Subject: Orlen S.A.'s Position on the Final Consultation Document Concerning the Information Referred to in Article 26(1) of Commission Regulation (EU) 2017/460 of March 16, 2017, Establishing a Network Code on Harmonized Gas Transmission Tariff Structures[1]

In connection with the public consultation conducted by Eustream regarding the methodology for setting reference prices for access to the transmission network and gas transmission in the Slovak Republic, in accordance with the requirements set forth in Article 26 of Commission Regulation (EU) 2017/460 of March 16, 2017, establishing a network code on harmonized gas transmission tariff structures, **Orlen S.A., as one of the key entities contracting for gas transmission services at the Polish-Slovak border and within the Slovak transmission system, hereby presents its position on the proposed changes to the rates for gas transmission services in Slovakia.**

I. Background

The consultations relate to a significant decline in volumes transmitted through the Slovak system following the cessation of Russian gas transit through Ukraine. The most important elements of the proposed changes include:

a) an increase in entry and exit tariffs in the Slovak transmission system;

b) maintaining a revenue recovery mechanism based on both capacity charges and charges dependent on the volume of gas transmitted;

c) further modification of the tariff calculation methodology during the current regulatory period;

d) an attempt to provide the operator with additional revenue in connection with the loss of historical transit flows.

[1] https://www.eustream.sk/en/transparency/public-consultations/dokument-zaverecnej-konzultacie-informaciach-uvedenych-clanku-26-ods-1-nariadenia-komisie-eu-2017-460-zo-16-marca-2017 -which-establishes-the-network-code-for-harmonized-gas-transmission-tariff-structures-2.html

According to Eustream, the main reason for the need to increase tariffs is the sharp decline in gas transmission volumes resulting from the cessation of Russian transit through Ukraine and the deterioration in the economic viability of the transmission system's operation. The operator argues that the current level of revenue may not be sufficient to finance:

a) ongoing infrastructure maintenance,

b) network repairs and upgrades,

c) investments necessary to ensure the security and integrity of the transmission system.

Eustream also points to the occurrence of "exceptional circumstances" related to a significant decline in cross-border flows

II. Impact on the Gas Market in Slovakia

According to Orlen S.A., the proposed increase will have a direct impact on entities reserving transmission capacity at the borders of the Slovak transmission system, including participants in regional gas trading. The proposed increase could amount to approximately 50–55% compared to the currently applicable tariff rates. The most significant consequences include:

a) an increase in the costs of importing, exporting, and transiting gas through Slovakia;

b) a decline in the competitiveness of transmission routes running through Slovak territory;

c) higher costs of gas supplies for entities using interconnections, including those maintaining commercial and mandatory natural gas stocks on Slovak territory;

d) reduced attractiveness of new supply routes based on LNG and European transmission routes;

e) the risk of further weakening the integration of the Central European regional gas market.

In practice, the tariff increase may lead to the redirection of flows to alternative routes with lower transmission costs. At the same time, higher fees will place an additional burden on market participants developing new gas supply routes to Central Europe.

III. Orlen S.A.'s Position

ORLEN S.A. does not find sufficient justification for another significant increase in transmission tariffs proposed by Eustream and advocates maintaining the current level of tariff rates.

The following arguments support this position:

1. The application of tariff assumptions that may overstate costs, limit the competitiveness of gas transit through Slovakia, and require additional justification and greater transparency.

1.1. Forecast of reserved capacity at the Výrava Exit point

The consultation documentation published on June 30, 2026, projected the level of capacity reservations at the Výrava Exit point at 1,331 MW. Meanwhile, 2,500 MW were reserved solely through the annual auctions held on July 6, 2026 (after the consultation began) [GSA]. Assuming that capacity reservations are maintained in the 2027/2028 gas year as well, the difference between the forecast and the capacity actually booked corresponds to approximately 16% of the total forecasted capacity at exit points, including the domestic point. This indicates that the forecast no longer reflects current market demand, and its underestimation directly leads to an overestimation of the unit transmission rate.

1.2. Assumption of zero flow through the Výrava point

Another assumption that Orlen S.A. believes requires correction is the assumption of zero gas flow at the Výrava point despite existing capacity reservations. Since 2022, there has not been a single year without any flow at this point. Slovakia remains one of the key balancing directions for the Polish transmission system. This is confirmed by the transmission of over 2.2 TWh of gas in the fourth quarter of 2025[2], with a peak flow of approximately 125 GWh/day. These data indicate that, in addition to long-term reservations, short-term reservations and the use of short-term products are also highly likely.

[2] https://transparency.entsog.eu/#/points/data?points=sk-tso-0001itp-00177exit%2Cpl-tso-0002itp-00177entry

1.3 Selection of Data for Benchmarking

As in previous consultations, concerns have been raised regarding the selection of the comparison sample used for the benchmarking adjustment. The set includes operators operating under different technical and market conditions, including in Denmark, the Netherlands, Belgium, and France, which leads to an overestimation of the reference value. Additionally, data for Germany appears multiple times, causing this market to be overestimated and potentially having a disproportionate impact on the result. According to the methodology, the permissible adjustment level falls between the average and the maximum value; therefore, a clear justification is required for selecting the value of 101.6 EUR cents/MWh/100 km within a range of approximately 73–158 EUR cents/MWh/100 km.

In Orlen S.A.'s opinion, the benchmarking methodology requires clarification in at least the following areas:

- criteria for selecting countries and operators for the comparison sample;
- technical comparability of networks;
- comparability of transmission profiles and directions;
- method of route selection, including the rule of considering at least two routes per operator;
- rules for identifying and removing outliers;
- the rationale for selecting a specific adjustment value within the permissible range.

2. Assessment of the Approach to the Decline in Transit

Eustream classifies a decline in natural gas transit as an extraordinary situation justifying a significant increase in unit costs. This approach improves the operator's short-term ability to recover revenue at the expense of current system users, but at the same time further reduces the competitiveness of the Slovak route. In the long term, this may exacerbate the decline in infrastructure utilization.

Since the proposal to raise tariffs is being raised again, it is difficult to classify this situation as an extraordinary event once more. It is reasonable for the operator to present a program of efficiency and cost-saving measures for a transitional period, until transit volumes—including transit to Ukraine—potentially recover.

3. Stable Operator Revenues and Cost Optimization

According to the published financial results, Eustream's revenues in the initial period following the cessation of Russian transit through Ukraine fell by only about 11%. This means that earlier tariff increases of approximately 100% at EU border points largely offset the decline in transmitted volumes. Additionally, the published financial results do not yet reflect the effects of the most recent 7% tariff increase; therefore, its impact on the operator's revenue has not yet been reflected in the reported data.

Despite a significant decline in gas flows, Eustream's operating costs remain at a similar level. In ORLEN S.A.'s assessment, a more justified course of action would be to optimize the costs of maintaining infrastructure historically used for the transit of Russian gas. This goal can be achieved, among other things, through:

a) restructuring assets,

b) developing new transmission services,

c) utilizing EU funds supporting diversification and hydrogen projects.

4. Inconsistency with ACER's Approach to Tariff Setting

The methodology proposed in the document continues to raise legitimate concerns regarding its compliance with ACER's recommendations set forth in the report dated February 23, 2026, titled *"Tariff Report: Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Slovakia"*[3], particularly with regard to the methodology's compliance with key NC TAR requirements. In its February 23, 2026, document, ACER stated that the proposed changes include, among other things: overly broad benchmarking and a lack of sufficient transparency regarding it, the risk of cross-subsidization, a negative impact on cross-border trade, volume-based charges inconsistent with the NC TAR, insufficient transparency regarding the operator's

[3] https://www.acer.europa.eu/analysis-consultation-document-gas-transmission-tariff-structure-slovakia-2026

finances, and the effects of reporting lost revenues. After analyzing the indicated documents, it must be concluded that they may still raise similar concerns, as they largely replicate the previous methodology with only minor changes resulting from the new tariff period. The transmission operator itself emphasizes, however, that there have been no significant changes to the economic assumptions; the assumptions used previously have been confirmed, and the new consultations are being conducted primarily due to a change in Slovak regulations requiring the annual submission of a tariff application, while the proposed tariff is essentially consistent with the previous consultation and the previous tariff application.

5. Inconsistency with EU Energy Policy

Further increases in transmission tariffs may be considered inconsistent with the European Union's energy policy objectives, which include:

a) a complete phase-out of Russian gas imports by November 1, 2027;

b) the development of alternative supply sources, in particular LNG;

c) strengthening the integration of the European gas market;

d) promoting the competitiveness of cross-border gas flows.

At the same time, transmission system operators in the region are taking steps to maintain stable or lower tariffs in order to preserve the competitiveness of new supply routes and support cross-border trade.

6. Negative impact on the development of the North-South Corridor and the regional market

Another tariff increase, estimated at approximately 50%–55%, could weaken the competitiveness of the North-South Corridor and future supplies delivered via LNG infrastructure in the Baltic Sea region. Following the launch of the floating LNG terminal in Gdańsk in 2027, it will be possible to transport significant volumes of gas to southern Europe, replacing lost Russian supplies. An excessive increase in transmission costs in Slovakia will limit the economic attractiveness of this route. According to ORLEN S.A.'s estimates, in 2027 the tariff cost of entry into the Slovak system could be approximately 54% higher on the Slovak side compared to the price level charged by the Polish operator. An increase in Eustream's tariffs may also limit the integration of the Central European gas market and result in effects similar to those previously caused by the German “neutrality charge.” This mechanism was widely criticized as inconsistent with the spirit of European energy solidarity, and Slovakia itself was among the main critics of this solution.

IV. Conclusions

Considering the above arguments, ORLEN S.A. takes the position that there are currently insufficient economic and regulatory grounds to justify another significant increase in Eustream’s transmission tariffs.

Previous increases have effectively mitigated the impact of declining volumes transmitted through the Slovak system on the operator’s revenue, while the costs of operating the infrastructure have not been adequately optimized. Further tariff increases would undermine the competitiveness of new, intra-European gas supply routes, hinder the integration of the regional market, and could be deemed inconsistent with the objectives of European Union policy. In practice, this would mean shifting the costs of maintaining historical transit infrastructure onto European system users while keeping that infrastructure ready for a potential return to use.

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