

To: Eustream, a.s., Votrubova 11/A, 82109 Bratislava, Slovakia

Email: tariffs@eustream.sk

RE: Final Consultation Document on tariff methodology in Slovakia

Dear Sir/Madam,

SEFE Marketing & Trading Limited ("SM&T") is a subsidiary of SEFE Securing Energy for Europe GmbH ("SEFE"), responsible for optimising SEFE's energy commodity assets. SM&T is active in the natural gas wholesale market in France, Germany, the United Kingdom and several other European countries.

SEFE welcomes the opportunity to take part in the public consultation on the proposed changes to the tariff methodology in Slovakia. Please find below our feedback to the consultation.

Negative impact on SOS:

SM&T is concerned with the proposed substantial increase for transmission tariffs as this will have a detrimental impact for the Slovak gas market as it will increase the costs of supplying gas to the region and Slovak storages, which will negatively impact Slovakia's security of supply. Although, we understand TSO's need to implement appropriate revenue recovery mechanism, we believe such a drastic increase will also have a detrimental impact on the Slovak consumers as costs will, in the mid-term be passed down to end-users. We would favour a gradual approach to tariff increase and longer-term visibility.

Need for regulatory stability and certainty:

We acknowledge that the last change to the tariffs took place in 2019 and understand Eustream's remit to propose changes considering the current SoS situation and geopolitical impact on energy supply. However, this change comes in the middle of the regulatory period 2023-2027 with the caveat that Eustream can propose further adjustments and recalculations of the reference prices. Such proposal doesn't provide for a regulatory stability and certainty for shippers active on the Slovak market. SM&T would strongly appreciate regulatory stability and certainty in terms of tariff setting. In addition, the final decision by URSO should be taken within reasonable time, surely prior to the annual auctions in July.

More clarity on Ukraine route:

As Slovak transit route is the main route to fill Ukrainian storages, used by many European companies - the potential cessation of Ukrainian transit in January 2025 will also impact Eustream tariffs. There is still unclarity how this will affect reverse flows towards storages situated in Ukraine. Transparent

and clear information needs to be provided on how this issue will be addressed, since this has implication for SoS in Republic of Slovakia, the neighbouring region and Europe as a whole.

More transparency for calculations:

SM&T has some difficulty in understanding to what extent long-term booked capacities and the related revenues have been factored in the calculations as the formulas in the RPM include long-term bookings in a different manner under different calculations. Sometimes only the long-term booked capacities on the Velké Kapušany - Baumgarten route are subtracted from the total capacities. Lastly, we suggest that any proposed floating price system set to apply from 2025 should be consulted before implementation.

We remain at your disposal to discuss this matter.

Best regards,



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