÚRSO.

Note: By means of this document, the last available audited financial statements of economic results of Eustream for the period of 12 consecutive calendar months shall be understood as the last available audited financial statements of economic results of the company Eustream.

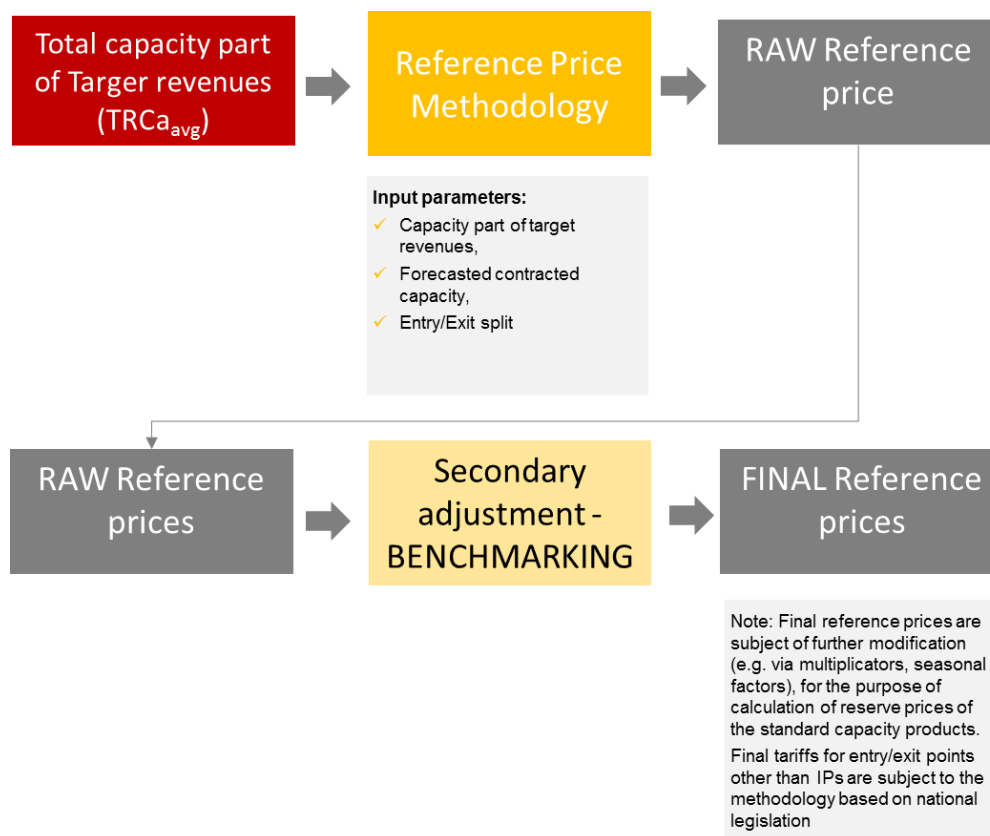
4. Calculation of the reference prices

Capacity part of the target revenues is an important input parameter into the methodology for determination of the final reference prices for access to the transmission network and natural gas transmission.

Final reference prices are calculated based on a procedure, which contains 2 steps:

- (i) Calculation of the initial reference prices according to the reference price methodology based on a postage stamp methodology (Postage stamp);
- (ii) Secondary adjustment of raw reference prices based on prices comparison – benchmarking. The final reference prices are the result of step No 2.

Continuity of particular steps is presented in the chart mentioned below:



The more detailed description of all steps is determined in articles 4.1 and 4.2 of this Methodology.

4.1. Step 1 – Reference price methodology based on the postage stamp principle

Reference prices methodology, based on the postage stamp principle, uses the following input parameters:

- a) Average capacity part of target revenues ($TRCa_{avg}$);

- b) Forecasted contracted capacity at each entry point and exit point (hereinafter only „forecasted capacity“);
- c) Entry/exit split (Entry/Exit split). The split 45/55 is used for the purpose of calculation of initial reference prices based on this Methodology.

After identification of input parameters, the initial reference prices will be derived according to this step sequence:

- a) Part of average forecasted capacity revenues related to the entry points and part related the to exit points will be determined in accordance with the following formulas:

$$TRCa_{avgEn} = TRCa_{avg} \times W_{En}$$

$$TRCa_{avgEx} = TRCa_{avg} \times W_{Ex}$$

where:

$TRCa_{avg}$ – Average capacity part of target revenues in EUR/y in a given tariff period,

$TRCa_{avgEn}$ – Average capacity part of target revenues related to the entry points in EUR/y in a given tariff period,

W_{En} – Weight of revenues related to the entry points in percentage (45%),

$TRCa_{avgEx}$ – Average capacity part of target revenues related to the exit points in EUR/y in a given tariff period,

W_{Ex} – Weight of revenues related to the exit points in percentage (55%).

- b) Afterwards the values of initial reference prices will be calculated in a way that final values, specified in letter a), will be divided by average forecasted capacity at all entry points, resp. forecasted capacity at all exit points of a transmission network, in accordance with the following formulas:

$$T_{En} = \frac{TRCa_{avgEn}}{CAP_{avgEn}}$$

$$T_{Ex} = \frac{TRCa_{avgEx}}{CAP_{avgEx}}$$

where:

T_{En} – Initial reference price at entry points in EUR/MWh/d/y, for the first year of a given tariff period,

T_{Ex} – Initial reference price at exit points in EUR/MWh/d/y, for the first year of a given tariff period,

$CAP_{avg En}$ – Sum of average forecasted capacity at all entry points in MWh/d, in a given tariff period,

$CAP_{avg Ex}$ – Sum of average forecasted capacity at all exit points in MWh/d, in a given tariff period,

4.2. Step 2 – Secondary adjustment of raw reference prices – benchmarking

Cost-based form of regulation of the prices for access to the transmission network and natural gas transmission has, in case of the SR, important specifics, if compared to the other Member States of the European Union. The most important are as follows:

- (i) Historically high proportion of the international transmission (transit) on the overall natural gas transmission, which is decreasing due to the current market situation (military conflict in Ukraine and halt of gas flows through Ukraine);
- (ii) Despite the declining share of transit, Eustream is still facing huge competition, especially in form of transmission systems in other Member States of the European Union, which compete with the natural gas transmission of company Eustream (e.g. by reverse natural gas transmission towards Ukraine);
- (iii) The strong impact of the military conflict on the territory of Ukraine on the natural gas transmission through the territory of the SR, when as a result of the conflict there was an effort by European countries to divert as quickly as possible from fuels imported from the Russian Federation, including natural gas, which had a fundamental impact on the performance of the Eustream;
- (iv) As a result of the war conflict in Ukraine, the Russia–Ukraine transit contract was not extended as of 1 January 2025, which led to the cessation of gas flows through Ukraine and subsequently through Eustream’s transmission network.

This specific position of the Slovak transmission system establishes Eustream's right to use benchmarking as a secondary adjustment of reference prices with the aim of maintaining the competitiveness of the transmission system on the territory of the SR.

The benchmarking methodology consists of the following steps:

1. Collection of input data – Identification of transmission tariff for entry and exit points of selected transmission system operators (with the exception of domestic points), at minimum for 2 routes for each operator,

2. Timing alignment of tariffs – If the transmission tariffs do not correspond to the value of the year for the period for which the tariffs are determined, the tariffs from the point 1. will be escalated to values corresponding to the year 2026, i.e. the first year of the period for which reference prices are determined based on the last known/assumed rate of inflation EU HICP for a given year,
3. Calculation of transmission costs – For each route, the costs calculation is made for the cost of transporting 1 MWh/100 km for a one-year contract and a ten-year contract for volumes of 20,800 MWh/d, 156,000 MWh/d, and 312,000 MWh/d – determination of intervals (min-max) for transmission on the given routes for a one-year and a ten-year contract, and subsequently the overall min-max interval for transporting 1 MWh/100 km for each operator,
4. Determination of the operator's average – From the interval of each operator from the point 3., the average value is calculated,
5. Aggregation of results and statistical aggregation – From the set of averages of all operators from point 4., the following are determined: average, minimum, maximum,
6. Comparison - Comparison of the resulting transmission costs per 1 MWh/100 km with the values in point 5.,
7. Adjustment of tariffs - Raw reference price for entry/exit points, which is determined on the basis of RPM, shall be adjusted so that its value falls within the interval between the average and the maximum calculated in point 5.

5. Tariffs at entry/exit points different than points from/to transmission systems of gas facilities located on the territories of other Member States of the European Union

Pursuant to Article 2 of the TAR NC, the full scope of the TAR NC does not apply to entry/exit points other than interconnection points between EU Member States. The final reference prices for points other than interconnection points between EU Member States may not serve as reserve prices for yearly standard capacity products for these points. Nevertheless, Eustream proposes to apply the proposed final reference prices to all entry and exit points of the transmission network.

6. Tariffs adjustments at entry points from storage facilities and exit points to storage facilities

Pursuant to Article 17(3) of Regulation 2024/1789, it is stated:

“Until 31 December 2025, the regulatory authority may apply a discount of up to 100 % to capacity-based transmission and distribution tariffs at entry points from, and exit points to, underground natural gas storage facilities and at entry points from LNG facilities, unless and to the extent that such a storage facility which is connected to more than one transmission or distribution network is used to compete with an interconnection point.

From 1 January 2026, the regulatory authority may apply a discount of up to 100 % to capacity-based transmission and distribution tariffs at entry points from, and exit points to, underground natural gas storage facilities and at entry points from LNG facilities for the purpose of increasing security of supply. The regulatory authority shall re-examine that tariff discount and its contribution to the security of supply during every regulatory period, in the framework of the periodic consultation carried out pursuant to the network code adopted pursuant to Article 71(2), first subparagraph, point (d).“

and

In the Article 9(1) of the TAR NC, it is stated:

“A discount of at least 50 % shall be applied to capacity-based transmission tariffs at entry points from and exit points to storage facilities, unless and to the extent a storage facility which is connected to more than one transmission or distribution network is used to compete with an interconnection point.”

Based on the hereabove mentioned provisions, the final reference prices for entry/exit points from/to storage facilities should be a subject of another adjustment via granting a discount of at least 50%, resp. 100%.

As all storages on the territory of SR are interconnected with

- (i) the Austrian transmission system,
- (ii) the Slovak distribution system and these connections are fully utilized for “competing with interconnection points”, and
- (iii) sufficient measures have been implemented to ensure the security of supply, in particular through increasing technical transmission capacities, establishing new gas interconnections with cross-border connections to adjacent networks, and diversifying gas sources, the conditions for applying these discounts are not met.

It also applies that in the current period, entry/exit from/to storage facilities located on the territory of the SR is the part of the domestic point and not a separate entry/exit point.

7. Reference prices comparison based on TAR NC

For purpose of reference price comparison, in line with the Article 26 of the TAR NC, the final reference prices, calculated according to this Methodology, and the reference prices calculated according to the Article 8 of the TAR NC, i.e. based on the capacity weighted distance methodology, will be used, using the following procedure:

1. Reference price methodology based on capacity weighted distance, for comparison purposes, in terms of TAR NC uses following input parameters:
 - a) Average capacity part of target revenues (TRC_{avg});
 - b) Forecasted contracted capacity from forecasted contracts at each entry point and at each exit point (hereinafter only „forecasted capacity“);
 - c) Matrix of the shortest distances of pipeline routes between entry points and exit points.
2. After identification of the input parameters, the initial reference prices are derived in this step sequence:
 - a) according to the following formulas, weighted average distance for each entry point and each exit point shall be calculated:
 - (i) for an entry point as a sum of products of a forecasted capacity at each exit point and a distance from a given entry point to each exit point, divided by the sum of forecasted capacities at each exit point:

$$AD_{En} = \frac{\sum_{all\ Ex} CAP_{avg\ Ex} \times D_{En,Ex}}{\sum_{all\ Ex} CAP_{avg\ Ex}}$$

where:

AD_{En} - Weighted average distance for an entry point,

$CAP_{avg\ Ex}$ – Average forecasted capacity for a given tariff period at an exit point in MWh/d/y,

$D_{En,Ex}$ – Distance between a given entry point and a given exit point in km.

- (ii) for an exit point as a sum of products of a forecasted capacity at each entry point and a distance to a given exit point from each entry point, divided by the sum of forecasted capacities at each entry point:

$$AD_{Ex} = \frac{\sum_{all\ En} CAP_{avg\ En} \times D_{En,Ex}}{\sum_{all\ En} CAP_{avg\ En}}$$

where:

AD_{Ex} - Weighted average distance for an exit point,

$CAP_{avg\ En}$ – Average forecasted capacity for a given tariff period at an entry point in MWh/d/y,

$D_{En,Ex}$ – Distance between a given entry point and a given exit point in km.

- b) according to the following formulas the weight of costs for each entry point and each exit point shall be calculated:

$$W_{En} = \frac{CAP_{avg\ En} \times AD_{En}}{\sum_{all\ En} CAP_{avg\ En} \times AD_{En}}$$

$$W_{Ex} = \frac{CAP_{avg\ Ex} \times AD_{Ex}}{\sum_{all\ Ex} CAP_{avg\ Ex} \times AD_{Ex}}$$

where:

W_{En} – Weight of cost for a given entry point,

W_{Ex} – Weight of cost for a given exit point,

AD_{En} – Weighted average distance for an entry point in km,

AD_{Ex} – Weighted average distance for an exit point in km,

$CAP_{avg\ En}$ – Average forecasted capacity for a given tariff period at an entry point in MWh/d/y,

$CAP_{avg\ Ex}$ – Average forecasted capacity for a given tariff period at an exit point in MWh/d/y.

- c) by application of the entry-exit split we determine the part of average capacity part of target revenues to be recovered from capacity-based transmission tariffs from forecasted transmission contracts at all entry points and that part of the average capacity part of target revenues to be recovered from capacity-based transmission tariffs from forecasted transmission contracts at all exit points. Entry/exit split, according to TAR NC, is set to 45/55.
- d) according to the following formulas an average capacity part of target revenues corresponding to each entry point and each exit point shall be calculated:

$$TRCa_{avg\ En} = W_{En} \times TRCa_{avg\ \Sigma En}$$

$$TRCa_{avg\ Ex} = W_{Ex} \times TRCa_{avg\ \Sigma Ex}$$

where:

$TRCa_{avg\ En}$ – Average capacity part of target revenues corresponding to each entry point in EUR/y in a given tariff period,

$TRCa_{avg\ Ex}$ – Average capacity part of target revenues corresponding to each exit point in EUR/year in a given tariff period,

W_{En} – Weight of costs for a particular entry point,

W_{Ex} – Weight of costs for a particular exit point,

$TRCa_{avg\ \Sigma En}$ – Average capacity part of target revenues corresponding to all entry points in EUR/y in a given tariff period,

$TRCa_{avg\ \Sigma Ex}$ – Average capacity part of target revenues corresponding to all exit points in EUR/year in a given tariff period.

- e) Values of the initial reference prices shall be calculated in a manner that final values referred to in the point d) shall be divided by the average forecasted capacity at each entry point and at each exit point, according to these formulas:

$$T_{En} = \frac{TRCa_{avg\ En}}{CAP_{avg\ En}}$$

$$T_{Ex} = \frac{TRCa_{avg\ Ex}}{CAP_{avg\ Ex}}$$

where:

T_{En} – Initial reference price at an entry point in EUR/MWh/d/y, for the first year of a given tariff period,

T_{Ex} – Initial reference price at an exit point in EUR/MWh/d/y, for the first year of a given tariff period.

8. Attachments

Attachment No 1 – Tariff model