

Dear Ms. Lucia Kristlová,

with regard to the consultation initiated by Eustream on March 11th 2024 on the new tariff methodology (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) the Hungarian NRA, MEKH would like to make the following comments for your consideration. We hope that our comments might be of use for the purposes of your consultation.

– *Our remarks on the draft consultation document:*

- at entry point Vel'ké Zlievce (HU>SK) the document seems to calculate with a lower value for forecasted contracted capacity, which could be increased in order to reflect the recent capacity increase on this IP.
- It applies the benchmark correction for all the entry and exit points, thus all the tariffs on these points are lowered. It is not clear from the document that if the tariffs are reduced for each point, then how it can be ensured that the TSO receives all the necessary revenues to cover its costs, and how cost-reflectivity of tariffs can be preserved. (See page 18)
- The document introduces a service called Shorthaul - Domestic, which offers a discount on fees based on the flow for the entry and exit Domestic point. This service is proposed however not as a non-transmission service. We recommend that the document should elaborate more on this issue and justify how this service (or the proposed discount) could be brought in line with the provisions of TAR NC which explicitly prohibits the setting of different flow-based charges for any (in this case: domestic) points. (See page 26)
- It does not take into account the effects of the Shorthaul - Domestic discount when performing the cost allocation assessments (CAA), thus the results of this assessment could be misleading on the degree of the cross-subsidisation between domestic and cross-system system network users. (See page 20)

– *Our remarks on the methodology:*

- the proposal seems to mix up the concepts of regulatory period and tariff period. In our understanding according to Art. 3 (23) of TAR NC prices should stay at a constant level during a tariff period. The proposal however foresees the indexation of tariffs between calendar years, therefore the tariff period should not be defined as the period from January 1, 2025 to December 31, 2027. (See pages 5 and 10)

– *Our remarks on the tariff calculation model:*

- since the tariff for each point is determined ultimately by benchmarking and is affected only by the inflation, the changes in contracted capacities and thus the utilisation of the system do not have an effect on the fees. This factor limits the usability of the model.

Best regards,

Hungarian Energy and Public Utility Regulatory Authority