The Final Consultation Document

on information referred to in 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 (hereinafter referred also to as "Consultation")

Instructions

The subject of the Consultation

Article 26(1) of the TAR NC

Consultation period

October 7, 2025 – December 7, 2025

How to submit your contribution

The company eustream, a.s. (hereinafter referred to as “Eustream”) welcomes the submission of comments on the Consultation proposal. Comments (responses) should be sent to the e- mail address provided below. If a response is not marked as confidential, Eustream will publish it in full on its website www.eustream.sk. All interested stakeholders have the right to request Eustream to keep the data they provide confidential. In such a case, it should be clearly marked to that effect and include a justification for its confidentiality. Based on the previous sentences and based on the Article 26(2)[1] of TAR NC all interested stakeholders, who intend to take part in the Consultation process, are required to submit also a non-confidential version of their responses suitable for publication.

Eustream prefers to receive responses electronically in either English or Slovak language in order to ensure more efficient processing.

In order to avoid any doubts, Eustream follows the GDPR requirements. For more information please visit the website www.eustream.sk.

Contact details

Contact person: Martin Krivda

E-mail: tariffs@eustream.sk

Telephone: +421 2 6250 7271

[1] Any reference to the Article(s) mentioned in this Consultation document is considered to be the Article(s) of the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas, if not explicitly written otherwise.

Content of the Consultation document

1. Introduction

Context

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"), constitutes the EU-level legal framework to ensure a transparent and harmonised approach to transmission tariff structures and their determination procedures. TAR NC was adopted on March 16, 2017 with the aim of strengthening market integration, enhancing security of supply and promoting interconnections between gas transmission networks. The TAR NC was published in the Official Journal of the European Union on March 17, 2017 and it entered into force 20 days later on April 06, 2017. It has been applied since that date with the exception of the provisions of Chapters VI and VIII, which have been applied since October 1, 2017 and Chapters II, III and IV, which have been applied as from May 31, 2019.[2] The TAR NC is the fourth network code in the gas sector, following the network code on capacity allocation mechanisms in gas transmission systems (hereinafter referred to as "the Prior CAM NC")[3], the network code on gas balancing of transmission networks (BAL NC)[4] and the network code on the interoperability and data exchange rules (INT NC).[5] The Prior CAM NC was a subject to amendment in parallel to the development of the TAR NC. The Official Journal of the EU published the revised version of the network code on capacity allocation mechanisms (hereinafter referred to as "CAM NC') on March 17, 2017, and it entered into force 20 days later on April 06, 2017.[6] Since network codes are the Commission Regulations (EU), they apply directly to all EU Member States.

The TAR NC establishes a network code setting out the rules on harmonised transmission tariff structures for gas, including rules on the application of a reference price methodology, the associated consultation and publication requirements as well as the calculation of reserve prices for standard capacity products. The TAR NC shall be binding in its entirety and directly applicable in all Member States of the EU.

General

Articles 26 and 27 of the TAR NC address periodic consultations that shall be repeated at least every five years starting from May 31, 2019. The date May 31, 2019 was also the final deadline, pursuant to Article 27(5) of TAR NC, till which it was necessary to complete the procedure consisting of the final consultation on the reference price methodology (hereinafter referred also to as "RPM") in accordance with the Article 26 of TAR NC, to issue the motivated decision, according to the Article 27(4) of TAR NC, on all items set out in the Article 26(1) of TAR NC

2

No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council (OJ L 273, 15.10.2013, p. 5)

[4] Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (OJ L 91, 27.03.2014, p. 15)

[5] Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules (OJ L 113, 01.05.2015, p. 13)

[6] 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 (OJ L 72, 17.03.2017, p. 1)

(hereinafter referred also to as “Decision”), to carry out the calculation of tariffs on the basis of this Decision, and to publish the tariffs in accordance with Chapter VIII of the TAR NC. This requirement was fulfilled by the consultation conducted by Eustream between November 6, 2018 and January 6, 2019 and the subsequent issuance of a decision by ÚRSO, No. 0040/2019/P, dated on May 29, 2019, which determined the reference price methodology, reference prices, multipliers, seasonal factors, discounts, and other items pursuant to Article 26(1) of TAR NC and Article 28(1) of TAR NC, valid for the period from January 1, 2022. Subsequently, URSO, due to a significant change in the economic parameters on which the tariff determination for the period from January 1, 2022 had been based, as well as in view of the need to carry out another consultation under Article 26(1) of TAR NC and Article 28(1) of TAR NC, which took place between March 11, 2024 and May 11, 2024, decided to amend the decision No. 0040/2019/P of May 29, 2019 by issuing the decision No. 0001/2025/P of June 5, 2024 for the period from January 1, 2025 to December 31, 2027.

According to Article 12(3)(b) of TAR NC, tariffs may also be adjusted during the ongoing tariff period in case of exceptional circumstances. The price proceeding carried out in 2024 was based on the assumption of continued transit of Russian gas through the territory of Ukraine and subsequently through the transmission network of Eustream, together with the related payments from the long-term transmission contract. However, already at that time it was declared that in the event of a significant change in the underlying economic parameters, in particular the 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 is a response to these circumstances with the aim of ensuring the sustainability of the transmission network operation.

The responsibility for the Consultation

The sole responsibility for the Consultation per Article 26 of TAR NC is imposed on Eustream based on the Decision of the Regulatory Office for Network Industries No. 0001/2017/P-TS dated on November 20, 2017 and the issuance of the motivated decision is strictly limited and given to the national regulatory authority, which is the Regulatory Office for Network Industries (ÚRSO) as the central state administration authority for the regulation of network industries in the territory of the Slovak Republic.

Indicative timetable

Milestones	**Deadline**
Start of the Consultation	October 7, 2025
End of the Consultation	December 7, 2025
Indicative date of publication of the Consultation responses received and their summary	till December 12, 2025

Note: The indicative timetable does not include all milestones which are obliged to be conducted in accordance with the TAR NC, but only milestones under the management and control of Eustream. In order to avoid any doubts, Eustream will act upon and in line with the TAR NC.

Disclaimer

The reference price methodology and parameters presented in this Consultation document are subject to the approval by ÚRSO. Unless and until a relevant decision approving them is issued by ÚRSO, the tariffs presented in this document are indicative and non-binding.

This document is published in both Slovak and English versions. In case of any discrepancies in interpretation, the Slovak version shall prevail.

2. Basic information about Slovak natural gas transmission system

Natural gas transmission via territory of the Slovak Republic is provided and secured by the sole transmission system operator, company Eustream. Eustream owns and operates a high-pressure gas transmission system that is interconnected with major European pipeline systems in Ukraine, the Czech Republic, Hungary, Austria and Poland.

The transmission system, on total length of 2,376 km, consists of several parallel pipelines mostly 1200/1400 mm in diameter with an operating pressure of 7.35 MPa. The pressure differential needed for a continuous gas flow is ensured by four large compressor stations with an aggregated power of almost 422 MW. The most important station is located at Veľké Kapušany at the Slovak-Ukrainian border. Technical capacity at entry points from Ukraine and Poland represents 2,090 GWh or 201 mcm/d, respectively. An aggregated transmission capacity of all entry points to the transmission system is ca. 3,838 GWh, or 369 mcm/d, respectively.

Eustream continually strives to modernise and upgrade the gas infrastructure. For that reason, Eustream has implemented several projects aimed at enhancing system operation and communication with the customers.

Entry/exit points from/to the transmission network on the territories of other EU Member States ("limited scope" and "broader scope" rules of TAR NC applicable):

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

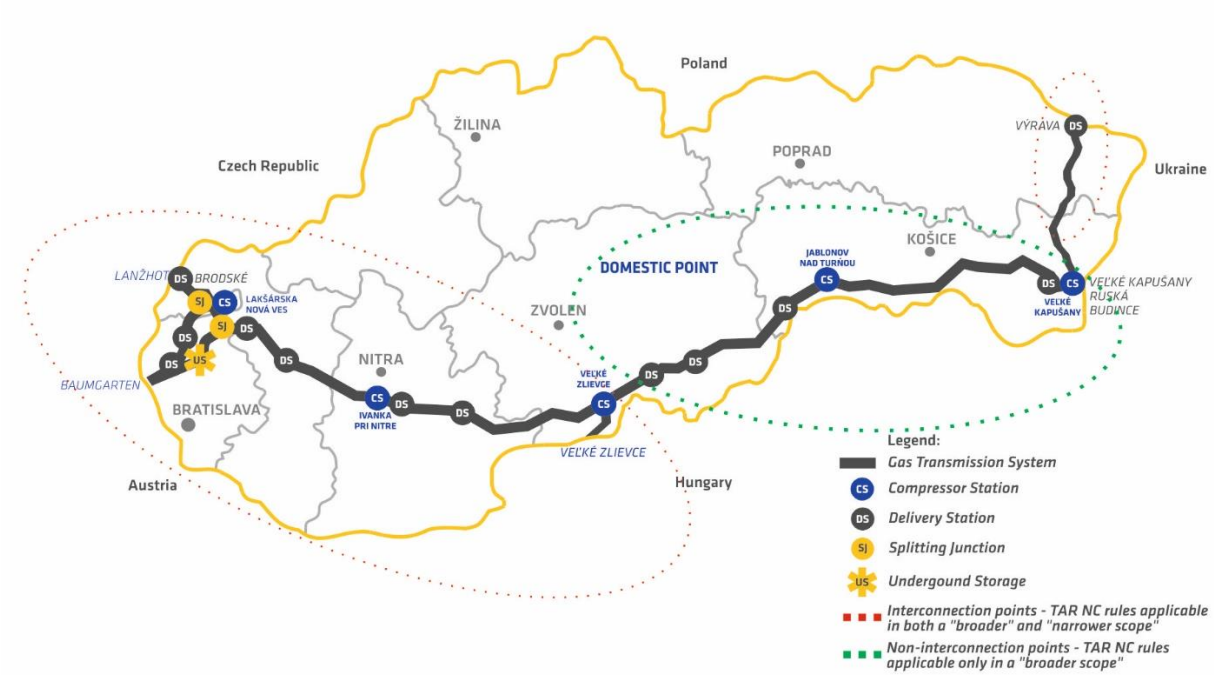
Entry/exit points from/to the transmission network on the territories of third countries (only "broader scope" rules of TAR NC applicable):

- Veľké Kapušany (Entry/Exit Point from/to the transmission network of Ukraine),
- Budince (Entry/Exit Point from/to the transmission network of Ukraine).

Entry/exit points from/to distribution networks and storages (only "broader scope" rules of TAR NC applicable):

- domestic point (Entry/Exit Aggregated Virtual Point).[7]

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



Picture 1: Scheme of the Slovak natural gas transmission system

Note: The picture also includes compressor station No. 2, which is currently not utilized for increasing the pressure level of the transmission network, and only its components necessary for gas transmission are owned by the company.

As a part of the domestic point, the company Eustream also provides connection to the storage services of the Slovak natural gas storage operators. All storages in the Slovak Republic are connected to the Eustream transmission system, and also directly connected to network grids of other operators.

Gas year for gas transmission in Slovakia is from 1st October till 30th September. The regulatory period in the Slovak Republic is generally equal to 5 years, with its length determined by the Regulatory Policy of the Regulatory Office for Network Industries. The current 6th regulatory period started on January 1, 2023 and will end on December 31, 2027. The term “tariff period” refers to the period for which tariffs are determined. The tariff period does not have to coincide with the regulatory period and may represent only a part of the regulatory period.

3. Description of the proposed Reference Price Methodology (RPM)

Art. 26(1)(a)

The suggested RPM is the postage stamp methodology, followed by the secondary adjustment based on benchmarking.

Reasoning

In the postage stamp methodology, the total amount of capacity related allowed revenue, split in entry and exit parts, is divided by the respective forecasted contracted capacity to derive reference prices.

Postage stamp is the methodology that is easy to understand and its main advantage lies in its simplicity. Reference prices calculated based on this methodology can be easily reproduced by the stakeholders. Usage of the postage stamp methodology in the simple transmission networks is cost-reflective, non-discriminatory and with limited possibilities for cross-subsidisation. Further advantages of the postage stamp methodology are: (i) stability of the RPM for stakeholders, (ii) flexibility, where entry-exit split may be an input or an output of the RPM, (iii) transparency and (iv) equalisation principle.

As visible in the Picture 1, network of Eustream is extremely robust transmission system, focused on a number of high-capacity entry/exit points. It consists of overall 7 entry/exit points, out of which only 4 are interconnection points according to the CAM NC definition. The transmission network of Eustream was mainly used for 3 types of transmission – East to West (from Veľké Kapušany to Baumgarten), from West to East (mainly from Baumgarten/Lanžhot to the exit point Budince) and from South to West (from Veľké Zlievce to Baumgarten). As a result of the military conflict in Ukraine, however, Eustream has gradually lost its dominant position as a transit operator for Russian gas flowing through Ukraine and subsequently through Eustream's transmission network in the east–west direction. Currently, the transmission network only provides limited transit, primarily serving the import of gas from the EU to Ukraine. The majority of current transportation is used to supply the domestic market in the Slovak Republic. Due to the fact of very close geographical locations of both Eastern, as well as Western entry/exit points, distance does not serve as a key cost driver of Eustream.

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

(i) After January 1, 2025, transmission of Russian gas across the territory of Ukraine and subsequently via Eustream´s transmission network has been halted. Until this period, international transmission accounted for a significant share of the overall natural gas transport handled by Eustream. In the future, however, the resumption or emergence of new transit flows cannot be ruled out, which could result from a reorganisation of gas routes within Europe and could once again pass through the territory of the Slovak Republic and the transmission system of Eustream.
(ii) Competition in form of international transit pipelines and transmission systems of other European TSOs.
(iii) Extreme sensitivity to the ongoing situation in Ukraine.

Described specific position of the Slovak transmission system may lead and leads into high volatility of the capacity bookings and transmission flows. In regards to these facts, benchmarking constitutes an important tool for securing long-term stability and competitiveness of the tariff system and can be also perceived as a tool for increasing stability of the tariff system, also in cases of high volatility of contracted capacity. In the previous tariff proposal, Eustream utilized benchmarking for the secondary adjustment of reference prices (by reducing reference prices) based on consultation according to the TAR NC. In the current period, due to the extreme decline in the utilization of Eustream's transmission system, caused by the military conflict in Ukraine, and with the associated increase in raw reference prices, the use of benchmarking is more than necessary. Its utilization can ensure competitiveness of transmission tariffs despite the current market situation associated with the decrease in the volume of natural gas transmission through the territory of the Slovak Republic.

Eustream's transmission network undoubtedly has further specific characteristics. It represents a strategic asset for the Central and Eastern European region thanks to its significant existing technical capacities for gas transmission towards Ukraine, Austria, and other neighbouring countries. As an important interconnection hub in both the east–west and north–south directions, including the possibility of reverse flows, it plays a key role in the region. Despite the currently low level of transit, it remains an essential element of infrastructure that must be maintained in an operational state, not only in terms of energy security needs but also to ensure preparedness for the region's future requirements. At the same time, account must be taken of the ongoing transformation of the European energy sector, where this infrastructure may in the future play an important role in the transport of alternative energy carriers. For this reason, the maintenance and development of the infrastructure is not only a matter of the present, but also an investment in the long-term energy stability and sustainability of the entire region.

Comprehensive description of the proposed RPM could be found in the document "Methodology for setting the tariffs for the access to the gas transmission network and gas transmission".

3.1. Information, justification and values of the parameters used in the applied RPM related to the technical characteristics of the transmission system

Art. 26(1)(a)(i)

This part of the Consultation document describes all input parameters, related to the technical characteristics of the transmission system, that are used in the applied reference price methodology, as well as counterfactual methodology and methodology for derivation of the commodity-based transmission tariffs.

Proposed RPM uses the following input parameters:

- Target revenues
- Entry/Exit split
- Forecasted contracted capacity
- Tariff levels of selected operators from EU Member States, relevant for benchmarking purposes

Capacity weighted distance methodology, as per Article 8 of the TAR NC, used as counterfactual methodology, uses in addition the following parameters:

- Matrix of distances between entry and exit points of the transmission network.

Methodology for setting the commodity-based transmission tariffs uses the following input parameters:

- Expected flows of natural gas
- Technical characteristics of the compressor fleet
- Information on natural gas losses
- Information on production of CO_2 emissions

From all mentioned input parameters, these ones relate to the technical characteristics of the transmission system:

- Forecasted contracted capacity and related flows of natural gas
- Matrix of distances

Note: Detailed description on calculation methods of RPM and counterfactual methodology could be found in the document "Methodology for setting the tariffs for the access to the gas transmission network and gas transmission".

3.1.1. Technical input parameters for the chosen RPM, counterfactual RPM and commodity-based transmission tariffs

3.1.1.1. Forecasted contracted capacity and flows of natural gas

Forecasted contracted capacity at entry and exit points is an important input parameter to the chosen RPM – postage stamp. Part of total target revenues, related to entry/exit points are divided by the respective forecasted entry or exit capacity, in order to calculate reference prices.

Total forecasted contracted capacity at entry points is assumed on the following level:

[MWh/d]	2026	2027	AVG
Total Entry	157,068	157,068	157,068
Lanžhot	56,384	56,384	56,384
Baumgarten	14,384	14,384	14,384
domestic point	0	0	0
Veľké Zlievce	86,301	86,301	86,301
Veľké Kapušany	0	0	0
Budince	0	0	0
Výrava	0	0	0

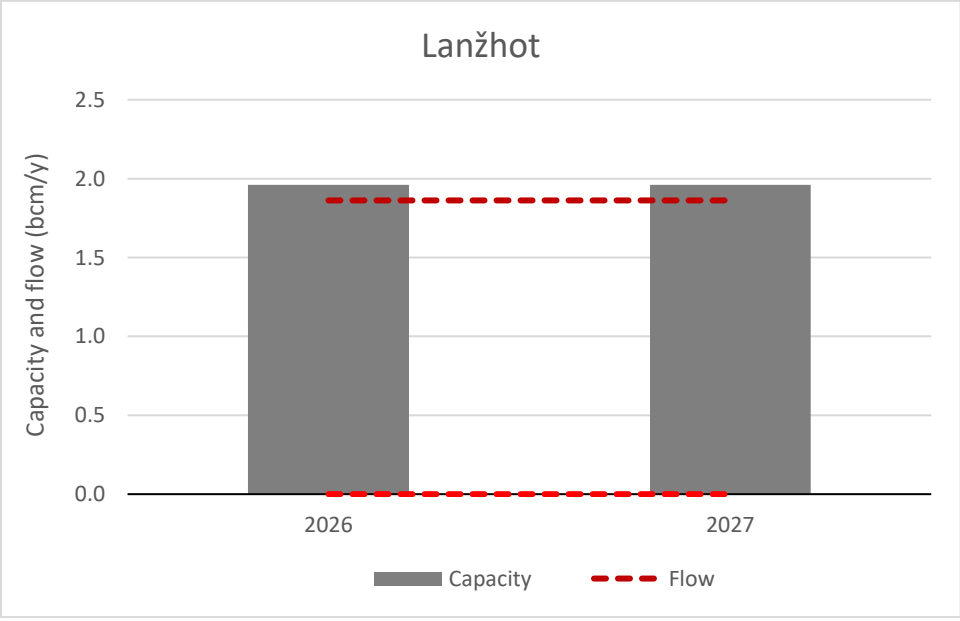
Total forecasted contracted capacity at exit points is assumed on the following level:

[MWh/d]	2026	2027	AVG
Total Exit	157,068	157,068	157,068
Lanžhot	0	0	0
Baumgarten	0	0	0
domestic point	128,301	128,301	128,301
Veľké Zlievce	0	0	0
Veľké Kapušany	0	0	0
Budince	28,767	28,767	28,767
Výrava	0	0	0

Based on the historical experience, commercial flows of natural gas for new contracts are expected to reach the level of 95% of the forecasted contracted capacity.

3.1.1.2. Forecasted contracted capacity and flows – associated assumptions

Lanžhot entry/exit point:



Note: Values above the x-line represents entry capacity/flows and below the x-line exit capacity/flows

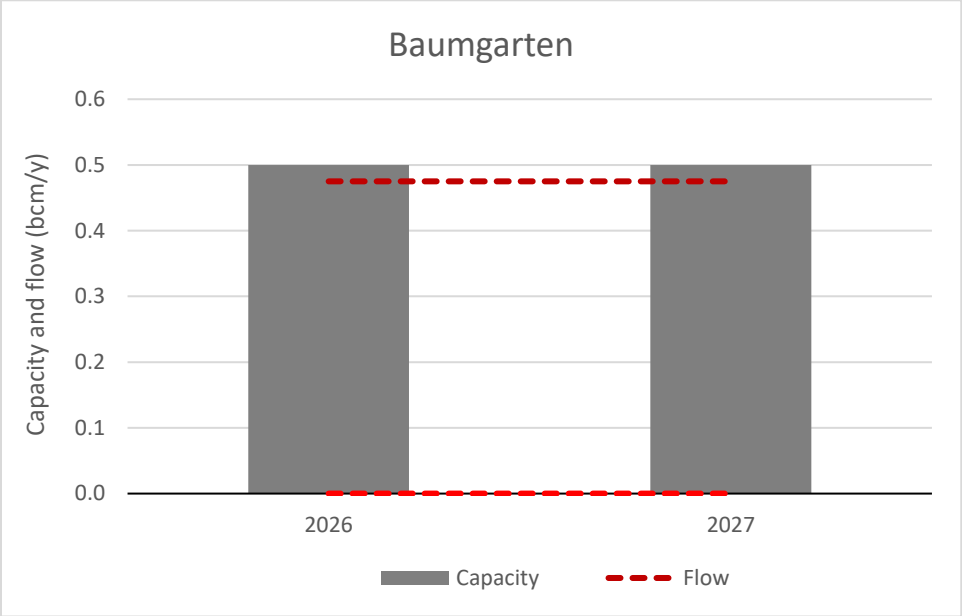
Entry point Lanžhot point currently serves for 2 main purposes:

(i) as an entry point for gas transmitted towards Ukraine,
(ii) as an entry point for domestic supply.

At the same time, it is also utilized to a minimum extent for supplying the Czech Republic.

Eustream assumes that contracted capacity at entry Lanžhot would achieve ca. 1.96 bcm/year and at exit 0bcm/year, with 95% utilization.

Baumgarten entry/exit point:

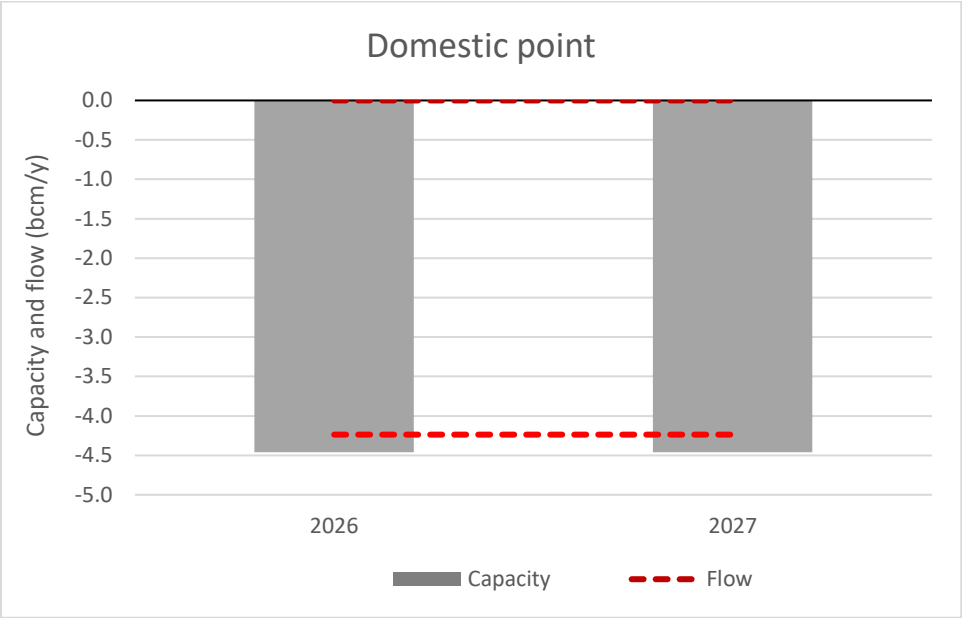


Note: Values above x-line represents entry capacity/flows and below the x-line exit capacity/flows

Significant part of Exit Baumgarten capacity is already contracted on a long-term basis (based on the long-term contract - it is not displayed on the graph). The assumption of contractual capacity at the entry point is at the level of 0.50 bcm/year.

Forecast of flow is, also in case of Baumgarten entry/exit point, at the level of 95%.

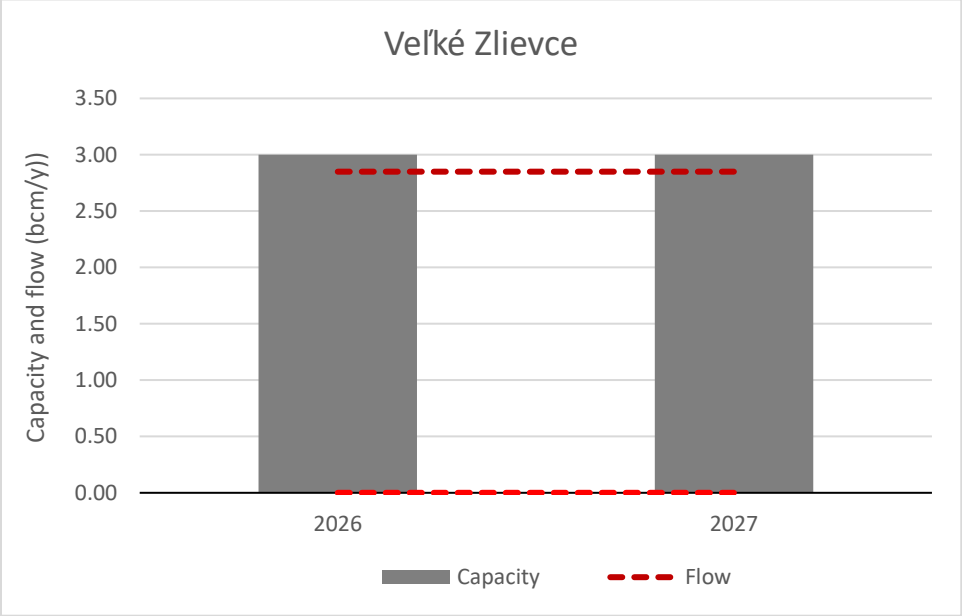
Entry/ exit point domestic point:



Note: Values above the x-line represents entry capacity/flows and below the x-line exit capacity/flows

For the entry/exit point domestic point, Eustream forecasts contracted capacity at the current level of ca. 0.0 bcm/year for entry and ca. 4.46 bcm/year for exit. Flow expectation is expected to reach 95% of contracted capacity.

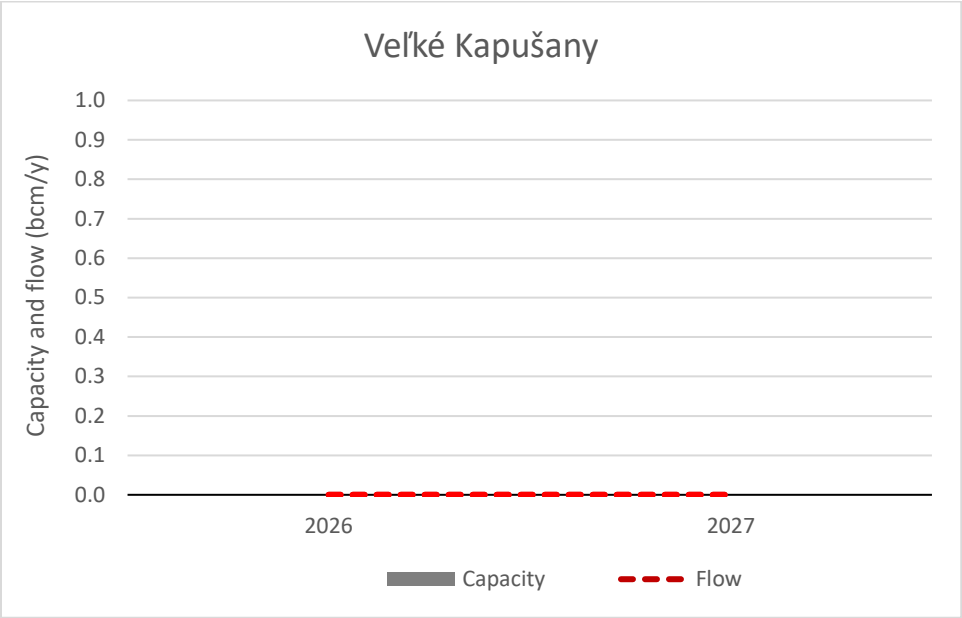
Veľké Zlievce entry/exit point:



Note: Values above the x-line represents entry capacity/flows and below the x-line exit capacity/flows

Eustream expects utilization of the entry/exit point Veľké Zlievce at the level of ca. 3.00 bcm/year at entry, with the expected flow at the level of 95% of a contracted capacity.

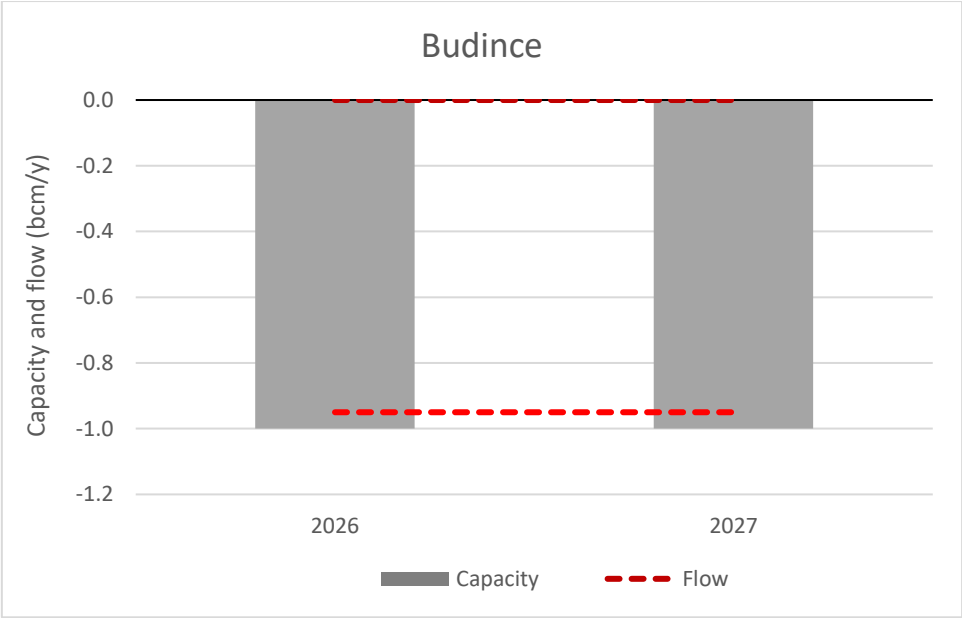
Veľké Kapušany entry/exit point:



Note: Values above the x-line represents entry capacity/flows and below the x-line exit capacity/flows

Veľké Kapušany point historically represented the main gateway for Russian gas deliveries to the EU. Due to the impact of the military conflict in Ukraine causing a decrease in its importance for gas deliveries to EU countries, and Eustream anticipates the decline of its utilization. At this point, almost the entire volume of contracted capacity is a subject to a long-term transmission contract, and Eustream is not considering new contracts.

Budince entry/exit point:



Note: Values above the x-line represents entry capacity/flows and below the x-line exit capacity/flows

Budince point plays a significant role in supplying natural gas to Ukraine rom EU countries; however, due to the military conflict, natural gas consumption in Ukraine, and therefore the

utilization of the Budince point, is decreasing. Eustream expects the contracted capacity at the exit point to be 1.00 bcm/year, with utilization at 95%.

Výrava entry/exit point:

Due to the current market situation and historical data, for tariff calculation purposes, Eustream considers no capacity bookings at this point.

3.1.1.3. The structural representation of the transmission network and distance matrix

Distance matrix, as one of the key input parameters to counterfactual RPM, has been calculated based on the real length of the pipelines. Simplified structural representation of the network of company Eustream is shown on the Picture 2.

Picture 2: Structural representation of Slovak natural gas transmission system with an appropriate level of detail

Distance matrix is as follows:

[km]	Lanžhot	Baumgarten	domestic point	Veľké Zlievce	Veľké Kapušany	Budince	Výrava
Lanžhot	0	90	250	228	456	456	554
Baumgarten	90	0	257	234	463	463	561
domestic point	250	257	0	22	206	206	304
Veľké Zlievce	228	234	22	0	229	229	327
Veľké Kapušany	456	463	206	229	0	19	98
Budince	456	463	206	229	19	0	98
Výrava	554	561	304	327	98	98	0

3.1.2. Other input parameters for the RPM (not related to the technical characteristics of the system)

3.1.2.1. Entry/exit split

For the purpose of calculation of the reference prices, the proposed entry/exit split is 50/50 in line with the Article 8(1)(e) of the TAR NC.

3.1.2.2. Tariff levels (comparison) of operators from EU Member States, relevant for benchmarking purposes

For the purposes of secondary adjustment of RPM results based on benchmarking (refer to the document 'Methodology for determining tariffs for access to the transmission network and transmission of natural gas'), Eustream used the tariffs of the following operators of transmission networks from EU Member States:

2026	
EURcent /1 MWh transported / 100km	average of the min-max (1y a 10y contract)
SK TSO - after benchmark adjustment	**100,0**
CZ TSO	25,5
BE TSO	27,4
DK TSO	123,2
NL TSO	158,7
HU TSO	28,0
DE TSO	121,4
DE TSO	53,2
DE TSO	78,8
DE TSO	83,1
DE TSO	47,5
PL TSO	77,8
AT TSO	56,1
IT TSO	49,3
BG TSO	46,3
FR TSO	149,3
SI TSO	115,1
RO TSO	57,2
average, without EUS	**76,4**
minimum, without EUS	25,5
maximum, without EUS	**158,7**
SK TSO - before benchmark adjustment	**206,1**
interval for benchmark	
average	76,4
max	158,7

3.1.2.3. Expected inflation rate

The following forecast of the EU inflation rate has been used[8]:

[%]	2020	2021	2022	2023	2024	2025	2026	2027
EU HICP	0.7%	2.9%	9.2%	6.4%	2.6%	2.0%	2.0%	2.0%
SK CPI	1.9%	3.2%	12.8%	10.5%	2.8%	3.9%	2.5%	3.1%

[8] Source of data – Eurostat and National Bank of Slovakia. For 2025 and beyond, the assumption of the National Bank of Slovakia for the Slovak CPI and the long-term inflation target for determining inflation in EU countries (EU HICP) was used.

3.2. Proposed adjustments for capacity-based transmission tariffs

Art. 26(1)(a)(ii)

Adjustments of tariffs at entry points from and exit points to storage facilities

According to Article 9(1) of the TAR NC*:*

"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 ",

the reference prices for entry and exit points from/to storages are subject to further adjustment – discount on the level of at least 50%.

According to Article 17, paragraph 3 of Regulation (EU) 2024/1789[9]:

"*Until 31 December 2025, the regulatory authority may apply a discount of up to 100% on capacity transmission and distribution tariffs at entry points from underground gas storage and LNG facilities, and at exit points to underground gas storage and at entry points from LNG facilities, provided that, and to the extent that, such a storage facility connected to more than one transmission or distribution network is not used as a competing interconnection point.*

For the purpose of enhancing supply security, from 1 January 2026 the regulatory authority may apply a discount of up to 100% on capacity transmission and distribution tariffs at entry points from underground gas storage and at exit points to them, as well as at entry points from LNG facilities. The regulatory authority shall review this tariff discount and its contribution to supply security during each regulatory period in the course of regular consultations conducted pursuant to the network code adopted under Article 71(2), first subparagraph, point (d)."

Based on the above provisions, the final reference prices for entry and exit points to/from storage facilities should be subject to further adjustment - in the form of a discount of at least 50% or, where applicable, up to 100%.

Since all storage facilities on the territory of the Slovak Republic are connected to

(i) Austrian transmission network,
(ii) Slovak distribution network and these connections are fully used to "compete with an interconnection point" and
(iii) sufficient measures have been implemented to ensure the security of gas supplies, in particular through the increase of technical transmission capacities, the construction of new gas interconnections with cross-border connections to adjacent networks, and the diversification of gas sources, the conditions for applying these discounts are not fulfilled.

At the same time, it applies that currently entry/exit point from/to storage facilities is part of the domestic point and not separate entry/exit point.

[9] 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 also referred to throughout the document as "Regulation (EU) 2024/1789").

Adjustments of tariffs at entry points from LNG facilities

Not applicable – there is no entry point from LNG facility in the Slovak transmission system.

3.3. The indicative reference prices subject to the Consultation

Art. 26(1)(a)(iii)

The indicative reference prices are as follows:

[€/(MWh/d)/y] **Entry**	Raw Reference prices	Final reference prices
Lanžhot	1,395.1	620.5
Baumgarten	1,395.1	620.5
domestic point	1,395.1	584.0
Veľké Zlievce	1,395.1	620.5
Veľké Kapušany	1,395.1	620.5
Budince	1,395.1	620.5
Výrava	1,395.1	620.5
Exit		
Lanžhot	1,395.1	620.5
Baumgarten	1,395.1	620.5
domestic point	1,395.1	584.0
Veľké Zlievce	1,395.1	620.5
Veľké Kapušany	1,395.1	620.5
Budince	1,395.1	620.5
Výrava	1,395.1	620.5

(i) The reference prices presented are indicative reference prices. Eustream proposes to apply final reference prices for the calendar year 2026. Final reference prices are proposed to be applied also for subsequent years of tariff/ regulatory period, in the event that, during this period, there is no change to the price decision or no repeal and replacement of the price decision with a new price decision in connection with the reference prices.

(ii) Final reference prices for the non-EU interconnection points (entry/exit point domestic point, entry/exit point Veľké Kapušany and entry/exit point Budince), pursuant to the Article 2(1) of TAR NC, may not serve as the reserve prices for the standard yearly capacity products for these points.

3.4. Cost allocation assessments

Art. 26(1)(a)(iv)

The cost allocation assessment aims to evaluate whether any cross subsidisation occurs between transit and domestic transmission for both – capacity as well as commodity-based transmission tariffs.

It compares revenues to be obtained per unit of a defined costs driver for intra and cross-system use. Since Eustream uses reference price methodology based on postage stamp principles, but incorporating benchmarking with the distinction between domestic transmission and transit, key cost drivers are forecasted contracted capacity and forecasted flow of natural gas.

Input data for cost allocation assessment relating to the transmission services revenue to be recovered by capacity-based transmission tariffs:

- Forecasted contracted capacity for intra-system and cross-system use:

Forecasted contracted capacity for intra-system use [MWh/y]	2026	2027	AVG
ENTRY points	128,301	128,301	128,301
EXIT points	128,301	128,301	128,301

Forecasted contracted capacity for cross-system use [MWh/y]	2026	2027	AVG
ENTRY points	28,767	28,767	28,767
EXIT points	28,767	28,767	28,767

- Capacity-based revenues to be obtained from intra-system and cross-system use, calculated based on the reserve prices and forecasted contracted capacity.

Input data for cost allocation assessment relating to the transmission services revenue to be recovered by commodity-based transmission tariffs:

- Forecast of natural gas price[10]:

[EUR/MWh]	2026	2027
Forecast of natural gas price	35.03	32.04

- Forecasted flow-based charge

[%]	2026	2027
Forecasted charge	Entry 0.85% Exit 0.85%	Entry 0.85% Exit 0.85%

[10] CEGH VTP Gas futures, August 26, 2025 – Argus report ENG

- Forecasted flow of natural gas used for intra-system and cross-system use:

Forecasted flow for intra-system use [MWh/y]	2026	2027	AVG
ENTRY points	121,886	121,886	121,886
EXIT points	121,886	121,886	121,886

Forecasted flow for cross-system use [MWh/y]	2026	2027	AVG
ENTRY points	27,329	27,329	27,329
EXIT points	27,329	27,329	27,329

- Commodity-based revenues to be obtained from intra-system and cross-system use, calculated based on the indicative commodity-based transmission tariffs and forecasted flow of natural gas.

Results:

Assessment	2026	2027
Capacity-based revenues	2.99%	2.99%
Commodity-based revenues	0.00%	0.00%

Reasoning:

Results of the cost allocation assessments are for capacity-based revenues as well as for the commodity-based revenues at the level below the specified threshold value of 10%.

Note: Comparison results do not take into account the utilization of additional services (e.g., Shorthaul - Domestic) approved by ÚRSO.

3.5. Assessment of the proposed RPM in accordance with Article 7

Art. 26(1)(a)(v)

The reference price methodology shall comply with Article 17 of Regulation (EC) No 2024/1789 and with the following requirements of the Article 7 of the TAR NC:

a. enabling network users to reproduce the calculation of reference prices and their accurate forecast;
b. taking into account the actual costs incurred for the provision of transmission services considering the level of complexity of the transmission network;

c. ensuring non-discrimination and prevent undue cross-subsidisation including by taking into account the cost allocation assessments set out in Article 5;
d. ensuring that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system;
e. ensuring that the resulting reference prices do not distort cross-border trade.

Eustream is convinced that all above-mentioned criteria are fulfilled, besides of other facts mentioned in the Consultation document, based also on the following:

a. chosen RPM enables network users to reproduce the calculation of reference prices and their accurate forecast:

- ✓ chosen RPM - the postage stamp methodology, is easy to understand, simple and replicable, which means that reference prices calculated based on this methodology can be easily reproduced by all stakeholders;
- ✓ all data necessary for calculation of reference prices are complete, real, consistent and publicly available;
- ✓ the simplified tariff model is being used, including the explanation of its usage, which gives network users, resp. all interested stakeholders the possibility to calculate the transmission tariffs for the prevailing tariff period and to estimate their possible evolution beyond such tariff period, as required by Article 30(2)(b) of the TAR NC.

b. chosen RPM takes into account the actual costs incurred for the provision of transmission services considering the level of complexity of the transmission network:

- ✓ chosen RPM reflects specific position of the Slovak transmission network, which represents simple, but extremely robust transmission system with high proportion of the international transmission (transit) on the overall natural gas transmission till the beginning of the year 2025 and competition in form of transmission systems of other European TSOs. In the future, however, the potential for new transit cannot be ruled out, although not to the same extent as in the past;
- ✓ proposed RPM is postage stamp methodology, followed by secondary adjustment based on price comparison, as an important tool for providing long-term stability and competitiveness of the tariff system, reflecting the specific position of the Slovak transmission network;
- ✓ chosen RPM reflects appropriate costs for the operation of the transmission network, including, but not limited to, costs of 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 chosen RPM are transparent, provable, reflect costs of efficient and structurally comparable transmission system operator and contain appropriate rate of return of the invested capital;
- ✓ all cost are considered as costs connected with gas transmission and they are allocated via the same RPM;
- ✓ chosen RPM is applied to all entry and exit points.

c. chosen RPM ensures non-discrimination and prevent undue cross-subsidisation including by taking into account the cost allocation assessments set out in Article 5:

- ✓ the proposed RPM, based on a postage stamp methodology, ensures non-discrimination and prevents undue cross-subsidisation by taking into account the cost allocation assessments set out in the Article 5 of the TAR NC. Since Eustream uses reference price methodology based on postage stamp principles, key cost drivers are forecasted contracted capacity and forecasted flow of natural gas. These parameters are objective and the chosen RPM results in the same reference prices for all transmission customers for the same transmissions services, and hence the chosen RPM can be considered as non-discriminatory;
- ✓ allocation of all transmission costs via a single RPM to all entry-exit points, which prevents any form of discrimination not allowed by the TAR NC;
- ✓ costs calculated by the transmission system operator, the company Eustream, that serves as an input into the methodology for the calculation of reference prices according to given RPM, shall be submitted to ÚRSO and approved by ÚRSO, by which discrimination by transmission system operator is prevented;
- ✓ based on the results of cost allocation assessments set out in Article 5 of the TAR NC, containing the evaluation whether the cross-subsidisation between transit and domestic transmission - for capacity as well as commodity transmission tariffs does not occur, it can be stated that the results of this assessment are significantly below the threshold 10%, by which the limit of the threshold as defined in Article 5(6) of the TAR NC is fulfilled.

d. chosen RPM ensures that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system:

- ✓ indicative reference prices for entry/exit point domestic point may not serve as the reserve prices for the standard yearly capacity products. The reserve prices for entry/exit point domestic point are subject to methodology based on the national legislation, which will be valid and applicable in respect to this point. As the reserve prices for entry/exit point domestic point will be under the approval of ÚRSO in accordance with the valid and applicable national legislation, it can be stated that by applying the mechanism containing process of control and approval of ÚRSO as the national regulatory authority, the protection of the final customers will be sufficiently ensured in a way that the significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system.

e. chosen RPM ensures that the resulting reference prices do not distort cross-border trade:

- ✓ chosen RPM, as postage stamp methodology, provides high level of transparency. Since it is easily understandable, all parameters used for the calculation of reference prices are publicly available, enables calculation of transmission tariffs for the prevailing tariff period, resp. estimation of their possible evolution beyond such tariff period, the chosen RPM automatically reduces barriers distorting cross-border trade to minimum;

- ✓ floating price approach, under price cap regime, is applied for all entry/exit points, for all tariff periods. The system of a floating price system will ensure an equal tariff level for all users of the transmission network, thus meeting the requirement of not disrupting cross-border trade.

3.6. Comparison of the indicative reference prices to the capacity weighted distance (CWD) results

Art. 26(1)(a)(vi)

Reference prices resulting from the counterfactual - CWD methodology and their comparison to the proposed indicative reference prices are shown in the following table:

[€/(MWh/d)/y] **Entry**	Final Reference prices	CWD results	difference
Lanžhot	620.5	2,459.8	-1,839.3
Baumgarten	620.5	2,519.6	-1,899.1
domestic point	584.0	N/A	N/A
Veľké Zlievce	620.5	512.2	108.3
Veľké Kapušany	620.5	N/A	N/A
Budince	620.5	N/A	N/A
Výrava	620.5	N/A	N/A
Exit			
Lanžhot	620.5	N/A	N/A
Baumgarten	620.5	N/A	N/A
domestic point	584.0	1,071.7	-487.7
Veľké Zlievce	620.5	N/A	N/A
Veľké Kapušany	620.5	N/A	N/A
Budince	620.5	2,837.5	-2,217.0
Výrava	620.5	N/A	N/A

Comparison pointed on main disadvantages of the CWD methodology for the transmission system operators as Eustream:

(i) inability to set the tariffs for the entry/exit points where no capacity booking is expected, and
(ii) inability to recognise real flow pattern of gas.

Results of CWD methodology are comparable in all relevant cases, except for the entry point Veľké Zlievce, where the CWD methodology determines a lower tariff due to (i) the relatively high amount of reserved capacity in proportion to the total expected reserved capacity and (ii) the short distance to the domestic exit point, which has the highest amount of reserved exit capacity in the given tariff period. However, this result is not consistent with the capacity booking pattern, which, based on historical experience, was used as an input into the RPM. Application of the CWD methodology, however, leads into high discrepancy in the level of tariffs at entry points and exit points, despite the entry/ exit ratio being at 50/50. However, the comparison loses its effectiveness due to the significant utilization of benchmarking.

Due to these reasons, Eustream considers the chosen RPM as an appropriate and non-discriminatory, which may be used as the tariff setting methodology for company Eustream.

4. Indicative information set out in Article 30(1)(b)(i), (iv), (v)

Art. 26(1)(b)

4.1. Target revenue of Eustream

Art. 30(1)(b)(i)

Total amount of target revenues is calculated on the following level:

[mEUR]	2026	2027	AVG
Target revenue	462.248	460.707	461.447

This total amount of target revenues contains (i) revenue from capacity-based transmission tariffs and (ii) revenue from commodity-based transmission tariffs from both, flow-based charge as well as complementary revenue recovery charge and iii) the levels of discounts for the use of the additional service Shorthaul - Domestic.

Note: It does not include the benchmarking effect.

4.2. Transmission service revenue

Art. 30(1)(b)(iv)

Eustream does not offer any non-transmission services. Thus amount of target revenue is equal to the transmission service revenue.

4.3. Ratios of the transmission service revenue

Art. 30(1)(b)(v)

4.3.1. Capacity-commodity split

Capacity-commodity split is as follows:

[mEUR]	AVG(%)
Capacity-based	95.0%
Commodity-based (flow-based)	4.0%
Commodity-based (CRRC)	1.0%

Note: It does not include the benchmarking effect.

4.3.2. Entry-exit split

As an input parameter to the RPM a default entry/exit split of 50/50 has been applied. Reference prices calculated according to proposed RPM respect this split.

4.3.3. Intra-system/Cross-system split

Cross-border-domestic split is as follows:

[mEUR]	AVG(%)
Intra-system	81.2%
Cross-system	18.8%

5. Information of transmission and non-transmission tariffs

Art. 26(1)(c)

5.1. Commodity-based transmission tariffs

Art. 26(1)(c)(i)

5.1.1. Manner of setting commodity-based transmission tariffs

Art. 26(1)(c)(i)(1)

Flow-based charge

The main purpose of flow-based charge is to cover all variable costs connected to transmission of natural gas, consisting, inter-alia, of consumption of natural gas, used as a power for compressor stations, gas losses, costs of production of emissions and other cost elements.

Using the historical data of variable costs, as well as the ranges of specific consumption of all possible settings of compressor units, the flow-based charge is proposed to be set to the level of 1.7% of transmitted volume (expressed in kind).

Complementary revenue recovery charge

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.

5.1.2. Share of target revenue to be recovered from the commodity-based transmission tariffs

Art. 26(1)(c)(i)(2)

Please see Article 4.3.1 of this Consultation document.

5.1.3. Indicative commodity-based transmission tariffs

Art. 26(1)(c)(i)(3)

Flow-based charge

According to Article 5.1.1 of this Consultation document, the flow-based charge is proposed to be set on the level of 1.7% of transmitted volume (expressed in kind). Based on historically

proved experiences, the default entry/exit split for a flow-based charge is 50/50, and thus the indicative flow-based charge is as follows:

Entries: 0.85%

Exits: 0.85%

According to TAR NC (Article 4 (3) (a) (ii)), flow-based charge must be: *"set in such a way that it is the same at all entry points and the same at all exit points"*. In this respect, flow-based charge is proposed to be set also for entry/exit point domestic point. However, Eustream has introduced an additional service called Shorthaul - Domestic, which offers a discount on fees based on the flow for the entry and exit domestic point.

Complementary revenue recovery charge

According to the approved methodology and relevant decision of ÚRSO, the complementary revenue recovery charge is applied at the entry/exit point domestic point as the fee for increasing the level of security of supply, on the level of 0.08 EUR/MWh. The fee is set in the price of the year 2016 and is escalated annually, using the HICP inflation index of EU countries, published by Eurostat.

The complementary revenue recovery charge for the tariff period (including the period relevant for this Consultation), is proposed on the same level, however, according to the approved methodology, it can be adjusted, based on the level of contracted capacity at the IP Výrava.

5.2. Non-transmission tariffs

Art. 26(1)(c)(ii)

Not applicable – no non-transmission tariffs are proposed.

6. Information set out in Article 30(2)

Art. 26(1)(d)

6.1. Difference between transmission tariffs for the prevailing tariff period and the tariff period for which the information is published

Art. 30(2)(a)(i)

Reserved prices valid for the prevailing tariff period and their comparison to the proposed indicative reference prices are shown in the following table:

[€/(MWh/d)/y] **Entry**	Current tariff level (relevant for the year 2025)	Final Reference prices	difference
Lanžhot	365.0	620.5	255.5
Baumgarten	365.0	620.5	255.5
domestic point	328.5	584.0	255.5
Veľké Zlievce	365.0	620.5	255.5
Veľké Kapušany	365.0	620.5	255.5
Budince	365.0	620.5	255.5
Výrava	365.0	620.5	255.5
Exit			
Lanžhot	365.0	620.5	255.5
Baumgarten	365.0	620.5	255.5
domestic point	328.5	584.0	255.5
Veľké Zlievce	365.0	620.5	255.5
Veľké Kapušany	365.0	620.5	255.5
Budince	365.0	620.5	255.5
Výrava	365.0	620.5	255.5

6.2. Difference between transmission tariffs for each tariff period within the remainder of the prevailing regulatory period and the tariff period for which the information is published

Art. 30(2)(a)(ii)

The length of the tariff period equals to the remaining duration of the regulatory period. For this reason, the information is the same as in the Article 6.1 of this Consultation document.

7. Additional information on fixed payable price approach under price cap regime

Art. 26(1)(e)

As of 1 January 2025, a floating price system has been introduced; therefore, Eustream does not provide additional information regarding the fixed payable price under the price cap regime.