entsog

european network
of transmission system operators
for gas

## SECOND ENTSOG REPORT ON

# IMPLEMENTATION AND EFFECT MONITORING OF THE TARIFF NETWORK CODE

## 2020 EDITION

BASED ON 2019 DATA

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# 1 OPENING REMARKS

## 1.1 TAR NC AND ITS APPLICABLE DATES

The Network Code on Harmonised Transmission Tariff Structures for Gas ('TAR NC') was developed as per the process set out in Article 6 of Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 ('Gas Regulation'), which involved the European Network of Transmission System Operators for Gas ('ENTSOG'), the Agency for the Cooperation of Energy Regulators ('ACER'), the European Commission ('EC') and other market participants.

The aim of the TAR NC is to further harmonise the principles laid down in the Gas Regulation, in particular the ones set out in Articles 13, 14(1)(b) and 14(2). Thus, the TAR NC contributes to achieving tariffs, or methodologies used to calculate them, which are transparent, take into account the need for system integrity and its improvement, reflect the actual costs incurred, non-discriminatory, facilitate efficient gas trade and competition, avoid cross-subsidies between network users and provide incentives for investment. The TAR NC was published in the Official Journal of the European Union on 17 March 2017 and entered into force on 6 April 2017.

The TAR NC foresees three different application dates ('ADs') for its different chapters, as shown in Figure 1:

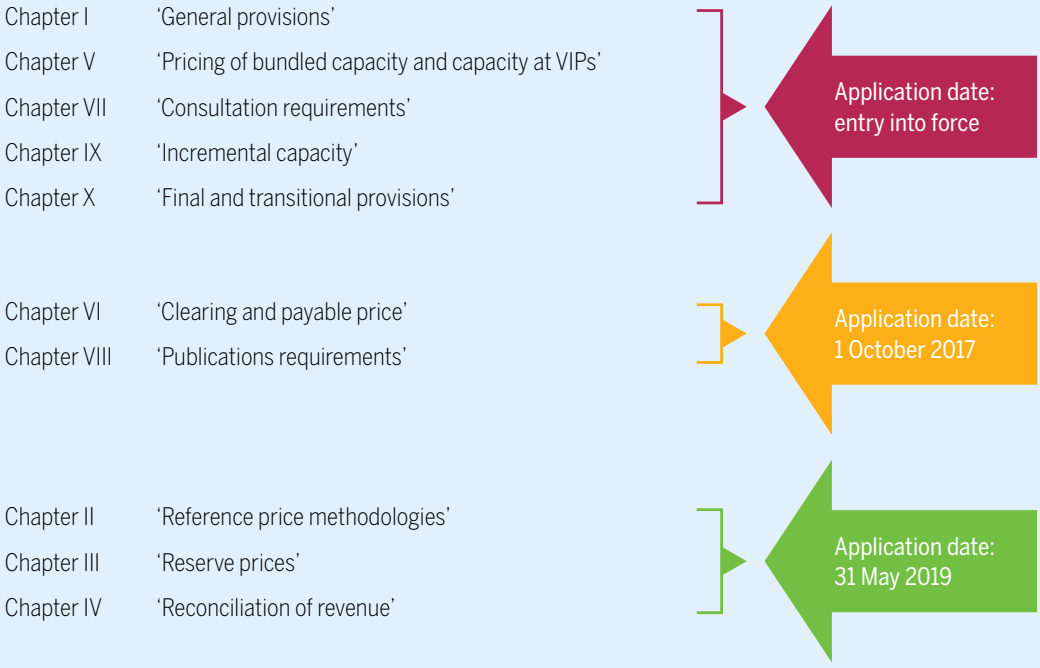



Figure 1: TAR NC application dates

## 1.2 RATIONALE AND TIME REFERENCE FOR THIS REPORT

This report consists of two parts: Implementation monitoring ('IM') and Effect monitoring ('EM') which echoes the requirements of the Gas Regulation. In particular, Article 8(8) of the Gas Regulation requires ENTSOG to *'monitor and analyse the implementation of the network codes and the Guidelines adopted by the Commission in accordance with Article 6(11), and their effect on the harmonisation of applicable rules aimed at facilitating market integration'*. This Article also requires ENTSOG to '*report its findings to the Agency and [...] include the results of the analysis in the annual report'*.

In addition, the TAR NC outlines some specific requirements. In particular, Article 36 'Implementation monitoring' of the TAR NC contains specific provisions related to the IM: it sets the deadline of 31 December 2019 for the transmission system operators ('TSOs') to submit the required information to ENTSOG. ENTSOG must submit the implementation information to ACER by 31 March 2020. The TAR NC does not contain specific provisions related to the EM.

Although this report is being published in 2020, it is the TAR NC **2019** report for both IM and EM. ENTSOG has developed this report: (1) to monitor the **implementation** status of the TAR NC by TSOs, as of 1 October 2019: and (2) to monitor its **effects** on the European gas market, with EM 2019 covering data available as at 1 October 2019[1], which will set a baseline for future TAR NC EM reports.[2]

Based on provisions in Article 27(5) of the TAR NC, *'the tariffs applicable for the prevailing tariff period at 31 May 2019 will be applicable until the end thereof'*. As at 1 October 2019, which is the reference date used in this report, some TSOs were still using the prevailing tariffs, and therefore also the prevailing reference price methodology ('RPM') applicable at 31 May 2019, other TSOs had already changed tariff periods and were using the 'new' RPM. Therefore, the data collected for the IM part of the report, and some EM indicators, will refer to the 'prevailing' RPM for some TSOs, or to the 'new' RPM for other TSOs.

It is important to note that it would be wrong to conclude that TSOs still using the 'prevailing' RPM are late in their implementation of the TAR NC, or that TAR NC provisions were not already applied by these TSOs at the reference date of this report.[3] This is only the result of the comparison of the selected reference date for data collection, the provision in Article 27(5) allowing for prevailing tariffs to prevail, and the specific tariff period of a TSO.

An executive summary of this report will be included in ENTSOG's annual report for 2019.

1 Reference date set to be in line with 31 December 2019 deadline and to facilitate the data comparison, for further details please see section 3.1.2.1.

2 All indicators used in the EM part are focused on data available as at 1 October 2019. For some indicators this data covers past calendar years, gas years or specific years (TAR.1 and TAR.2). For other indicators this data describes the prevailing situation as at 1 October 2019 (TAR.3, TAR.4 and TAR.5).

3 For example, the tariffs approved according to the new RPM have already been used as reference prices for the relevant products (products that from an invoicing point of view refer to the next tariff period) during 2019 CAM NC processes, such as the "Annual yearly capacity auctions" held in July 2019.

## 1.3 TSO PARTICIPATION

From 2 October 2019, ENTSOG contacted TSOs from 26 out of the 28[4] EU Member States ('MS'), to collect the required information for this report: (1) from 23 MS where the TAR NC entered into force and applies as of 6 April 2017 (Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom); and (2) from three MS where a derogation is in place (Estonia, Finland, and Luxembourg). While the application of the TAR NC is mandatory in the first 23 MSs above, it is only optional in the three MSs with a derogation. The remaining two MSs (Cyprus and Malta) are also derogated and do not have TSOs, therefore they were not contacted to take part in this report. Further information is set out in Section 1.4 below.

In total, 50 European TSOs from the above mentioned 26 MSs were contacted: the 44 ENTSOG Members, 2 Associated Partners, and 4 other European TSOs.

For both **IM** and **EM**, 48 TSOs replied and were counted as participating in the report (for a full list of participating TSOs, please see Annex A). Out of these 48 TSOs, three TSOs are from MSs with a derogation in place, as such no information was provided from them. For two TSOs, as per their national regulatory framework, tariffs are calculated and published by a third TSO from the same MS who is responsible for tariff derivation. For this report, the information for these two TSOs is contained in the information sent by the third TSO, and therefore only counted once.[5] Accordingly, there are 43 TSOs counted in the report, but 48 TSOs listed as participating in Annex A.

The two TSOs who did not participate in the Implementation and Effect monitoring report are both non-members.

## 1.4 STATUS OF DEROGATIONS FROM THE TAR NC

Article 2(2) specifies that the TAR NC does not apply in MSs that hold a derogation in accordance with Article 49 'Emergent and isolated markets' of Directive 2009/73/EC ('Gas Directive'). Article 2(2) echoes Article 30 of the Gas Regulation, which exempts the applicability of the Gas Regulation to MSs for as long as they hold such a derogation. Like all the other network codes, the TAR NC supplements the Gas Regulation, and forms an integral part of it, so if the Gas Regulation does not apply, neither does the TAR NC. Malta, Cyprus, Finland, Estonia and Luxembourg currently have derogations.

In addition, two TSOs are merchant TSOs that operate interconnectors and hold derogations under Article 37 TAR NC, which means that they have been granted derogations for some provisions of the Code by their NRA(s).[6]

- Malta and Cyprus will not be affected by the TAR NC if they remain isolated markets without a gas transmission system.
- Luxembourg holds a derogation according to Article 49(6) of the Gas Directive, which refers to its Article 9 on unbundling of transmission systems and TSOs.
- Finland and Estonia held derogations until 1 January 2020, which is why they are not covered in this report. Their derogations expired with the opening of the Finnish-Baltic gas markets and the Baltic Connector pipeline's commercial operation started in January 2020.[7]

4 In the case of the United Kingdom, the report includes data from UK TSOs as the report focuses on data and information valid at the end of 2019.

5 According to Italian regulation (Resolution 114/2019/R/gas of 28 March 2019) which establishes tariff regulatory criteria for the period 2020 – 2023 in line with TAR NC requirements, the main TSO (Snam Rete Gas) is responsible for the calculation of the transmission tariffs with reference to the entire Italian transmission network, therefore also for the portion of the network managed by ENTSOG members Società Gasdotti Italia and Infrastrutture Trasporto Gas.

6 Ofgem 2019, Authority decision to derogate BBL Company (BBL), viewed 3 April 2020, <https://www.ofgem.gov.uk/system/files/docs/2019/01/190118_ofgem_bbl_derogation_decision.pdf>, Ofgem 2018, Authority decision to derogate Interconnector (UK), viewed 3 April 2020, <https://www.ofgem.gov.uk/system/files/docs/2018/07/17072018_iuk_a37_ofgem_derogation_letter_1.pdf>

7 Gasgrid Finland Oy 2020, preparations for open gas market, Gasgrid Finland Oy, viewed 3 April 2020, <https://kaasumarkkina.fi/in-english/>

# 2 EXECUTIVE SUMMARY

This monitoring report 2019 provides the status of the implementation of the TAR NC by European TSOs and its effect on the European gas market, as of 1 October 2019. Information was collected by ENTSOG from European TSOs by questionnaires. The received information is analysed in this report and conclusions are drawn.

**The IM part of this report** covers the publication requirements that were already applicable for the 2017 report, as well as the requirements that became applicable after the last AD deadline of 31 May 2019. The IM part of the report is structured based on the numeric order of the Articles in the TAR NC.

By analysing the responses TSOs provided to the IM questionnaire, we can conclude that even though the last AD came into effect during 2019, it will be a few years before all European TSOs have started to apply the tariffs derived from the 'new RPM'[8]. This is a natural effect of the provisions in the TAR NC, allowing for the prevailing tariffs as at 31 May 2019, to be applied up until the end of the prevailing tariff period. Although only ten out of the participating TSOs had started to apply the new RPM as at 1 October 2019, the 33 prevailing RPM TSOs have reported a high level of early compliance for a majority of the TAR NC provisions that are only applicable for the new RPM. We consider this a positive aspect that also facilitates a smooth transition from the prevailing RPM to the new one, also taking into account that the majority of TSOs have adopted the new RPM as of 1 January 2020, or will adopt it later this year.

As can be seen in the overview table in Annex C, 20 TSOs had had their new RPM consulted upon by the deadline of 31 May 2019, and for 16 of them their NRA(s) had taken the motivated decision. In the majority of the MSs (21 out of 26), the NRA is responsible for conducting the final consultation in accordance with Article 26.

**The EM part of this report** analyses the effect of the TAR NC on the European gas market, taking account of the different application dates of the TAR NC. The effect of the TAR NC across the market has been studied by means of five indicators:

- TAR.1 'ratio of under-/over-recoveries to allowed/target revenues'
- TAR.2 'tariff changes'
- TAR.3 'seasonal factors for IPs'
- TAR.4 'publication of information in English'
- TAR.5 'multipliers for products with quarterly, monthly, daily and within-day durations'.

All EM indicators aim to analyse the data covering the latest years available.

The information collected from the TSOs provided a useful insight of how the TAR NC impacts the market. From this, it can be extracted that the revenue collected by TSOs is generally fairly close to their allowed/target revenue, which supposes some stability also in tariffs. Another fact observed is that currently seasonal factors are used by a minority of TSOs. Regarding publication of information in English, when it was TSO's responsibility to publish such information, it was published in English in almost all the cases. In terms of multipliers, it has been noticed that a majority of TSOs are compliant with the ranges of multipliers defined in the TAR NC.

This EM report is an updated picture of the situation of TSOs. It includes data from years prior to the first application date (1 April 2017) and data from years after that date, with 1 October 2019 set as the reference for data collection. Considering also data from the previous report, it looks like the evolution of some indicators is not yet perceptible. Besides, some of the indicators used in the current report are not comparable since they have been introduced or modified in the period since the publication of the 2017 report, following discussions with TSOs and ACER which are further detailed in the report. In future years, it will be possible to measure the full effects of the TAR NC, especially by comparing future EM reports to the first one and the current one.

8 For an explanation of 'new RPM' and 'prevailing RPM' please see sections 3.1.2.1 and 3.1.2.2.

# 3 IMPLEMENTATION MONITORING

## 3.1 INTRODUCTION

This part of the report presents the results of the implementation monitoring for all participating TSOs for each of the provisions of the TAR NC that had been implemented by 1 October 2019.

### 3.1.1 INFORMATION SOURCES AND DATA COLLECTION

As previously explained in section 1.3, ENTSOG collected the information for the TAR NC IM from 43 TSOs from the 23 EU MSs where the TAR NC applies. The information was collected by means of a questionnaire. The questionnaire was evidence based where possible. TSOs were asked to provide links to published information or other supporting data to back-up their answers.

Article 36 'Implementation monitoring' of the TAR NC states: *'ENTSOG shall ensure the completeness and correctness of all relevant information to be provided by transmission system operators'*. For ENTSOG, this means that all the relevant information is published consistently as per the TAR NC and that the information provided on the TSOs website (and on ENTSOG's Transparency Platform) corresponds to the relevant gas year and tariff period. Ensuring that all individual data items published by the TSOs are correct remains a responsibility for the relevant NRAs as part of the NRA obligation to ensure TSO compliance with their obligations. In case the publication requirement lays with the NRA, TSOs could provide information and links to the NRA website on a voluntary basis. However, ENTSOG has no obligation to monitor the NRAs' activities.

Picture courtesy of FGSZ

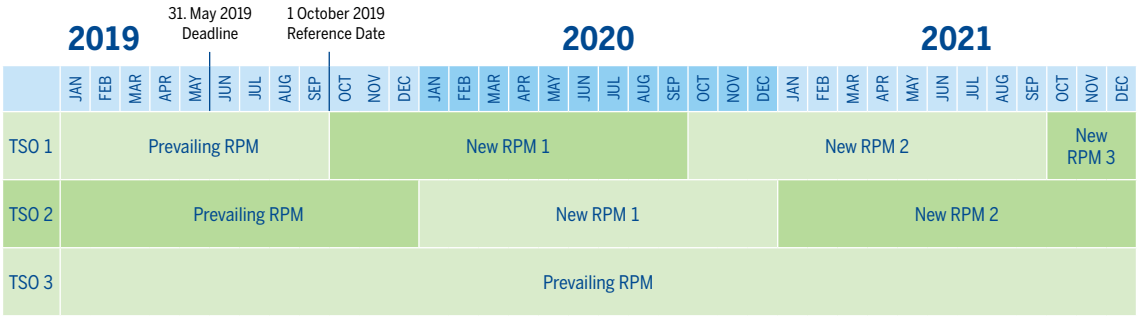
### 3.1.2 SCOPE

According to TAR NC Article 36, the scope of the 2019 monitoring report should cover all provisions of TAR NC other than Chapter VIII 'Publication requirements'. However, in agreement with ACER, it was decided to only cover the most significant and relevant parts of the TAR NC. The most significant provisions were deemed to be the ones that came into effect after the last monitoring report was published – Chapters II, III and IV – and the most relevant ones from the remaining Chapters were deemed to be the ones where the application of the provisions were most likely to have changed or been updated in some way. This resulted in the report covering provisions from all Chapters, except for Chapter VII "Consultation requirements". Since ACER was already doing its own monitoring of the Chapter VII requirements, it was jointly agreed that it was not necessary to cover the same information in ENTSOGs monitoring report.

#### 3.1.2.1 Application date and compliance date

Although all Chapters of the TAR NC have specific ADs, the TAR NC allows for compliance at a later date for some provisions within these Chapters. For example, the AD for Chapter II 'Reference price methodology' is 31 May 2019. However, Article 27(5) permits retaining tariffs applicable at such date until the end of the prevailing tariff period. Therefore, the compliance date is later than the AD, due to the fact that different tariff periods are applicable across the EU. For this reason, this report covers the RPM that was applicable for each TSO as of 1 October 2019, and not the prospective one. Consequently, the TSOs that took part in this monitoring exercise have been divided into two groups – the ones who were applying the 'new' RPM and the ones who were applying their 'prevailing' RPM in accordance with article 27(5), at the reference date 1 October 2019.

Figure 2 illustrates how the different tariff periods effect the change of RPM.




TSO 1: Tariff period in line with gas year | TSO 2: Tariff period in line with calendar year | TSO 3: Tariff period covering multiple years

Figure 2: The impact of different tariff periods on the change of RPM

#### 3.1.2.2 Prevailing RPM TSOs and New RPM TSOs

As explained in section 1.2 and 3.1.2.1, Article 27(5) allows TSOs to apply the tariffs applicable for the prevailing tariff period at 31 May 2019 until the end thereof. This means that for this TAR NC IM report, some TSOs have been monitored as applying the prevailing tariffs, and therefore also the prevailing RPM, even though at the time of the publication of this report, they have started to apply the new RPM. These TSOs are referred to as 'prevailing RPM TSOs' in the report. When referring to the 'new RPM' in this report, this is the RPM that has been consulted on as per Article 26 and should have been approved by the respective NRA by 31 May 2019. Some TSOs were already operating (i.e. pricing the services provided during 2019) under this new RPM at the reference date 1 October 2019, because their tariff periods changed before this date. These TSOs are referred to as 'new RPM TSOs' in the report. Which TSO belongs to which group can be observed in Table 1.

In Chapter 3.2 'Analysis of responses', the results from the implementation monitoring will in some cases be presented in aggregated form (presenting the result for all TSOs together) and in some cases the results will be presented separate for the two groups i.e. 'prevailing RPM TSOs' and 'new RPM TSOs'. The results are presented separately for the Articles that are connected to the choice of RPM and aggregated for the Articles where the choice of RPM is irrelevant for the application of the Article.

Picture courtesy of Thyssengas

| Prevailing RPM TSOs | New RPM TSOs | Derogated TSOs |
|---|---|---|
| Amber Grid | BBL** | Creos Luxembourg |
| Bayernets | Energinet | Elering |
| Bulgartransgaz* | GNI | Gasum |
| Conexus | GNI UK | |
| DESFA | IUK** | |
| Enagas | PTL | |
| Eustream | REN | |
| Fluxys | Swedegas | |
| Fluxys Deutschland | Transgaz | |
| Fluxys TENP | FGSZ | |
| Gas Connect Austria | | |
| Gascade | | |
| Gasunie Deutschland | | |
| Gasunie Transport Services | | |
| Gaz-System | | |
| GRTgaz | | |
| GRTgaz Deutschland | | |
| Gastransport Nord | | |
| Infrastrutture Transporto Gas*** | | |
| Lubmin-Brandov | | |
| National Grid* | | |
| NEL | | |
| Net4Gas | | |
| Nowega | | |
| ONTRAS | | |
| Open Grid Europe | | |
| Plinacro | | |
| Plinovodi | | |
| Reganosa | | |
| Snam Rete Gas*** | | |
| Società Gasdotti Italia*** | | |
| terranets bw | | |
| Thyssengas | | |
| Terega | | |
| Trans Austria Gasleitung | | |

Table 1: Prevailing RPM TSOs, New RPM TSOs, Derogated TSOs

* These TSOs should be new RPM TSOs based on their tariff periods but have not yet started to apply the new RPM

** The TSOs operating interconnectors have derogations from a number of articles of TAR NC. BBL do not have a tariff period as such but have started to apply the tariffs derived from the new RPM. IUK have a tariff period and have started to apply the new RPM.

*** According to Italian regulation (Resolution 114/2019/R/gas of 28 March 2019) which establishes tariff regulatory criteria in line with TAR NC requirements, the main TSO (Snam Rete Gas) is responsible for the calculation of the transmission tariffs with reference to the entire Italian transmission network, therefore also for the portion of the network managed by ENTSOG members Società Gasdotti Italia and Infrastrutture Trasporto Gas. Tariffs calculated according to TAR NC methodology have been used for the relevant products during 2019 CAM processes, such as the "Annual yearly capacity auctions" held in July 2019.

### 3.1.2.3 Requirements covered in the report

Further details of what is covered in the IM part of this report are provided below, with the Chapters listed in the order they are covered in the report.

Information collected for **Chapter I 'General provisions'** includes Article 2 'Scope' and Article 5 'Cost allocation assessment'. Article 2 covers the 'limited scope' rules applied at (1) points with third countries and (2) points other than interconnection points ('IPs') and other than points with third countries, where the NRA has decided to apply the rules at these points. Article 5 covers the assessments carried out on the capacity and commodity-based transmission tariffs indicating the degree of cross-subsidisation between intra-system and cross-system network use.

**Chapter II 'Reference price methodology'** – The provisions in this Chapter apply to the 'new RPM'. When referring to the 'new RPM' in this report, this is the RPM that has been consulted on as per TAR NC Article 26 and should have been approved by the respective NRA by 31 May 2019. As mentioned in section 3.1.2.2, TSOs will progressively change to the 'new RPM' when they change tariff period. For this reason, some TSOs were operating under the 'new RPM' at the time of completing the questionnaire on which this report is based, whilst others continue to operate under the prevailing RPM until such time as their tariff period changes.

For **Chapter III 'Reserve prices'** at IPs, multipliers are covered and whether they are within the TAR NC stipulated ranges or not. Seasonal factors, and whether they have been calculated as per the TAR NC methodology, and discounts on interruptible capacity products are also covered.

For **Chapter IV 'Reconciliation of revenue'** the focus was on TSOs that functioning under a non-price cap regime, and the information collected covered the time period of reconciliation, the reconciliation of non-transmission services, how the regulatory account is utilised and where applied, the level of auction premium.

The information collected for **Chapter V 'Pricing of bundled capacity and capacity at virtual interconnection points'** covers the plans for the attribution of the auction premium from the sale of bundled capacity and the options used for the calculation of the reserve price for unbundled products offered at a virtual interconnection points (VIPs).

For **Chapter VI 'Clearing price and payable price'**, information was collected regarding the application of fixed or floating payable price at IPs and the risk premium applied on fixed payable prices. Also, information relating to the offer of incremental capacity and the subsequent project were requested here.

**Chapter VIII 'Publication requirements'** – The publication requirements as per Article 29 'Information to be published before the annual yearly capacity auction' are not covered in this report. It was decided not to include this Article as it is covered in detail by a review carried out by ACER after the 2019 capacity auctions. Article 30 'Information to be published before the tariff period' is covered in this report – including parameters used in the applied reference price methodology and revenue information. According to Article 32, the information should be published no later than 30 days before the start of each tariff period.

**Chapter IX 'Incremental capacity'** covers whether incremental capacity has been offered by a TSO, and if so, how this capacity has been priced.

The information collected for **Chapter X 'Final and transitional provisions'** covers Article 35 'Existing contracts' and whether these contracts have been impacted by the TAR NC.

### 3.1.2.4 Possible TSO answers

In general, the questions were structured to allow the TSO to answer 'YES', 'NO', 'Non-applicable' or 'NRA responsibility', followed by a text box to provide additional or clarifying comments. For implementation of certain provisions of the TAR NC, such as Chapter VIII 'Publication requirements', responsibility could either be with the NRA or the TSO, as decided by the NRA. As this report only covers the implementation of the TAR NC by TSOs, not NRAs, in the MSs where the responsibility for a certain provision is with the NRA, the TSO could answer 'NRA responsibility' in the information collection questionnaire and move on to the next question. They also had the opportunity to answer, 'NRA responsibility' and provide information on recent developments and any interaction they had with their NRA on these provisions, such as sharing documents or related information. The TSO could also answer 'Non-applicable' for certain questions that were not relevant to them, for example, a question on seasonal factors could be answered 'Non-applicable' if the TSO does not apply seasonal factors. 'Non-applicable' could also be answered for the articles that were irrelevant for the TSOs that hold a derogation under Article 37. Chapters II, III and IV are altogether non-applicable for the 'prevailing RPM' TSOs, as explained in chapter 3.1.2.1. They were however given the possibility to provide answers to these questions on a voluntary basis based on the prevailing RPM.

## 3.2 ANALYSIS OF RESPONSES

This section has been structured following the numerical order of the Chapters in the TAR NC.

### 3.2.1 CHAPTER I GENERAL PROVISIONS

#### ARTICLE 2 'SCOPE'

**Overview of rule**

The TAR NC can be divided into 'broad scope' rules and 'limited scope' rules. 'Broad scope' rules are applied to all points on the transmission network, whereas 'limited scope' rules only apply at IPs by default. However, nothing prevents NRAs from extending the 'limited scope' rules to non-IPs. As per definitions in the CAM NC, IP means a physical or virtual point connecting adjacent entry-exit systems or connecting an entry-exit system with an interconnector, within the EU. Non-IPs include entry-points-from/exit-points-to third countries and points such as domestic exit points, entry-points-from/entry points-to storage facilities or other facilities. The 'limited scope' rules are Chapters III, V, VI, Article 28, Article 31(2) and (3) in Chapter IX.

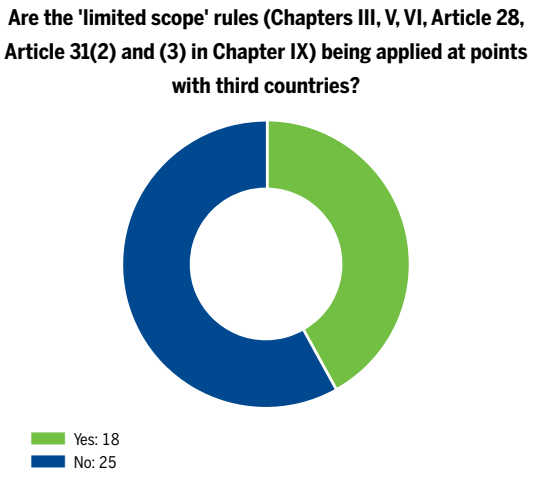



Figure 3

**All TSOs**

- 18 TSOs are applying 'limited scope' rules, at points with third countries.
- 25 TSOs replied that they are not applying 'limited scope' rules at points with third countries or that this question is non-applicable for them, for example as they do not have points with third countries.

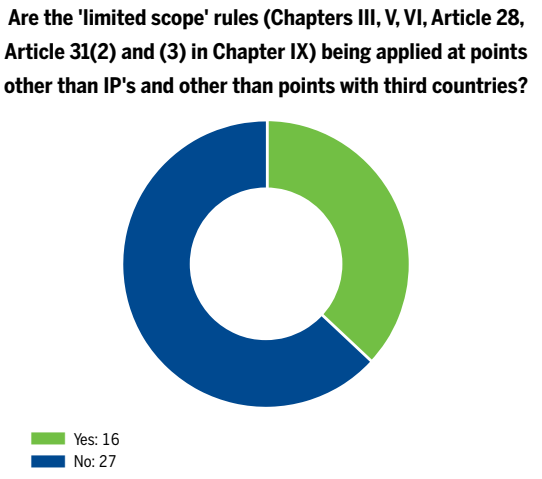



Figure 4

**All TSOs**

- Currently 16 TSOs are applying applicable 'limited scope' rules at points other than IPs and other than points with third countries. The remaining 27 TSOs are not applying 'limited scope' rules at these points.

## ARTICLE 4 'TRANSMISSION AND NON-TRANSMISSION SERVICES AND TARIFFS'

### Overview of rule

The TAR NC covers the way TSOs collect revenues via different tariffs associated with the provision of services at entry and exit points. The services are therefore separated into 'transmission services' and 'non-transmission services'. The transmission services revenue splits into a 'capacity' part and a 'commodity' part.

#### Prevailing RPM TSOs

- 19 TSOs have indicated that they provide non-transmission services. Some of the services listed are 'biogas charge', 'market area conversion levy', 'storage services', 'metering services', 'pressure reduction fee' and 'administrative fee'. One TSO mentioned that (new) CNG stations offering multi-brand services are considered non-transmission services if these are included in the regulated asset base.
- 14 TSOs have indicated that they do not provide non-transmission services.

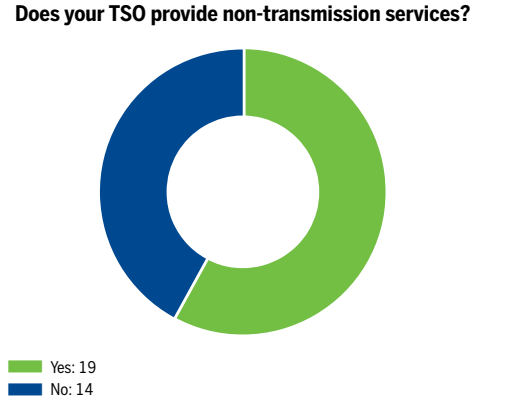



Figure 5

#### New RPM TSOs

- Six TSOs have indicated that they provide non-transmission services. Some of the services listed are 'administrative fee and registration fee', 'storage service', 'pressure reduction fee' and 'emergency service'. One TSO explained that they own an additional pipeline, which is not a part of the regulated asset base, which is considered as a non-transmission service.
- Four TSOs have indicated that they do not provide non-transmission services.

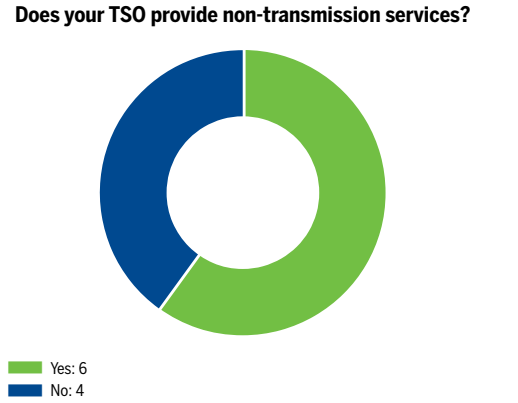



Figure 6

#### Prevailing RPM TSOs

- 12 TSOs have indicated that they apply commodity-based tariffs.
- 21 TSOs have indicated that they do not apply commodity-based tariffs.

Most of the TSOs that do apply a commodity-based tariff have answered that the cost driver for the commodity-based charge is the amount of gas flows (one of them together with distance as a parameter). One TSO specified that the injection of biomethane is commodity based. Another TSO stated that once the new RPM is applied, they will no longer apply a commodity-based tariff.

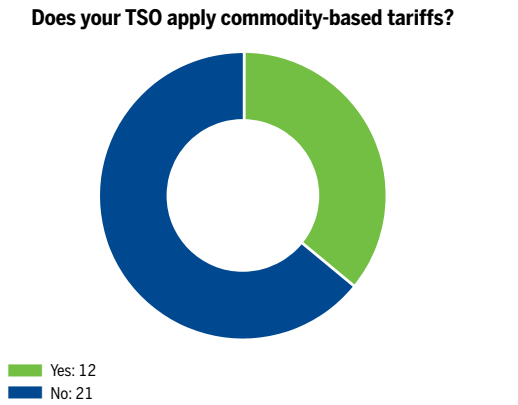



Figure 7

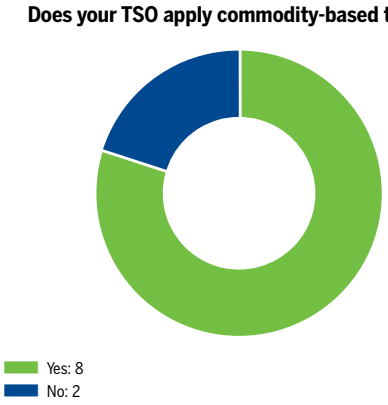



Figure 8

### New RPM TSOs

- Eight TSOs have indicated that they apply commodity-based tariffs.
- Two TSOs have indicated that they do not apply commodity-based tariffs.

For the TSOs who provided additional information to this question, most have indicated that the commodity-based tariffs are applied at exit points and refer to the flow-based cost of operation. One TSO applies a single entry-point and single exit-point commodity tariff in order to recover 10 % of the total transmission services revenue, which is agreed with the respective NRA. The commodity tariff is calculated based on the 10 % of total recoverable revenue divided by forecast commodity throughput volumes for that year. Another TSO indicated that the commodity-based tariff corresponds to 25 % of the overall revenues, but that this will be reduced to 15 % in gas year 2020/2021 and then to 5 % in subsequent gas years.

## ARTICLE 5 'COST ALLOCATION ASSESSMENTS'

### Overview of rule

The TSO or the NRA, as decided by the NRA, shall perform, and publish as part of the final consultation referred to in Article 26, a cost allocation assessment relating to the transmission services revenue to be recovered by *capacity-based transmission tariffs*, as well as a cost allocation assessment relating to the transmission services revenue to be recovered by *commodity-based transmission tariffs*, if any. The purpose of the cost allocation assessments is to indicate the degree of cross-subsidisation between intra-system and cross-system network use, based on the proposed RPM.

### Prevailing RPM TSOs

This Article, although included in a Chapter that was applicable from the entry into force of the TAR NC, refers to the Article 26 consultation, which did not have to be performed until 31 May 2019 and that should cover the 'new RPM'. Therefore, the provisions on CAA are not applicable for the 'prevailing RPM'.

For additional information on the Article 26 consultations and publications thereof please see Annex C.

### New RPM TSOs

- Seven TSOs have indicated that they apply the same cost drivers in the cost allocation assessments as in their RPM. All 7 TSOs answered that the cost driver used was the forecast contracted capacity.
- One TSO indicated that they do not apply the same cost drivers in the cost allocation assessments as in their RPM.
- Two TSOs indicated that this Article is not applicable to them due to derogations.

The TSO that did not apply the same cost drivers explained that, for the CAA, the NRA used forecast contracted capacity, but in the RPM (described as 'modified capacity weighted distance methodology') the two cost drivers are: effective distance and effective capacity. With effective capacity defined as forecast capacity multiplied by a point-specific constant. That constant measures the degree of utilization of the technical capacity of each network point.

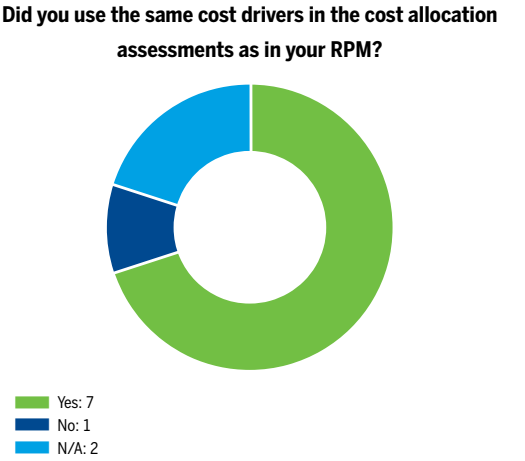



Figure 9

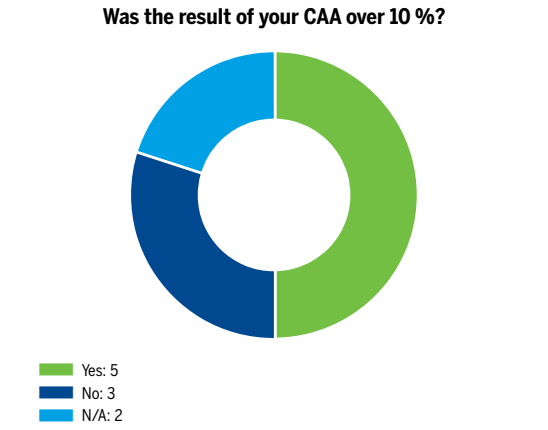



Figure 10

- Five TSOs have indicated that the result of their CAA was above 10 %.
- For the remaining TSOs, three provided CAA results under the 10 percent threshold and two indicated that the article was non-applicable due to derogations.

For three of the TSOs who had CAAs above the 10 % threshold, their respective NRAs had provided justifications, for example one reason mentioned was that the CAA is very sensitive in cases where cross-system use is very residual (in the specific case only 0.04 % of the allowed revenues are expected to be recovered from cross-system use). This was one of the TSOs who also indicated that they do not apply the same cost drivers in the CAA as in their RPM, repeating the CAA with one of the two cost drivers of the RPM (effective capacity) results in a value below the 10 percent threshold. For the other two TSOs no information was provided on justification by the NRA, but it was indicated that the result from the CAA is because there are zero cross-system flows/transit, making the results of the CAA inconsequential, and not because there is cross-subsidisation.

### 3.2.2 CHAPTER II REFERENCE PRICE METHODOLOGY

## ARTICLE 6 'REFERENCE PRICE METHODOLOGY APPLICATIONS'

### Overview of rule

Applying the RPM results in reference prices for each entry and exit point on the system, so it applies not only to IPs but also to non-IPs. For IPs it provides the basis for calculating the reserve prices for different standard firm and interruptible capacity products. A general requirement is to apply the same RPM at all the entry and exit points within an entry-exit system. The only exception is for a multi-TSO entry-exit system, whereby the respective TSOs can apply the same RPM jointly or separately, or different RPMs separately. The TAR NC does not insist on a particular RPM. Instead, it specifies the requirements for such methodologies, their aims, and possible adjustments to the application of the RPM.

The question on whether the RPM has taken on board the findings of the periodic consultation, relating to Article 6, was only directed to the TSOs who had already started applying the new RPM as of 1 October 2019. Ten TSOs indicated that they were applying the new RPM at that time, and eight of these TSOs indicated that the findings were taken onboard in the new RPM. Two TSOs indicated this question as non-applicable and explained that this was because the NRA was responsible for the consultation.

The remaining questions for this Chapter refer to Articles that are only applicable for the TSOs who had already started applying the new RPM as of 1 October 2019. The prevailing RPM TSOs could provide answers based on the prevailing RPM. However, there is no obligation for the prevailing RPM to be compliant with these provisions.

**Has the same reference price methodology been applied at all entry and exit points in a given entry-exit system? (subject to exceptions set out in Articles 10 and 11)**

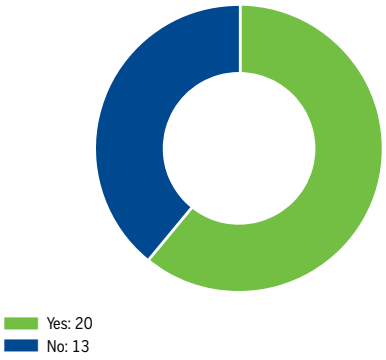



Figure 11

#### Prevailing RPM TSOs

- 20 TSOs have indicated that the same RPM has been applied at all entry and exit points within the entry-exit system.
- 13 TSOs have indicated that the same RPM has not been applied at all entry and exit points within the entry-exit system. For the majority, the reason is because they are still applying the prevailing RPM. One TSO indicated that the national law allows for benchmarking at IPs and another TSO answered that the same RPM is applied except at one exit point where a methodology based on distance cannot be applied as it would not cover the development costs of the interconnection created.

**Has the same reference price methodology been applied at all entry and exit points in a given entry-exit system? (subject to exceptions set out in Articles 10 and 11)**

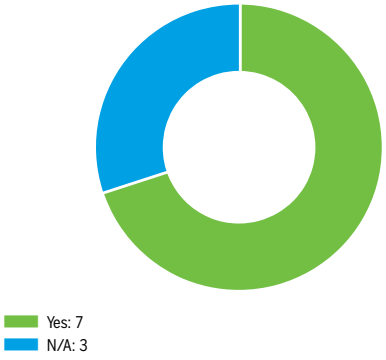



Figure 12

#### New RPM TSOs

- Seven TSOs have indicated that the same RPM has been applied at all entry and exit points within the entry-exit system.
- The remaining three TSOs did not provide an answer to this question, however one of them only operate one single pipeline.

### Prevailing RPM TSOs

- 20 TSOs indicated that they do apply discounts on capacity-based transmission tariffs at entry points from and exit points to storage facilities.

  Ten TSOs apply a discount of 50 % at both entry and exit points. One TSO applies a discount of 25 % at both entry and exit points. Seven TSOs apply discounts between 75–100 %, but for some with different levels between entry and exit points. One TSO indicated that they do not apply a discount for entry but 100 % discount for exit.

- 13 TSOs indicated that they do not apply discounts on capacity-based transmission tariffs at entry points from and exit points to storage facilities.

**Does your TSO apply discounts on capacity-based transmission tariffs at entry points from and exit points to storage facilities?**

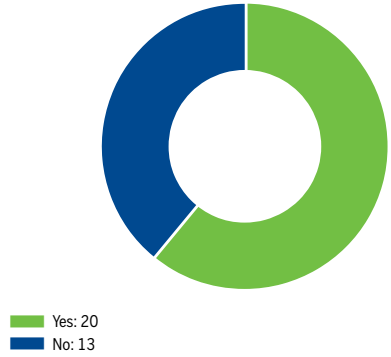



Figure 13

### New RPM TSOs

- Three TSOs indicated that they do apply discounts of 100 % on capacity-based transmission tariffs at entry points from and exit points to storage facilities. One TSO applies a discount of 90 % and another TSO applies a discount of 50 %.
- The remaining five TSOs do not apply a discount on capacity-based transmission tariffs at entry points from and exit points to storage facilities.

**Does your TSO apply discounts on capacity-based transmission tariffs at entry points from and exit points to storage facilities?**

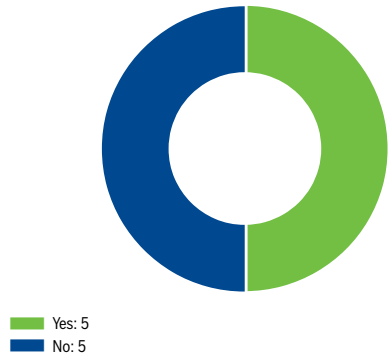



Figure 14

### Prevailing RPM TSOs

- Three TSOs indicated that they do apply discounts at entry points from LNG facilities. The discount levels used were 100 %, 75 % and 10 %.
- 30 TSOs indicated that they do not apply discounts at entry points from LNG facilities, this includes countries that do not have LNG facilities at the moment.

**Does your TSO apply discounts at entry points from LNG facilities, or entry points from and exit points to infrastructure developed with the purpose of ending the isolation of Member States?**

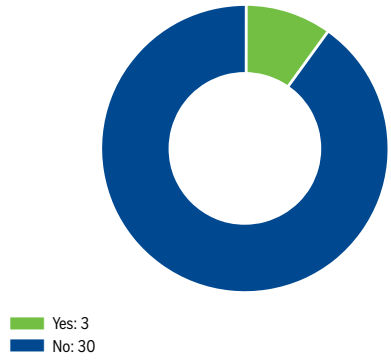



Figure 15

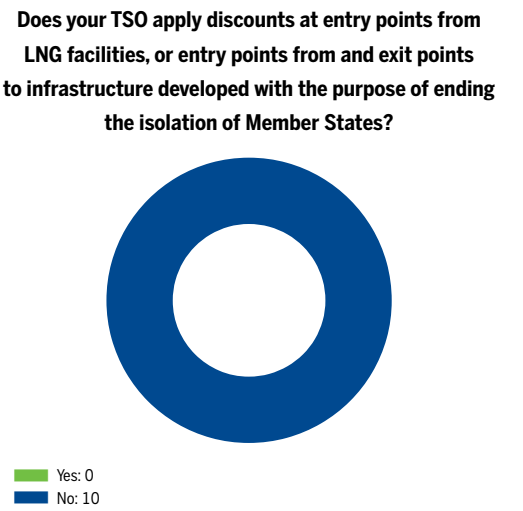



Figure 16

### New RPM TSOs

- None of the new RPM TSOs indicated that they apply discounts at entry points from LNG facilities.

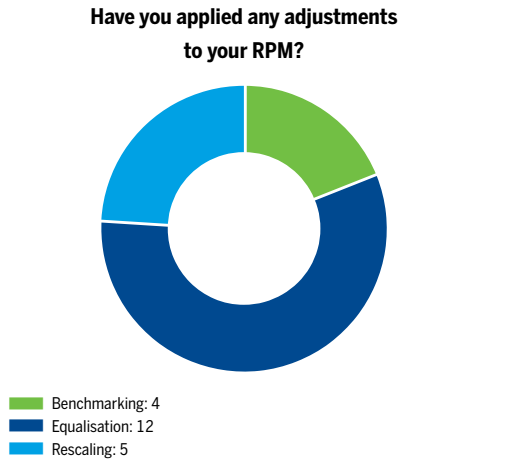



Figure 17

### Prevailing RPM TSOs

- Four TSOs indicated that they use benchmarking as an RPM adjustment.
- 12 TSOs indicated that they use equalisation as an RPM adjustment.
- Five TSOs indicated they use rescaling as an RPM adjustment.

On the question 'if any other adjustments have been applied to the RPM other than the above mentioned', none of the TSOs indicated that other adjustments had been made. However, a number of TSOs emphasised that this Article is non-applicable for the prevailing RPM.

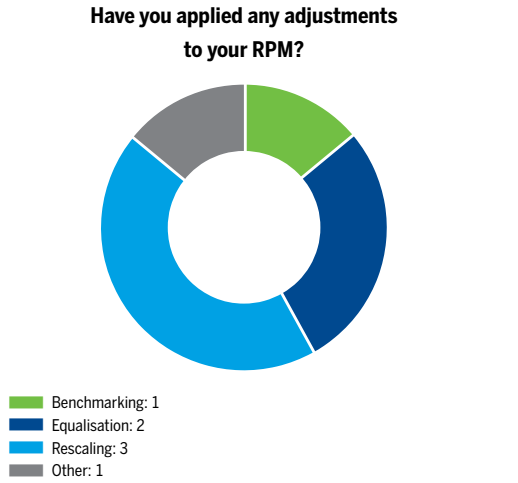



Figure 18

### New RPM TSOs

- One TSO indicated that they use benchmarking as an RPM adjustment.
- Two TSOs indicated that they use equalisation as an RPM adjustment. One of the TSOs applies equalisation to all domestic exit points, and the other TSO applies equalisation to IPs, as well as to the high-pressure customers and the distribution companies.
- The same two TSOs that use equalisation also indicated that they use rescaling as an RPM adjustment. One of the TSOs uses a multiplicative rescaling, and the other additive. One additional TSO indicated that they use multiplicative rescaling as an RPM adjustment.

On the question 'if any other adjustments have been applied to the RPM other than the above mentioned', one TSO indicated that other adjustments had been applied. This TSO specified that they made 'Virtual Reverse Flow' (VRF) adjustments for VRF products at two of their IPs.

## ARTICLE 8 'CAPACITY WEIGHTED DISTANCE REFERENCE PRICE METHODOLOGY'

### Overview of rule

The TAR NC requires a comparison of the resulting indicative reference prices to those derived from the only RPM set out in the TAR NC, the Capacity Weighted Distance ('CWD') counterfactual. This comparison is to be included in the tariff methodology consultation, as set out in Article 26(1). The CWD methodology is used as the counterfactual as it incorporates the main cost drivers, i.e. capacity and distance.

### Prevailing RPM TSOs

Since the comparison against the CWD methodology is a part of the Article 26 consultation, and the comparison should be done against the 'new RPM', the questions relating to the CWD methodology are only applicable for the TSOs who had already started applying the new RPM before or at 1 October 2019.

For additional information on the Article 26 consultations and publications thereof please see Annex C.

### New RPM TSOs

- Eight TSOs indicated that the CWD methodology was calculated in accordance with Article 8. Two out of these eight TSOs indicated that flow scenarios had been used in the CWD calculation process.

  All eight TSOs indicated that the full CWD calculation is publicly available and all of them provided links to the information, even for instances where the publication was made by the NRA.
- Two TSO indicated that this Article is non-applicable to them due to derogations.

**Has the CWD methodology been calculated as per Article 8?**

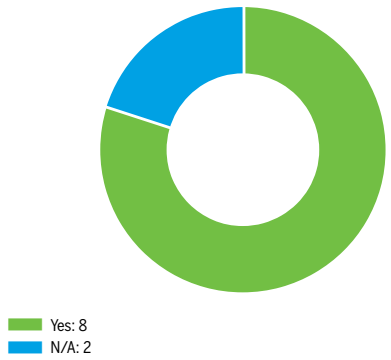



Figure 19

## ARTICLE 10 'RULES FOR ENTRY-EXIT SYSTEMS WITHIN A MEMBER STATE WHERE MORE THAN ONE TRANSMISSION SYSTEM OPERATOR IS ACTIVE'

### Overview of rule

As mentioned in section 3.2.2.1, the same RPM must be applied to all entry and exit points within a system. An exception is MSs with more than one TSO active, where Article 10 gives the possibility to either apply the same RPM separately, or different RPMs separately in the event of a planned system merger. If the TSOs apply the same RPM jointly, their respective NRAs should consult on the principles of an effective inter-transmission system operator compensation mechanism (ITC) at the same time as the Article 26 consultation. Currently only 21 TSOs have indicated that this Article is applicable for them, meaning that they do operate in an entry-exit system with more than one TSO active.

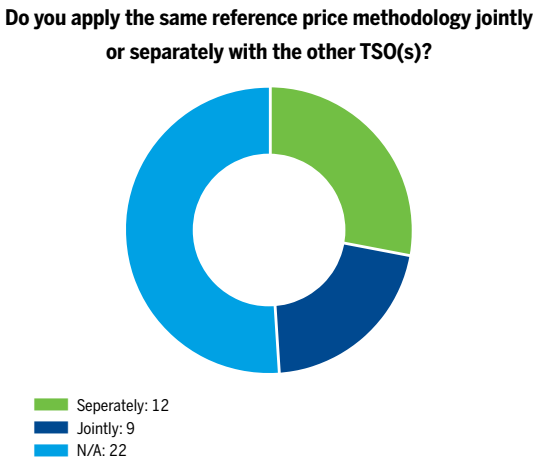



Figure 20

### All TSOs

- Of the 21 TSOs to which this Article is applicable, 12 TSOs have answered that they apply the same RPM separately with the other TSO(s) and nine TSOs answered that they apply the same RPM jointly. All the TSOs that apply the same RPM jointly have indicated that they have also established an ITC mechanism. Some of the TSOs elaborated on the ITC mechanisms' features, for example one TSO explained that their ITC mechanism is an upfront calculation of over and under recovery of allowed revenues, with monthly payments between the involved TSOs.

  However, since all these TSOs are 'prevailing RPM' TSOs, and the ITC consultation requirement is connected to the Article 26 consultation, which covers the 'new RPM', this part of the Article 10 requirement is non-applicable for these TSOs at the moment.

- None of the TSOs have indicated that they are part of a planned entry-exit system merger.

Picture courtesy of FGSZ

### 3.2.3 CHAPTER III RESERVE PRICES

The questions for this Chapter refer to Articles that are only applicable for the TSOs who had already started applying the new RPM as of 1 October 2019. The prevailing RPM TSOs could provide answers based on the prevailing RPM. However, there is no obligation for the prevailing RPM to be compliant with these provisions.

## ARTICLE 12 'GENERAL PROVISIONS'

#### Overview of rule

For IPs, the reserve price serves as a floor in the relevant capacity auction. The CAM NC foresees five standard capacity products; yearly, quarterly, monthly, daily and within-day. The reserve price for firm yearly capacity is equal to the reference price. The reserve prices for firm non-yearly capacity products involve the application of formulas with multipliers based on the reference price and, optionally, seasonal factors.

#### Prevailing RPM TSOs

- Three TSOs have indicated that they do apply different levels of multipliers and seasonal factors at different interconnection points. One of the TSO stated that the multipliers are different per entry and exit point, another answered that different multipliers are applied for monthly, daily and within-day products.
- The rest of the TSOs indicated 'no' to this question. However, two TSOs indicated that as of 2020, when the new tariff period starts, they will start applying different levels of multipliers for different capacity products.

**Does your TSO apply different levels of multipliers and seasonal factors at different interconnection points?**

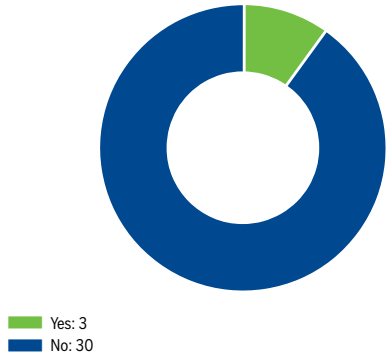



Figure 21

- 14 TSOs indicated that they do apply different levels of discounts for interruptible products at different interconnection points. One of these TSOs gave the explanation that entry and exit discounts differ and are based on the estimated probability of interruption. Another TSO referred to the VRF points that differ in discount level but apply the same approach.
- 17 TSOs indicated that they do not apply different levels of discounts for interruptible products at different interconnection points.
- Two TSOs indicated this question as non-applicable.

Just one TSO indicated that there had been updates to the transmission tariffs within the current tariff period and this update was restricted to recalculating the reference price within the tariff period due to exceptional circumstances under which the non-adjustment of tariff levels would jeopardise the operation of the TSO.

**Does your TSO apply different levels of discounts for interruptible products at different interconnection points?**

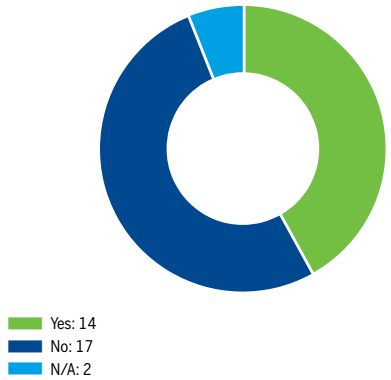



Figure 22

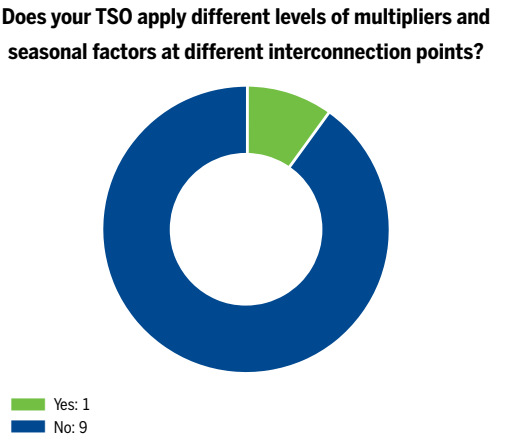



Figure 23

### New RPM TSOs

- One TSO have indicated that they do apply different levels of seasonal factors at different interconnection points. This TSO explained that the seasonal factors are different depending on the season and direction, reflective of typical import/exports profiles.
- The remaining nine TSOs have indicated 'no' to this question.

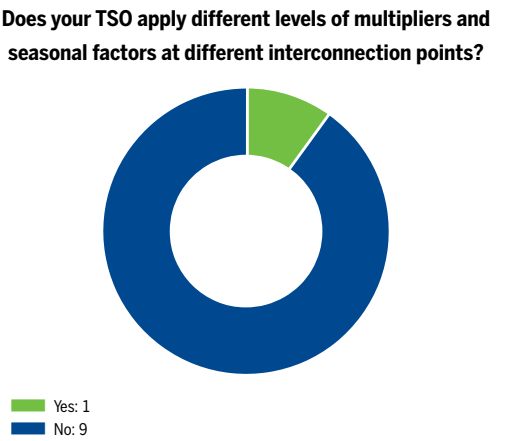



Figure 24

- One TSO have indicated that they do apply different levels of discounts for interruptible products at points with Virtual Reverse Flow (VRF). This TSO explained that there is a discount level applied to a VRF point of 48 % and a discount level of 18 % applied to another VRF point.
- The remaining nine TSOs have indicated 'no' to this question.

## ARTICLE 13 'LEVEL OF MULTIPLIERS AND SEASONAL FACTORS'

### Overview of rule

Multipliers aim to incentivise shippers to book long-term capacity whilst seasonal factors aim to foster efficient system use by allowing higher reserve prices in months with high utilisation rates, and lower reserve prices in low-utilisation months. The TAR NC defines the ranges for the respective multipliers[9], and a detailed methodology for calculating seasonal factors, if the TSO/NRA takes the option to apply these components.

9 For quarterly standard capacity products and for monthly standard capacity products, the level of the respective multiplier shall be no less than 1 and no more than 1,5. For daily standard capacity products and for within-day standard capacity products, the level of the respective multiplier shall be no less than 1 and no more than 3. In duly justified cases, the level of the respective multipliers may be less than 1, but higher than 0, or higher than 3.

### Prevailing RPM TSOs

- 26 TSOs have indicated that for their quarterly and monthly standard capacity products at IPs, the level of the respective multipliers is between 1 and 1.5.
- Five TSOs indicated that their current level of multipliers is outside this range. All four TSOs provided the explanation that the level of multipliers has been approved for the entire duration of the prevailing tariff period. When the tariff period changes and the new RPM starts to be applied, the level of multipliers will change.
- Two TSOs indicated that this question was non-applicable for them but did not provide further details.

**For your quarterly and monthly standard capacity products at IPs, are the level of the respective multipliers no less than 1 and no more than 1.5?**

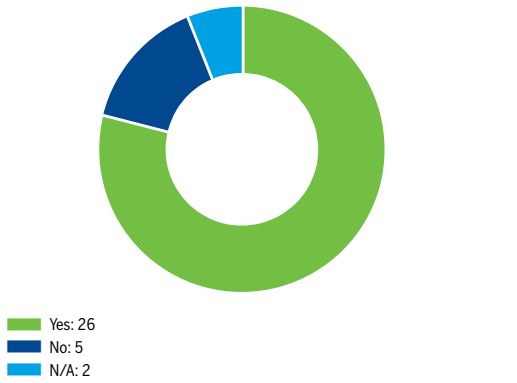



Figure 25

- For their daily and within-day standard capacity products at IPs, 27 TSOs have indicated that the level of the respective multipliers is between 1 and 3.
- Four TSOs indicated that their current level of multipliers is outside this range because the level has been approved for the entire duration of the prevailing tariff period.
- Two TSOs indicated that this question was non-applicable for them but did not provide further details.

**For your daily and within-day standard capacity products at IPs, are the level of the respective multipliers no less than 1 and no more than 3?**

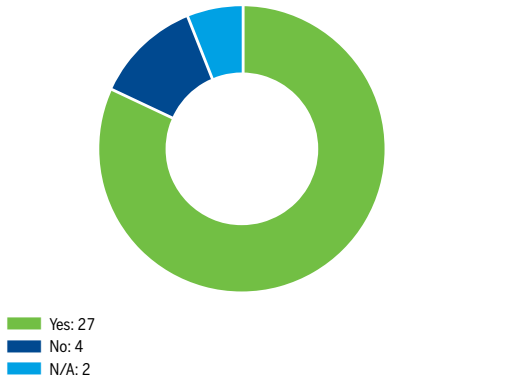



Figure 26

- Two TSOs indicated that they apply seasonal factors at IPs with the arithmetic mean over the gas year of the product of the multiplier and the relevant seasonal factor within the same range for the respective multiplier. The remaining TSOs answered 'non-applicable' to this question.

**Where seasonal factors are applied at IPs, is the arithmetic mean over the gas year of the product of the multiplier and the relevant seasonal factor within the same range for the respective multiplier?**

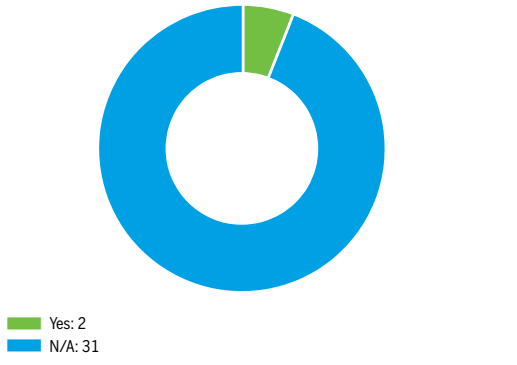



Figure 27

**For your quarterly and monthly standard capacity products at IPs, are the level of the respective multipliers no less than 1 and no more than 1.5?**

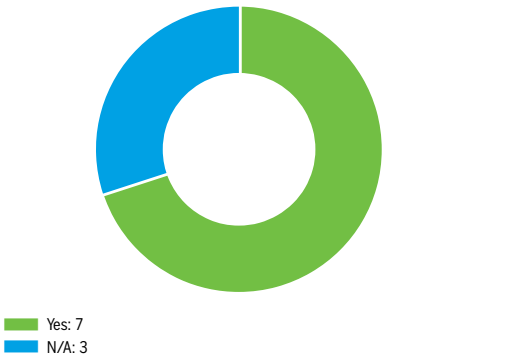



Figure 28

### New RPM TSOs

- Seven TSOs have indicated that for their quarterly and monthly standard capacity products at IPs, the level of the respective multipliers is between 1 and 1.5.
- Three TSOs have indicated that this Article is 'non-applicable' to them. Two of the TSOs are derogated from this article and the third TSO does not have an IP.

**For your daily and within-day standard capacity products at IPs, are the level of the respective multipliers no less than 1 and no more than 3?**

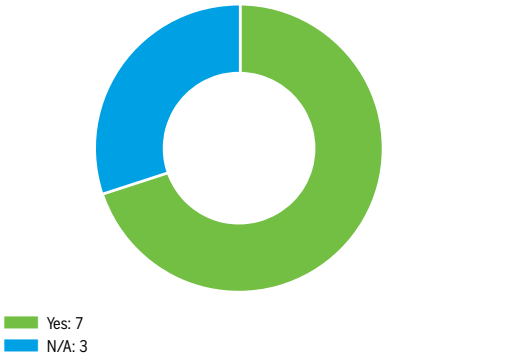



Figure 29

- For their daily and within-day standard capacity products at IPs, seven TSOs have indicated that the level of the respective multipliers is between 1 and 3.
- The remaining three TSOs are either derogated or do not have an IP.

**Where seasonal factors are applied at IPs, is the arithmetic mean over the gas year of the product of the multiplier and the relevant seasonal factor within the same range for the respective multiplier?**

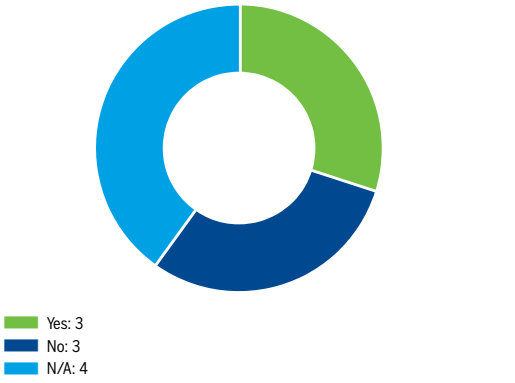



Figure 30

- Three TSOs have indicated that they apply seasonal factors at IPs with the arithmetic mean over the gas year of the product of the multiplier and the relevant seasonal factor within the same range for the respective multiplier. Three TSOs indicated that for them this is not the case. For two of these TSOs the seasonal factors are instead aligned with the seasonal factors in another MS, based on decision by the NRA.
- For the last remaining TSO only a very limited seasonality can be experienced at the IPs, and therefore, during the calculation of the seasonal factors, the NRA raised the values in accordance with Article 15(3) of TAR NC. Four TSOs answered 'non-applicable' to this question.

## ARTICLE 15 'CALCULATION OF RESERVE PRICES FOR NON-YEARLY STANDARD CAPACITY PRODUCTS FOR FIRM CAPACITY WITH SEASONAL FACTORS'

### Overview of rule

As mentioned above in section 3.2.3.2, where a seasonal factor is applied in addition to the multiplier, the same ranges apply to the arithmetic mean of both multiplier and seasonal factor, combined, over the gas year.

Where seasonal factors are applied, the reserve prices for non-yearly standard capacity products for firm capacity shall be calculated in the same way as the calculation of reserve prices for non-yearly standard capacity products for firm capacity in absence of seasonal factors, which shall then be multiplied by the respective seasonal factor.

### Prevailing RPM TSOs

- One TSO indicated that they have calculated their seasonal factors at IPs according to the methodology set out in Article 15 and the methodology was based on forecast flows.
- The remaining 32 prevailing RPM TSOs indicated this Article as 'non-applicable'. Some specified that this was because the current methodology was adopted prior to the AD of this article. For others it was because they do not apply seasonal factors.

**Has your TSO used the methodology set out as per Article 15 for the calculation of the seasonal factors at IPs?**

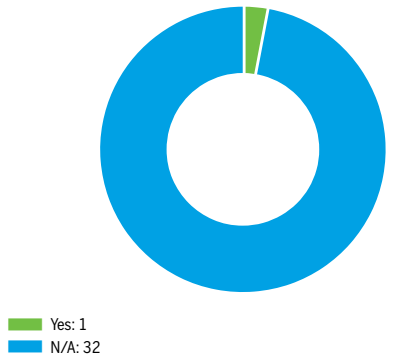



Figure 31

### New RPM TSOs

- Three TSOs indicated that they have calculated their seasonal factors at IPs according to the methodology set out in Article 15.
- Two TSOs answered that their seasonal factors were not calculated in accordance with Article 15 because the seasonal factors are aligned with the seasonal factors in another MS (however, the TSO from this MS has indicated that the seasonal factors are calculated in accordance with Article 15).
- The remaining five TSOs answered 'non-applicable' to this question, one TSO explained that they do not apply seasonal factors and another TSO do not have an IP.

**Has your TSO used the methodology set out as per Article 15 for the calculation of the seasonal factors at IPs?**

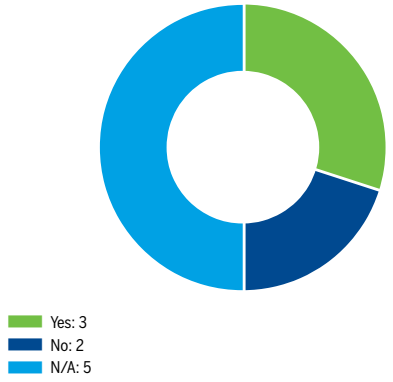



Figure 32

## ARTICLE 16 'CALCULATION OF RESERVE PRICES FOR STANDARD CAPACITY PRODUCTS FOR INTERRUPTIBLE CAPACITY'

### Overview of rule

The reserve prices for interruptible capacity products involve discounts to the reserve prices for the corresponding firm capacity products. An ex-ante discount is calculated upfront, based on the formula set out in the TAR NC, using the probability of interruption and the estimated economic value of the product. An alternative to using an ex-ante discount is an ex-post discount, which constitutes compensation paid to network users after the actual interruption has occurred. Such a discount is an option which is only available if physical congestion did not prompt any interruption in the preceding gas year.

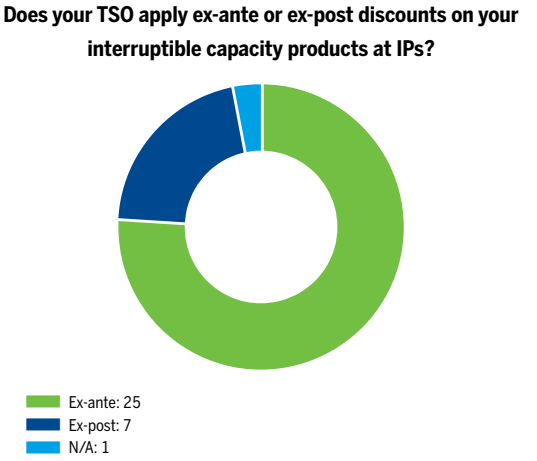



Figure 33

#### Prevailing RPM TSOs

- 25 TSOs have indicated that they apply ex-ante discounts on their interruptible capacity products at IPs.
- Seven TSOs have indicated that they apply ex-post discounts on their interruptible capacity products at IPs
- One TSO have indicated that this article as 'non-applicable' because they do not have an IP.

All TSOs who indicated that they apply the ex-post discount also answered that the compensation paid does not follow the compensation requirements set out in TAR NC. One TSO explained that the level of the ex-post discount has been approved for the entire duration of the tariff period, which is still prevailing. Afterwards, when the new RPM will be applicable, the level of ex-post discount will change and be in line with TAR NC requirements. Another TSO elaborated on what they currently apply instead: if interruption of firm yearly, quarterly or monthly capacity product takes more than 24 hours continuously, the compensation paid for each day on which an interruption occurred equals the reserve price of a daily product.

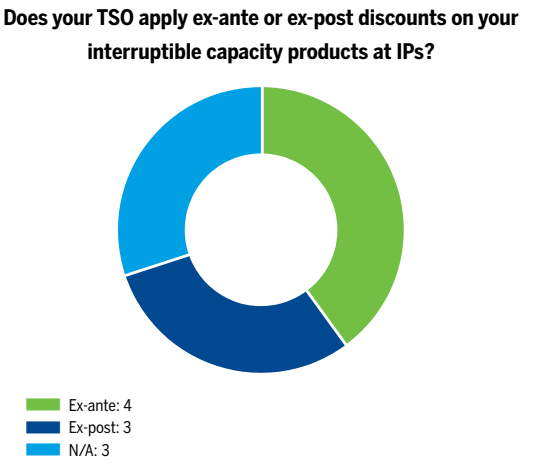



Figure 34

#### New RPM TSOs

- Four TSOs have indicated that they apply ex-ante discounts on their interruptible capacity products at IPs.
- Three TSOs have indicated that they apply ex-post discounts on their interruptible capacity products at IPs. All three TSOs answered that the compensation is paid for each day on which an interruption occurred equal to three times the reserve price for daily products for firm capacity.
- The remaining three TSOs have indicated that this article as 'non-applicable', either because they do not have an IP, or they have not offered interruptible products.

### 3.2.4 CHAPTER IV RECONCILIATION OF REVENUE

The questions for this Chapter refer to Articles that are only applicable for the TSOs who had already started applying the new RPM as of 1 October 2019. The prevailing RPM TSOs could provide answers based on the prevailing RPM. However, there is no obligation for the prevailing RPM to be fully compliant with these provisions.

## ARTICLE 17 'GENERAL PROVISIONS'

#### Overview of rule

Price cap and non-price cap are types of regulatory regimes. Under a price cap regime, the maximum transmission tariff based on revenue is set. Under a non-price cap regime, such as the revenue cap, rate of return, and cost-plus regimes, the allowed revenue for the TSO is set. The questions for this Article focus on TSOs functioning under a *non-price cap regime*.

#### All TSOs

- Ten TSOs have indicated this Article as 'non-applicable', which is assumed to mean they function under a price cap regime.
- 32 TSOs are functioning under a non-price cap regime.

**Under what Regulatory regime does your TSO function?**

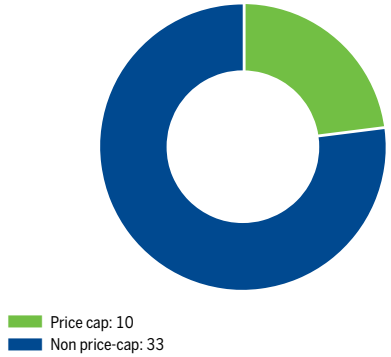



Figure 35


Picture courtesy of Teréga

### Prevailing RPM TSOs

On the question over what time period your TSO reconciles its transmission services revenue, 14 TSOs answered 3 years. Seven TSOs answered on a yearly basis and four TSOs answered over a period of 4 years. Three TSOs stated that the reconciliation happens at the end of the regulatory period, and the remaining five TSOs did not provide an answer – giving the assumption they function under a price cap regime.

**Is the non-transmission services revenue reconciled using the same regulatory account as the transmission services revenue?**

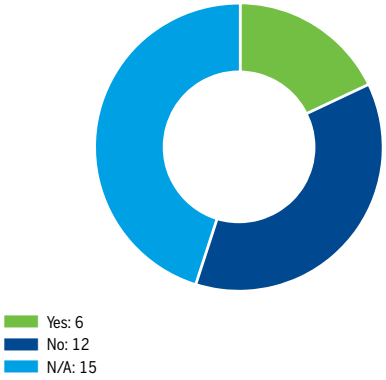



Figure 36

- Six TSOs indicated that the non-transmission services revenues are reconciled using the same regulatory account as the transmission services revenues.
- 12 TSOs indicated that the non-transmission services revenues are not reconciled using the same regulatory account as the transmission services revenues. Some of the TSOs specified that the separation of revenue reconciliation will start the next tariff period.
- 15 TSOs indicated that this question was 'non-applicable' to them or did not provide an answer, either because they function under a price cap regime or because they do not offer any non-transmission services.

### New RPM TSOs

Six TSOs indicated the question on over what time period they reconcile their transmission service revenue as 'non-applicable', either due to derogations or because they function under a price cap regime. The remaining four TSOs indicated that they reconcile their transmission services revenue over a time period of 1, 2, 4 and 5 years.

**Is the non-transmission services revenue reconciled using the same regulatory account as the transmission services revenue?**

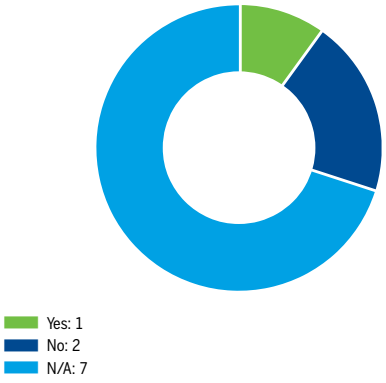



Figure 37

- One TSO indicated that the non-transmission services revenues are reconciled with, and using the same regulatory account as, the transmission services revenues.
- Two TSOs indicated that the non-transmission services revenues are not reconciled using the same regulatory account as the transmission services revenues.
- Seven TSOs indicated that they do not offer non-transmission services.

## ARTICLE 19 'REGULATORY ACCOUNT'

### Overview of rule

The regulatory account shall indicate the under- or over-recovery of the transmission services revenue for a given tariff period and may include other information, such as the difference between the anticipated and the actual cost components. Each TSO shall use one regulatory account. Subject to a decision by the NRA, the earned auction premium, if any, may be attributed to a specific account separate from the regulatory account. The NRA may decide to use this auction premium for reducing physical congestion or, where the TSO functions under a non-price cap regime, to decrease the transmission tariffs for the next tariff period(s).

#### Prevailing RPM TSOs

- Three TSOs answered that the auction premium is used to reduce physical congestion.
- 22 TSOs answered that the auction premium is used to decrease the transmission tariffs for the next tariff period.
- Eight TSOs did not provide an answer for this question or indicated that no auction premium was earned.

**If your TSO has earned an auction premium, how is it used?**

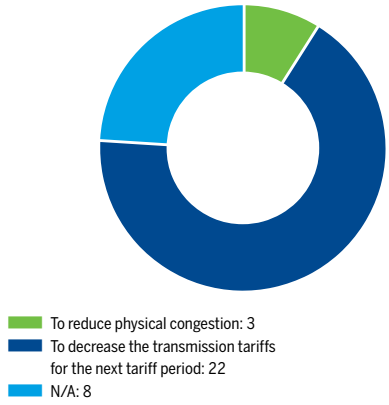



Figure 38

#### New RPM TSOs

- Two TSOs answered that the auction premium is used to reduce physical congestion.
- Four TSOs answered that the auction premium is used to decrease the transmission tariffs for the next tariff period.
- Four TSOs did not provide an answer for this question or indicated that no auction premium was earned.

**If your TSO has earned an auction premium, how is it used?**

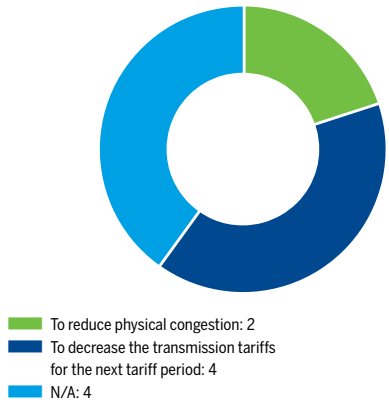



Figure 39

## ARTICLE 20 'RECONCILIATION OF REGULATORY ACCOUNT'

### Overview of rule

The full or partial reconciliation of the regulatory account shall be carried out in accordance with the applied RPM and, in addition, by using the complementary revenue recovery charge (CRRC), if applicable. Reconciliation of the regulatory account through use of the applied RPM is an ex-post process. The TAR NC foresees an option to apply a CRRC at non-IPs. The regulatory account shall be reconciled with the aim of reimbursing to the TSO the under-recovery and of returning to the network users the over-recovery.

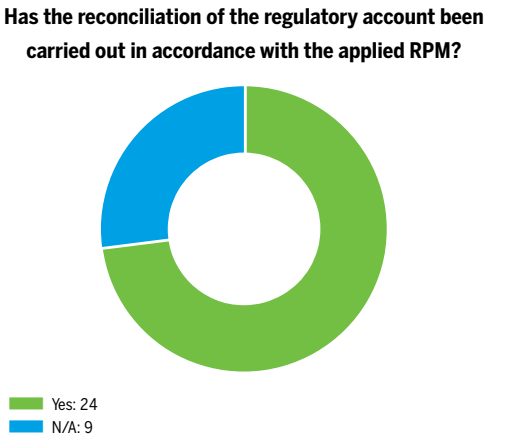



Figure 40

#### Prevailing RPM TSOs

- 24 TSOs indicated that the regulatory account has been reconciled in accordance with the applied RPM.
- Nine TSOs indicated that this question was non-applicable to them or did not provide an answer. One TSO elaborated that according to the provisions of national law, year 2019 is the first year the reconciliation account balance is recorded and will be settled when determining the level of revenues for year 2021.

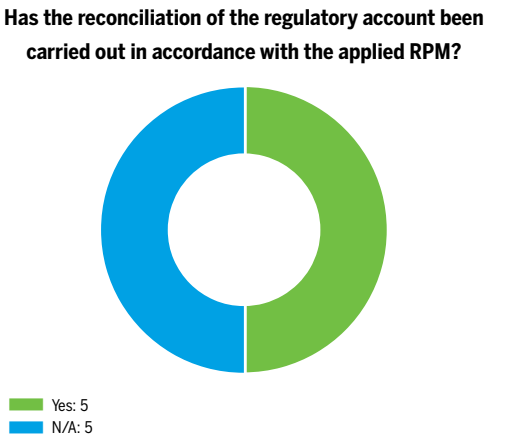



Figure 41

#### New RPM TSOs

- Five TSOs indicated that the regulatory account has been reconciled in accordance with the applied RPM.
- Five TSOs indicated that this question was 'non-applicable' to them or did not provide an answer. One TSO elaborated by stating that up until the current tariff period, there hasn't been any reconciliation.

### 3.2.5 CHAPTER V PRICING OF BUNDLED CAPACITY AND CAPACITY AT VIPS

## ARTICLE 21 'PRICING OF BUNDLED CAPACITY'

### Overview of rule

The reserve price for a bundled capacity product shall be equal to the sum of the reserve prices for the capacities contributing to such product. The 'auction premium' is the difference between the clearing price and the reserve price in an auction. The auction premium originating from the bundled capacity product sales shall be attributed in accordance with the agreement between the respective TSO(s) and approved by the NRA(s). The approval must be granted no later than three months before the start of the annual yearly capacity auctions. In case there is no agreement or approval, the TSOs must split the auction premium equally.

### All TSOs

- 16 TSOs indicated that the auction premium from the sale of bundled capacity products at IPs was attributed in accordance with the agreement between the respective TSOs. Many TSOs did however specify that the agreement was to apply the default rule of equal attribution. Another TSO specified that the agreement was to attribute the auction premium in proportion to the reserved price. All 16 TSOs indicated that the respective NRA approved their agreement on time.
- 20 TSOs indicated that the auction premium was attributed equally as per the default rule.
- Seven TSOs indicated that this question was 'non-applicable' to them or did not provide an answer. One TSO clarified that this is because they do not have an IP and another TSO answered that they do not sell bundled capacities.

**In what way is the auction premium from the sale of bundled capacity at IPs attributed?**

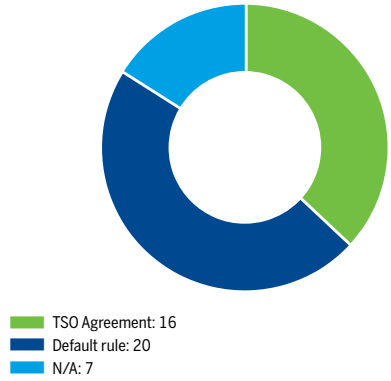



Figure 42

## ARTICLE 22 'PRICING OF CAPACITY AT A VIRTUAL INTERCONNECTION POINT'

### Overview of rule

Two approaches can be used to calculate reserve prices for unbundled capacity products offered at a VIP. The first approach is based on the reference price, where the applied RPM allows for taking into account the established VIP. Under the second approach, where the applied RPM does not allow for taking into account the VIP, the reserve price is equal to the weighted average of the reserve prices for each IP contributing to the VIP.

**Where your TSO has a virtual interconnection point, how is the reserve price for an unbundled product offered at the VIP calculated?**

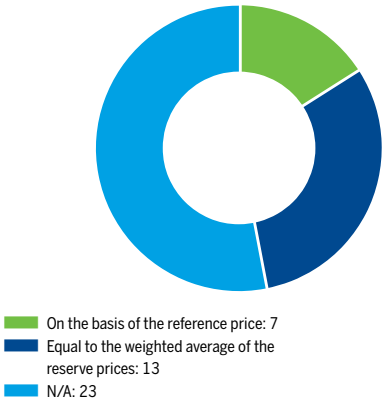



Figure 43

### All TSOs

- Seven TSOs indicated that the reserve price for an unbundled product offered at a VIP is calculated on the basis of the reference price.
- 13 TSOs indicated that the reserve price for an unbundled product offered at a VIP is equal to the weighted average of the reserve prices.
- 23 TSOs marked this question as non-applicable or did not provide an answer, giving the assumption they do not have a VIP.

### 3.2.6 CHAPTER VI CLEARING PRICE AND PAYABLE PRICE

## ARTICLE 24 'CALCULATION OF PAYABLE PRICE AT INTERCONNECTION POINTS'

### Overview of rule

For payable price, there are two approaches the TSOs can take, fixed or floating. Under the floating payable price, where capacity is bought for a gas year beyond the next, the reserve price is not known to the network users. The reserve price will only be known before the annual yearly auction that takes place prior to the respective gas year. Under the fixed payable price approach, the basis and the evolution of the price is known to network users, as is the type of index, even if the actual index value remains uncertain.

The information collected for this Article reflects which of the two approaches the TSOs are currently using. Where a TSO applies a fixed payable price approach, no revenue reconciliation shall occur, and all risks related to under- or over-recovery shall be covered exclusively by the risk premium. For these TSOs, a question on the level of the risk premium was also included.

**All TSOs**

- 33 TSOs indicated that they apply floating payable price at IPs.
- Seven TSOs indicated that they apply fixed payable price at IPs. One TSO answered that the risk premium was 1, and three TSOs answered that they are currently not applying a risk premium.
- Two TSOs answered that they apply both fixed and floating payable price at IPs and one TSO did not provide an answer since they do not have an IP.

**Do you apply fixed or floating payable price at IPs?**

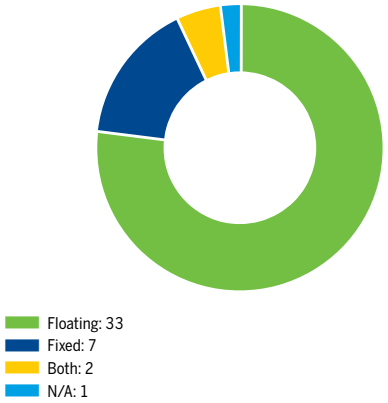



Figure 44

## ARTICLE 25 'CONDITIONS FOR OFFERING PAYABLE PRICE APPROACHES'

### Overview of rule

The TAR NC sets out the rules for offering different payable price approaches under different regulatory regimes, and for different types of capacity. For this Article the question to the TSOs focused on the TSOs functioning under a non-price cap regime and who have offered incremental capacity on a fixed payable price basis. For this type of offer either an alternative allocation mechanism in accordance with Article 30 of Regulation (EU) 2017/459 is used or the project from where the incremental capacity stems from is included on the PCI list.

- Only one TSO functions under a non-price cap regime and has offered incremental capacity on a fixed payable price basis. This TSO used the alternative allocation mechanism.

### 3.2.7 CHAPTER VIII PUBLICATION REQUIREMENTS

## ARTICLE 30 'INFORMATION TO BE PUBLISHED BEFORE THE TARIFF PERIOD'

### Overview of rule

The responsibility to publish the information listed in Article 30 either lays with the TSO or the NRA, as decided by the NRA. The information to be published can be broken down into four blocks: (1) methodology parameters related to technical characteristics of the transmission system; (2) TSO revenue information; (3) transmission and non-transmission tariffs which are not published before the annual yearly capacity auctions; and (4) additional information related to tariff evolution. Such information needs to be published for all points on the network.

The aim of this Article is to promote transparency and certainty for the network users by allowing them to understand how the tariffs are calculated and enabling them to recreate the calculations themselves.

Annex D contains a complete list over the links to the Article 30 related information.

**Has all the information set out in Article 30 been published?**

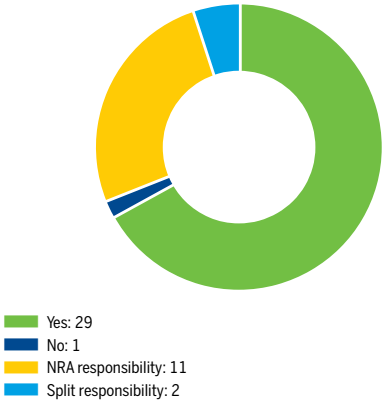



Figure 45

### All TSOs

- Eleven TSOs indicated that the publication requirement lays with the NRA/Ministry.[10]
- Two TSOs have provided links for the information they are responsible for publishing, for the rest of the provisions the NRA is the responsible party (split responsibility in the chart).
- Just one TSO answered that not all the information in Article 30 had been published. This is due to the fact that there has been a delay in approving the new RPM for this TSO and therefore the most recent Article 30 information is based on the prevailing methodology, even though the tariff period has changed. The new RPM is pending NRA decision and delivery in line with the Article 26 consultation requirements are currently with the NRA.
- 29 TSOs indicated that all information set out in Article 30 has been published. However, for a number of the TSOs who indicated full compliance, some items were not published as they are non-applicable due to, for example, the fact that the TSO does not apply flow-based charges, offer non-transmission services or have an intra/cross-system split. Two TSOs have derogations from certain provisions of Article 30 but have published the required information for the provisions they are not derogated from.[11]

10 One TSO explained that the NRA is responsible for the publication of the information in article 29 and 30 but the TSO is responsible for the publication on the transparency platform (information in Article 31(2)).

11 Derogation from 30.1(a)(ii) and (iii), 30.1(b)(i) and (ii), 30.1(b)(iii)(1), 30.1(b)(iii),(2),(3)(b),(5), 30.1(b)(iv) and (v), 30.2.

## ARTICLES 31 AND 32 'FORM AND DATE OF PUBLICATION'

### Overview of rule

These two Articles set the requirements for how and when the information in Articles 29 and 30 should be published. For the information set out in Article 29, the publication deadline is no later than thirty days before the annual yearly capacity auction. For the information set out in Article 30, the publication deadline is no later than thirty days before the respective tariff period. For both Article 29 and Article 30 the information should be published both on the TSO/NRA website and on ENTSOG's Transparency Platform.

### All TSOs

- 42 TSOs have indicated that the applicable[12] information in Article 30 has been published on both their own website and the ENTSOG Transparency Platform. The remaining TSO indicated that this is an NRA/Ministry responsibility.

**Has all the required data been published on your website and on ENTSOG's Transparency Platform and in the required format?**

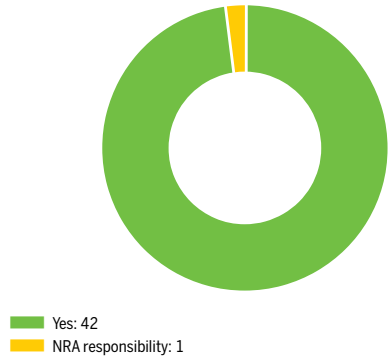



Figure 46

- 32 TSOs indicated that all the information set out in Article 30 that they are responsible for publishing, was published no later than 30 days before the respective tariff period.
- Nine TSOs indicated that this is an NRA/Ministry responsibility.
- Two TSOs answered no to this question, for one TSO there was a delay in uploading the Article 30 information, although, all relevant information is now uploaded and available on all necessary platforms. For the other TSO the delay was due to a delay in approving the new RPM, which is still pending NRA approval.

**Was all the information set out in Article 30 published no later than thirty days before the respective tariff period?**

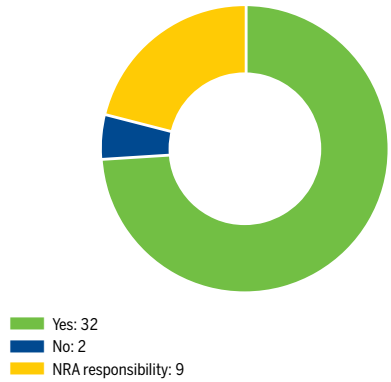



Figure 47

12 Most TSOs have indicated that they are responsible for publishing the information on the Transparency Platform but that some information the respective NRA is responsible of publishing on the NRA website.

### 3.2.8 CHAPTER IX INCREMENTAL CAPACITY

## ARTICLE 33 'TARIFF PRINCIPLES FOR INCREMENTAL CAPACITY'

### Overview of rule

The incremental capacity process, as foreseen in the CAM NC, is a standardised procedure for market participants to indicate, in a non-binding way, their demand to allocate incremental capacity. 'Incremental capacity' covers a capacity increase at an existing IP, the installation of a physical reverse flow at an IP that has not been offered before, or capacity at a new IP. In 2017, as from the entry into force of the Amended CAM NC, the first incremental capacity process was initiated, starting with the market demand assessment following the annual yearly auction and, in theory, ending after the 2019 annual yearly auction when the publication of the results of the economic tests would be possible.[13]

Article 33 of TAR NC sets the principles for how to price incremental capacity. The reference price is the minimum price at which TSOs must accept a request for incremental capacity. For the calculation of the economic test, reference prices must be determined by including all relevant assumptions related to the offer of incremental capacity into the RPM.

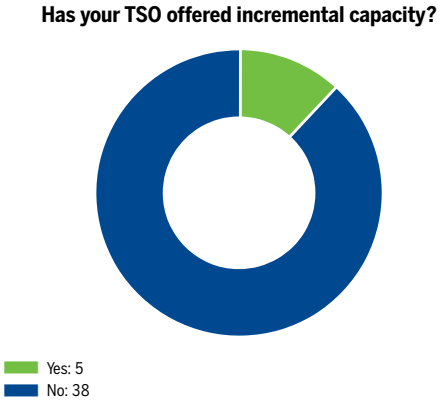



Figure 48

**All TSOs**

- Five TSOs answered that they have offered incremental capacity during the yearly auctions in 2019 and 38 TSOs answered that they have not.
- Most of the TSOs who have offered incremental capacity have used the reference price as the minimum price. One TSO explained that incremental capacity was offered in the open season procedure where an indicative reference price was calculated.

None of the TSOs who offered incremental capacity got a binding commitment from the network users and therefore no TSO has carried out the economic test stipulated in Article 22 CAM NC.

13 For more information regarding the incremental capacity process please consult the latest Incremental capacity report. ENTSOG 2017, First incremental capacity report, viewed 3 April 2020, <https://www.entsog.eu/sites/default/files/2020-01/entsog_incremental_capacity_report_2017_lux%20version.pdf>

### 3.2.9 CHAPTER X FINAL AND TRANSITIONAL PROVISIONS

#### ARTICLE 35 'EXISTING CONTRACTS'

**Overview of rule**

This Article indicates that TAR NC should not affect the levels of transmission tariffs resulting from contracts or capacity bookings concluded before 6 April 2017 where such contracts or capacity bookings foresee no change in the levels of the capacity- and/or commodity-based transmission tariffs (fixed tariffs) except for indexation. Therefore, the TSOs were asked if the TAR NC has impacted their existing contracts or capacity bookings concluded before 6 April 2017.

- Five TSOs indicated that that TAR NC has in fact impacted their existing contracts or capacity bookings concluded before 6 April 2017. All of these impacted contracts where however based on floating tariffs, not fixed tariffs, and are therefore out of scope of Article 35.
- Four TSOs elaborated on this by stating that due to the change in RPM, tariffs will increase, and this resulted in terminations of long-term capacity bookings. According to national civil law, the network user has a right to terminate these contracts if the tariff change exceeds inflation, which will be the case for these contracts.
- Another TSO explained that, the previous tariffs for two IPs constituted a special group of transmission system tariffs, handled separately by price regulation. The capacity tariffs for these IPs had been set separately from the tariffs of the core system. Given that TAR NC requires the application of a single reference price methodology these IPs and their tariffs are now included in the same methodology. However, the affected contracts fall outside the scope of Article 35 TAR NC.

## 3.3 CONCLUSIONS

The TSOs were very willing and keen on giving detailed information, not only on the current RPM but also regarding the new RPM. Since the majority of MSs have conducted the Article 26 consultations, many of the TSOs also elaborated on the coming changes and the reasoning behind the different approaches between the prevailing and new RPM, which made for an interesting comparison.

Even though a majority of TSOs are still applying the 'prevailing' RPM, a vast number of them have already incorporated features of the provisions relating to the 'new' RPM also in the 'prevailing' RPM. For example, the requirement to apply the same RPM at all entry and exit points within the entry-exit system, is already being applied by 20 of the prevailing RPM TSOs in accordance with Article 6 TAR NC. Also, for the provisions on reconciliation, 24 of the prevailing RPM TSOs indicated that the regulatory account has been reconciled in accordance with the applied RPM.

Even for the provisions that are not as closely connected to the applied RPM, the prevailing RPM TSOs have also indicated a high level of early compliance. For example, when it comes to multipliers, 26 of the prevailing RPM TSOs answered that they are already applying multipliers for their quarterly and monthly standard capacity products at IPs at the TAR NC stipulated level.

As mentioned in the introductory chapters, although this monitoring report covers the implementation status as of 1 October 2019, and therefore the RPM that was being applied at that time, the majority of the TSOs/NRAs have already conducted the Article 26 consultations over the new RPM. This can be concluded by viewing the table in Annex C. This entails that in the upcoming years, TSOs will gradually move from the prevailing RPM to the new RPM, depending on when their tariff periods change. Since there is a number of different tariff periods being applied across the Member States, the full effect of the TAR NC will not be able to be determined until all TSOs have started to apply the new RPM. Based on the tariff periods reported by the TSOs, and presented in Annex D, this will not happen until the year 2022.


Picture courtesy of DESFA

# 4 EFFECT MONITORING

## 4.1 INTRODUCTION AND PURPOSE

The analysis of the effect of the TAR NC is not only a duty for ENTSOG, but also a way to study how the rules set out in this network code affect the harmonisation of transmission tariff structures across the Member States of the European Union and the benefits that its implementation brings to the market.

The first monitoring of the effect of the TAR NC was performed in 2017, becoming the baseline for effect monitoring comparison in future years. This means that in 2020 and in the future, the effect of the TAR NC should be compared to the baseline situation assessed in 2017, especially since the implementation of TAR NC Articles is staged over several years.

In order to produce the current report, ENTSOG requested information from TSOs on five indicators which analyse the effect of the implementation of the TAR NC. In total, 43 TSOs were taken into account as specified in section 1.3.

Picture courtesy of Plinovodi

## 4.2 ANALYSIS OF RESPONSES

The data used in this report has been collected through a survey completed by ENTSOG members and some associated partners. A complete list of the participants is enclosed in Annex A.

Information about 5 effect monitoring (EM) indicators was requested in order to assess the effects of the TAR NC. Indicators used for the present effect monitoring report (hereafter 'EM report 2019') have been sometimes adapted compared to the previous report and could be further amended in future EM reports, especially regarding the availability of data. Suggestions from ACER in 2019 have also been taken into consideration for this definition of the new EM indicators[14].

### Description of the 5 EM indicators and results

The 5 EM indicators used by ENTSOG that will be used for the effect monitoring of TAR NC are as follows:

- Indicator **TAR.1** on the 'Ratio of under-/over-recoveries to allowed/target revenues' for TSOs.

  This indicator was adapted in order to focus on the level of under-/over-recovery compared to the allowed/target revenue, regardless of the existence of a regulatory account.

- Indicator **TAR.2** on 'Tariff changes at all TSOs' points for yearly products.

  TAR.2 was changed in order to focus on an aggregated approach of tariff changes for all TSOs in Europe, and to highlight the evolution of tariffs after changes in the RPM.

- Indicator **TAR.3** on 'Seasonal factors for IPs'.

  This indicator was introduced to better cover the specificity of those TSOs which use these parameters. It replaces the previous indicator on capacity bookings, which could be more interesting from the perspective of a CAM monitoring since it was based on the evolution of bookings for CAM-relevant points.

- Indicator **TAR.4** on 'Publication of information in English'.

  TAR.4 was only changed to the extent TSOs needed to indicate any evolution on publication in English compared to the previous report.

- Indicator **TAR.5** on 'Multipliers for products with quarterly, monthly, daily and within-day durations' at IPs.

  TAR.5 on multipliers was only modified in order to register whether the same multiplier was used for all IPs.

The detailed description of each indicator, as well as the results obtained, are provided in the following sections.

For each indicator the TSOs have been randomly attributed a reference, such as 'TSO 1'. This is to ensure anonymity of TSOs and preserve commercially sensitive information. In addition, each TSO has different references across indicators, i.e., for one specific TSO, the reference number differs from one indicator to other. However, for TAR.4 and TAR.5, which also comprise sub-indicators, each TSO keeps the same reference across all sub-indicators of TAR.4 and all sub-indicators of TAR.5.

14 Suggestions were taken from ACER that the EM report should keep an indicator on revenue recovery (TAR.1), an indicator on tariff changes to measure the impact of TAR NC (TAR.2), an indicator covering publication in English to check the impact of the TAR NC (TAR.4) and an indicator on multipliers (TAR.5). ACER also suggested adding a new indicator on seasonal factors (TAR.3) and agreed with removing the former indicator TAR.3 on capacity bookings which was less relevant for the monitoring of the TAR NC. ACER and ENTSOG also discussed additional indicators which were eventually discarded.

### 4.2.1 TAR.1: RATIO OF UNDER-/OVER-RECOVERIES TO ALLOWED/TARGET REVENUES

#### 4.2.1.1 Description of TAR.1

This indicator has been amended compared to the TAR.1 indicator in the previous report. It still considers under-/over-recoveries, but only as an indicator of the relative level of actual revenues compared to allowed/target revenues. The indicator no longer focuses purely on revenue reconciliation, which explains why TSOs under a price cap regime are now also covered by TAR.1.

#### 4.2.1.2 Goal of TAR.1

The objective of this indicator is to provide an assessment of the ratio of TSOs' revenue imbalance compared to the allowed/target revenues.

The main assumption to check is whether the TAR NC influences the level of the regulatory account balance compared to the average allowed/target revenue for TSOs over time, i.e. during the years when the TAR NC is implemented and later. The pattern followed by the regulatory account balance may be a result of changes introduced by the TAR NC. If TAR.1 shows a negative value for the ratio under-/over-recoveries to allowed/target revenues, this will imply that the level of transmission tariffs did not ensure the recovery of revenues of the TSO for the transmission services offered. Conversely, if the ratio has a positive value, this will indicate that there is an over-recovery of the allowed/target revenues.

It is important to note that any over-recovery of the allowed/target revenues collected by a TSO is returned to customers via a corresponding reduction in allowed revenues in the subsequent year (or such other period agreed with the relevant NRA). Conversely, any under-recovery of revenues is made up through a corresponding increase in allowed revenues in the following year(s). The under-/over-recovery represents the annual difference between the actual and the targeted revenue, which under all circumstances will be evened out in the following years.

The implementation of the TAR NC may not be the only influence on the evolution of TAR.1. This indicator is also dependent on changes in capacity bookings and flows. For this reason, in the future it should be useful to check the evolution on TAR.1 in connection with the evolution of TAR.2 on tariff changes.

#### 4.2.1.3 Assumptions for TAR.1

TAR.1 applies in both non-price cap regimes and price cap regimes, as the indicator checks relative under-/over-recovery, not the regulatory account and actual reconciliation of the revenue imbalance. This is a change compared to the previous monitoring report, where only TSOs under a non-price cap regime were covered.

This report considers the period comprised between 2013–2018 even though the TAR NC sets no requirement for information publication for years prior to 2017. As far as the values provided by the TSOs are consistent throughout the period 2013–18 and reflect the under-over recovery, the data collected can be calculated for each calendar year or following a regulatory year, i.e. the one-year period for which the allowed revenue is defined within a regulatory period.

#### 4.2.1.4 Calculations

TAR.1 should help to check if the TAR NC implementation contributes to increasing stability in yearly revenue recovery for TSOs.

For the current EM report 2019, TAR.1 considers a 6-year period (2013 –18) and analyses the ratio of under-/over-recovery which is obtained by taking into account the revenue imbalance of the TSO and the allowed/target revenue.

For each year, the TSO should indicate the ratio of under-recoveries (with a minus sign) or over-recoveries (with a plus sign) to the allowed/target revenue of the TSO. Compared to the previous report, the currency conversion issues are not considered anymore as TSOs provided ENTSOG with the final value of the ratio (in percentage) for each year.

TAR.1 provides an aggregation of TSO results for each year of the 2013 –18 period.

#### 4.2.1.5 Results for TAR.1

**Out of 43 answers from TSOs which replied to the EM questionnaire, 36 TSOs sent data for this indicator regarding at least one year, and 18 TSOs sent data for all the years 2013 to 2018[15].**

One of the main reasons for not sending an answer was that the data covered corresponds to the period prior to TAR NC entry into force and the publication was not obligatory. The level of under-/over-recoveries may influence the stability of TSO tariffs, and it may be necessary to make significant adjustments to tariffs in case the mismatch between allowed/target revenue and actual revenue is also significant.

Figure 49 shows the average of under-/over-recoveries across TSOs in Europe for TSOs which provided some data.

- For all years and all TSOs, there is an average yearly over-recovery of **+ 2.7 %** using the simple average approach, or **+ 1.4 %** using a revenue-weighted average. This level is largely dependent on estimation uncertainties in revenue forecasts, e.g. in terms of weather conditions[16].

As previously mentioned, any over-recovery of the allowed/target revenues collected by a TSO is returned to customers via a corresponding reduction in allowed revenues in the subsequent year (or such other period agreed with the relevant NRA). Conversely, any under-recovery of revenues is made up through a corresponding increase in allowed revenues in the following year(s). The under-/over-recovery represents the annual difference between the actual and the targeted revenue, which under all circumstances will be evened out in the following years.

As such, TAR.1 refers to the years before the TAR NC and only to a couple of years after its entry into force. It will be possible in future years to assess if the implementation of the TAR NC might have an impact on under-/over-recoveries for TSOs, and possibly on tariff stability. As noted, in the future it could make sense to associate results for TAR.1 and TAR.2 together, as the revenue recovery is closely related to tariff changes.

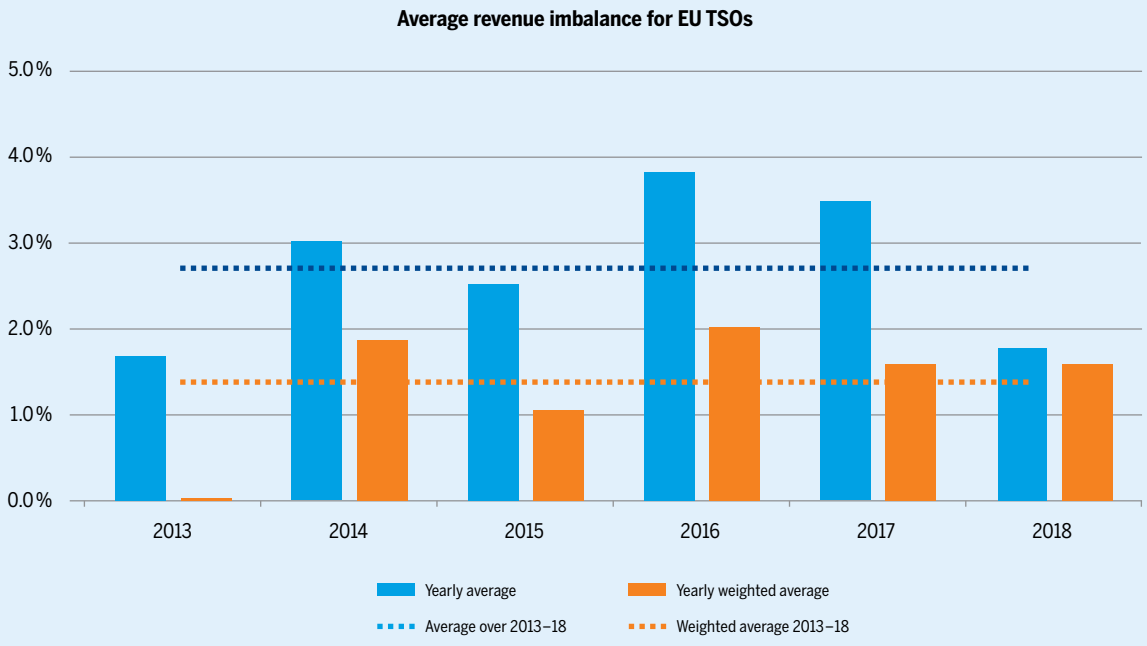



Figure 49: Results for TAR.1 on revenue recovery

15 However, data from two TSOs from one Member State was not included, since regulation in this Member State follows rules for revenue recovery which are significantly different from rules in the other Member States.

16 The yearly simple average is comprised between an over-recovery of +1.7 % (in 2013) and an over-recovery of +3.8 % (in 2016) over the 2013 – 18 period. The yearly revenue-weighted average is comprised between 0.0 % (in 2013) and an over-recovery of +2.0 % (in 2016) over the 2013 – 18 period.

### 4.2.2 TAR.2: TARIFF CHANGES AT ALL TSO POINTS FOR YEARLY PRODUCTS

#### 4.2.2.1 Description of TAR.2

TAR.2 has been slightly modified compared to the previous report because TAR.2 no longer considers the whole range of TSO tariffs for each year while instead it summarises this range with one single value that takes account of yearly capacity products and commodity charges. Due to the upholding of the prevailing tariff methodology at 31 May 2019 until the end of the tariff period, the impact of the TAR NC may be postponed to future years. This implies that for this report TAR.2 is simply a baseline indicator.

#### 4.2.2.2 Goal of TAR.2

The objective of TAR.2 is to consider whether the TAR NC may have an impact on the evolution of average tariffs.

TAR.2 covers tariffs for yearly firm capacity products and commodity charges used at each point by a TSO. The choice of keeping yearly products is because, for many TSOs, yearly bookings still represent a significant share of total bookings. Therefore, the evolution of yearly tariffs is taken as a proxy for the evolution of all tariffs. Commodity tariffs are used by a minority of TSOs, although, when they do apply, they sometimes constitute a significant share of TSO revenues.

The intention of this indicator is to measure if the TAR NC implies any significant consequence regarding tariff variability at all TSO points. Therefore, indicator TAR.2 is mainly relevant once the TAR NC is fully applicable, with all its provisions applicable as from 31 May 2019, but considering also that the full TAR NC effects will probably be measured later[17]. This indicator is, as such, a baseline indicator.

#### 4.2.2.3 Assumptions for TAR.2

**Data collection**

Tariff changes are considered for all TSO points differentiating between entries and exits.

Due to confidentiality requirements, TSOs are responsible for their own calculations of the average tariff index for each year and for all the points of the TSO network. This index is an average of tariffs for yearly capacity products and for commodity products, as calculated by the TSOs. The index should be ideally calculated by weighting each yearly capacity or commodity tariff with the corresponding share of revenues generated by the capacity or commodity product. ENTSOG collected data sent by TSOs. Then, year-on-year changes are calculated.

**Capacity and commodity products**

TAR.2 only covers the standard yearly firm capacity products and, where applicable, commodity charges.

**Time periods to consider**

TAR.2 only focuses on **previous tariffs**. The period considered in this indicator covers the years **2013 –18**, where *'years'* refers to the calendar year from January to December, or the gas year from October to September, or another period which generally corresponds to the tariff period of the TSO. It was assumed that, as the reference periods are slightly different among TSOs (e.g. calendar year 2015 for TSO A, gas year 2014 –15 for TSO B, etc.), this does not undermine significantly the comparability of data among TSOs. Data is also compared to inflation numbers collected from Eurostat[18] for calendar years 2013 to 2018.

17 This is especially true regarding provisions in Article 29(5) of the TAR NC, which stipulates that the methodology which prevails at 31 May 2019 will still be applied until the end of the tariff period which prevails at that date.

18 European Commission, Eurostat statistics explained, viewed on 3 April 2020, <https://ec.europa.eu/eurostat/statistics-explained/index.php/Inflation_in_the_euro_area>

### Calculations

As mentioned in the data collection section, in order to evaluate the tariffs changes along the studied period, the TSOs were requested to provide a tariff index based on the yearly capacity tariffs prices and, if applicable, commodity tariffs. The tariff index collected for 2013 for each TSO has been considered as a base for the calculations of tariff changes for the following years.

### Example

Table 2 gives an illustration of possible calculations by TSOs, based on revenue weights. However, the tariff index provided to ENTSOG by TSOs may not follow this example, as several definitions of an average are possible. ENTSOG relies on TSOs' expertise to assess the average.

One fictional TSO has the following points to consider and the associated tariffs and share in revenues for the period considered:

| Reference prices (TSO yearly products) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| Point A Entry cap | 12 | 10 | 11 | 5 | 4 | 8 |
| Point B Entry cap | 8 | 9 | 10 | 13 | 14 | 11 |
| Point B Exit cap | 6 | 9 | 10 | 11 | 13 | 15 |
| Point C Entry cap | 4 | 4 | 2 | 2 | 5 | 8 |
| Point C Exit cap | 6 | 5 | 4 | 7 | 8 | 9 |
| Entry Com | 5 | 6 | 9 | 10 | 12 | 11 |
| Exit Com | 6 | 9 | 11 | 13 | 14 | 15 |
| **Share in revenues collected from yearly products (in %)** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| Point A Entry cap | 40 % | 36 % | 31 % | 24 % | 21 % | 17 % |
| Point B Entry cap | 21 % | 22 % | 23 % | 27 % | 28 % | 29 % |
| Point B Exit cap | 11 % | 11 % | 12 % | 12 % | 13 % | 15 % |
| Point C Entry cap | 9 % | 9 % | 9 % | 9 % | 7 % | 5 % |
| Point C Exit cap | 10 % | 11 % | 12 % | 13 % | 14 % | 15 % |
| Entry Com | 5 % | 6 % | 7 % | 8 % | 9 % | 10 % |
| Exit Com | 4 % | 5 % | 6 % | 7 % | 8 % | 9 % |

Table 2: An example of reference prices and revenues

Therefore, the tariff average will be for example 8.59 for 2013, i.e. the sum of the products of the tariffs for each point and the revenue share for that point, over all points. Considering that the value for 2013 is the base (100) for next years, the tariff index will be 96.5 for 2014[19], 103.1 for 2015, 102.8 for 2016, 117.8 for 2017 and 128.1 for 2018. Then, year-on-year tariff changes are calculated.

## 4.2.2.4 Results for TAR.2

The results shown in Figure 50 indicate that **the evolution of average tariffs is moderate for many TSOs[20].**

41 TSOs sent data for at least one year regarding indicator TAR.2.

The average tariff change for each year is comprised between −3.4 % (in 2015) and +3.4 % (in 2014), with an overall average of +0.1 % over 2013 – 18. The median tariff change is +0.3 % over the period 2013 – 18. This means that average and median tariffs were almost flat during that period.

19 This is calculated as (10 × 36 % + 9 × 22 % + … +9 × 5 %) / (12 × 40 % + 8 × 21 % + … + 6 × 4 %) × 100

20 For a given year, this box plot gives information on the year-on-year tariff percentage change (the graph arbitrarily indicates 0 for 2013 as it is the first year considered), about its minimum value among TSOs, the lower quartile of the distribution (the TSO whose value is above 25 % of all TSOs' values), the arithmetic mean of the distribution (depicted as an 'x'), the median (the TSO whose value is exactly at the centre of the distribution, depicted as a horizontal line in the box), the upper quartile of the distribution (the TSO whose value is above 75 % of all TSOs' values) and the maximum value. The box is the rectangle covering the middle half of the distribution, whose limits are the upper and lower quartiles. The so-called 'Interquartile range' (IQR) is delimited by these two quartiles, it is represented by the height of the box, and it contains 50 % of TSOs. The so-called 'whiskers' are the vertical lines limited by short horizontal bars that connect to each box, and any TSO outside the whiskers is considered as a 'statistical outlier' because its values are significantly different from other TSOs' (beyond 1.5 times the IQR from each quartile, as a convention).

Based on inflation data from Eurostat for calendar years[21], and assuming the data provided by TSOs is for comparable time periods, this means that **for a substantial number of TSOs, recent tariff changes are even under the level of inflation.** This is shown in Figure 50, by comparing the boxes and the yellow dots: dots are generally within the box, which means that several TSOs indicated average tariff evolutions under the average EU inflation level[22].

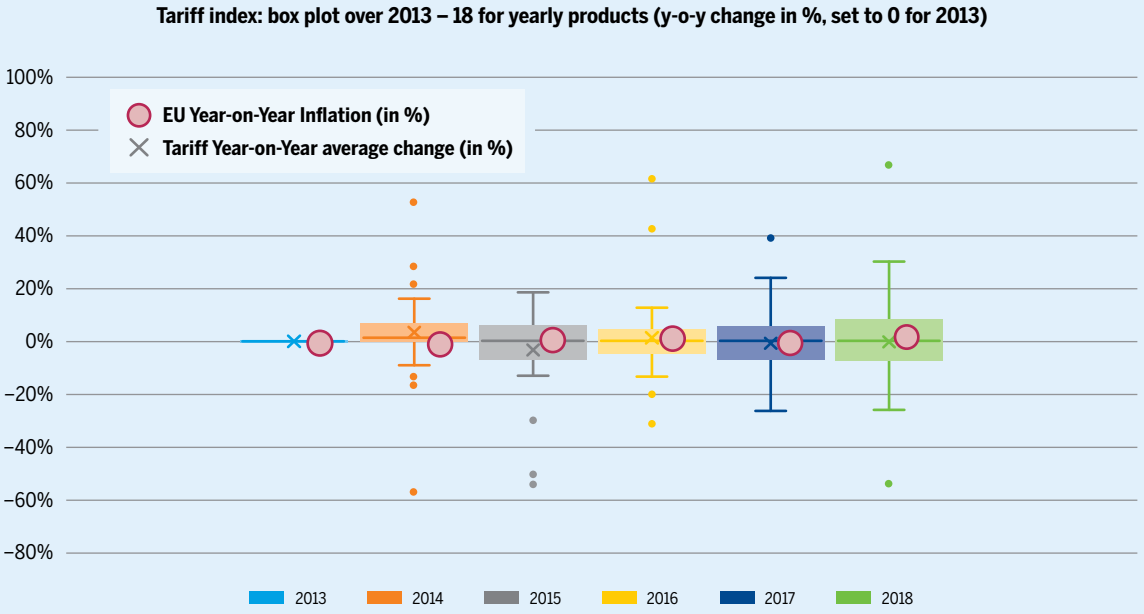



Figure 50: Results for TAR.2 on tariff changes

The so-called 'Interquartile Range'[23], with the 50 % of the TSOs displaying the changes around the median value, is for example between –7.2 % and +8.1 % for 2018 compared to 2017. It shows that half of the TSOs experienced tariff evolutions in a –7 % / +8 % range compared to 2017.

Taking into account the whole 2013 – 18 period, one TSO experienced a strong increase in the average tariff over the period, as it more than doubled. Conversely, another TSO had its average tariff divided by more than 3 over the same period.

In terms of the variability of average tariffs, TSOs display various evolutions, but the standard deviation is often quite small. Two TSOs kept their tariff constant over the period.

A few TSOs could not provide data for every year, which is often explainable by changes in the scope of activities of the TSO.

21 European Commission, Eurostat statistics explained, viewed on 3 April 2020, <https://ec.europa.eu/eurostat/statistics-explained/index.php/Inflation_in_the_euro_area>

22 A more sophisticated analysis should check inflation levels in the specific MS of a TSO. Nevertheless, using the EU average inflation level as a general reference for all TSOs already gives a first indication that tariff changes for TSOs in Europe are, on average, in line with EU inflation levels, or even under these levels.

23 The Interquartile Range (IQR) is a statistical indicator measuring the distance between the upper and the lower quartile of the statistical distribution, i.e. the difference in values taken by the TSO whose value is higher than the value of 75 % of all TSOs, and the TSO whose value is higher than the value of 25 % of all TSOs. It is therefore a measurement of the proximity of values taken for the half of all TSOs which are closest to the 'median' TSO.

### 4.2.3 TAR.3: SEASONAL FACTORS

#### 4.2.3.1 Description of TAR.3

TAR.3 is an indicator based on the values of seasonal factors at IPs for quarterly, monthly, daily and within-day standard capacity products, in case they are applied by a TSO. This is a new indicator, i.e., it was not used in the previous report. It has been added in the current analysis because it gives a useful focus on seasonal factors, which are a significant tariff component for many TSOs.

Article 3 of the TAR NC defines a seasonal factor as *'the factor reflecting the variation of demand within the year which may be applied in combination with the relevant multiplier'*. This topic is mostly addressed in Chapter III 'Reserve prices', Chapter VII 'Consultation requirements' and Chapter VIII 'Publication requirements' of the TAR NC, whose respective application dates are 31 May 2019, 6 April 2017, and 1 October 2017.

#### 4.2.3.2 Goal of TAR.3

The aim of TAR.3 is to provide transparency on seasonal factors applied to short-term products.

The real impact that the implementation of the TAR NC has on the level of seasonal factors can be measured from 2019, i.e., once all Chapters in the TAR NC have been implemented and once the new tariff methodology is implemented by TSOs.

#### 4.2.3.3 Assumptions for TAR.3

TAR.3 considers a range of values for seasonal factors used by each TSO.

TAR.3 collects information on whether the TSOs are using seasonal factors for quarterly, monthly, daily and within-day standard capacity products. In case seasonal factors are applied, this indicator focuses on the minimum, maximum and average values of seasonal factors at IPs for each product as allowed by Article 12.1 of the TAR NC. Values considered were valid at 1 October 2019.

#### 4.2.3.4 Results for TAR.3 in 2019

The recompilation of data from 42 TSOs[24], shows that the TSOs either used seasonal factors for all products or for none. In total, nine TSOs indicated that they have used seasonal factors for quarterly, monthly, daily and within-day standard capacity products. Five of these TSOs also indicated that the same seasonal factors for each capacity product applied for all their IPs while the remaining four indicated that different seasonal factors were used across their IPs. The value of a seasonal factor applied to a specific standard capacity product varies within the group for each TSO.

Taking into account that the aim of seasonal factors is to foster efficient system use and to improve the cost-reflectivity of reserve prices, this can be achieved by allowing higher reserve prices in months with high utilisation rates, and lower reserve prices in low-utilisation months. Since seasonal factors are directly proportional to the reserve price, it is possible to increase the reserve price by increasing the value of the seasonal factor. Oppositely, if the value of the seasonal factor is lower, the reserve price will have a lower value.

Figure 51 shows the average value of the seasonal factors used by the TSOs for each of the non-yearly capacity products. In general, it can be observed that five out of nine TSOs used seasonal factors with an average value close to one for each of the capacity products. This indicates that the seasonal factors used have limited influence along the year on the value of reserve prices. Two TSOs used seasonal factors with low values for quarterly and monthly products and values close to 0 for daily and within-day capacity products, which contributes to decreasing the value of reserve prices. The remaining two TSOs used seasonal factors over 1. One of these TSOs used seasonal factors with an average value of 1.6 in all the products while the other TSO used lower seasonal factors for quarterly and monthly products but used seasonal factors with an average value of 2 for daily and within-day products.

24 For one TSO the data received was not considered since at the time the information was collected, multipliers and seasonal factors had another format than the ones analysed on TAR.3 and TAR.5. For this TSO, the tariff applicable since 1 January 2020 contains multipliers and seasonal factors following the rules set in the TAR NC.

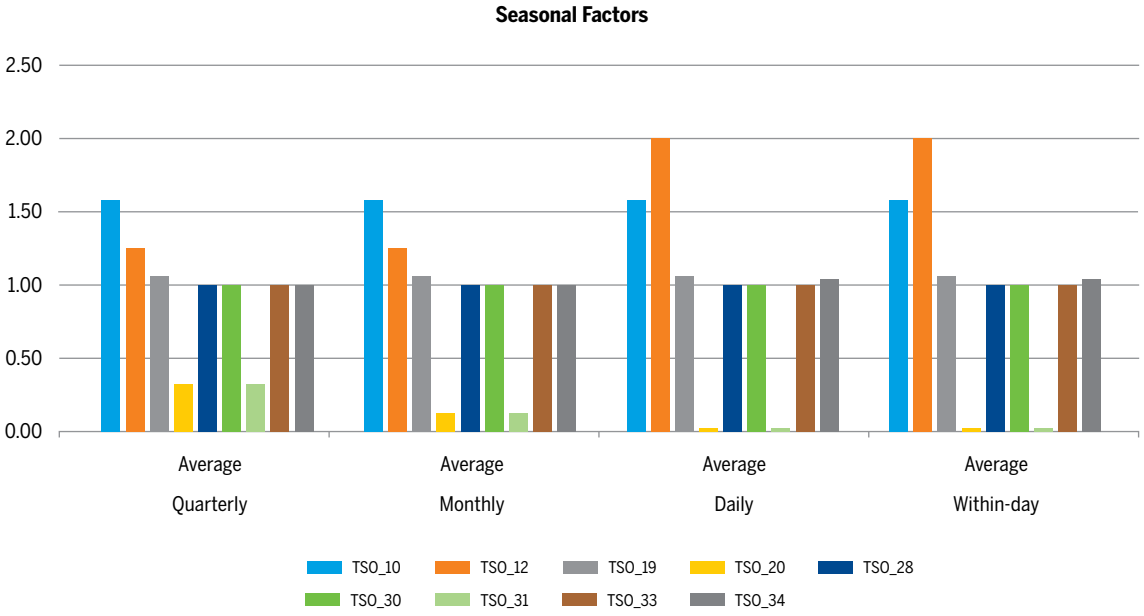



Figure 51: Average values of seasonal factors used by TSOs in Europe

By observing Figures 52, 53, 54 and 55, where the minimum and maximum values of the seasonal factors for each product duration and for each TSO are compared, a different image than in Figure 51 is represented since some TSOs, such as TSO 10 or TSO 30, used seasonal factors with values that highly differ from one to another. This situation may suggest that these TSOs used low seasonal factors during low capacity utilisation months and high seasonal factors during high utilisation months.

For quarterly and monthly capacity products a similar situation is represented. Five TSOs used seasonal factors equal to or higher than 1.5, which implies that they influenced the reserve price value by increasing it. Conversely, two TSOs applied seasonal factors with maximum values below 1 and minimum values close to 0.00, which suggests that the reserve price decreased. The TSO who applied higher seasonal factors for monthly capacity products (TSO 30 for this indicator), also shows minimum values close to 0.00 for quarterly and monthly capacity products.

In the case of daily and within-day capacity products, the minimum value of each TSO coincides for both products as well as the maximum value. Therefore, it can be observed that five TSOs used seasonal factors equal or higher to 1.5. From these TSOs, three reported values over 2.5. On the other side, two TSOs reported maximum values of 0.02 for the seasonal factors for these capacity products and minimum values of 0.0005. For six TSOs the minimum value of seasonal factors is ranged between 0.5 and 1.

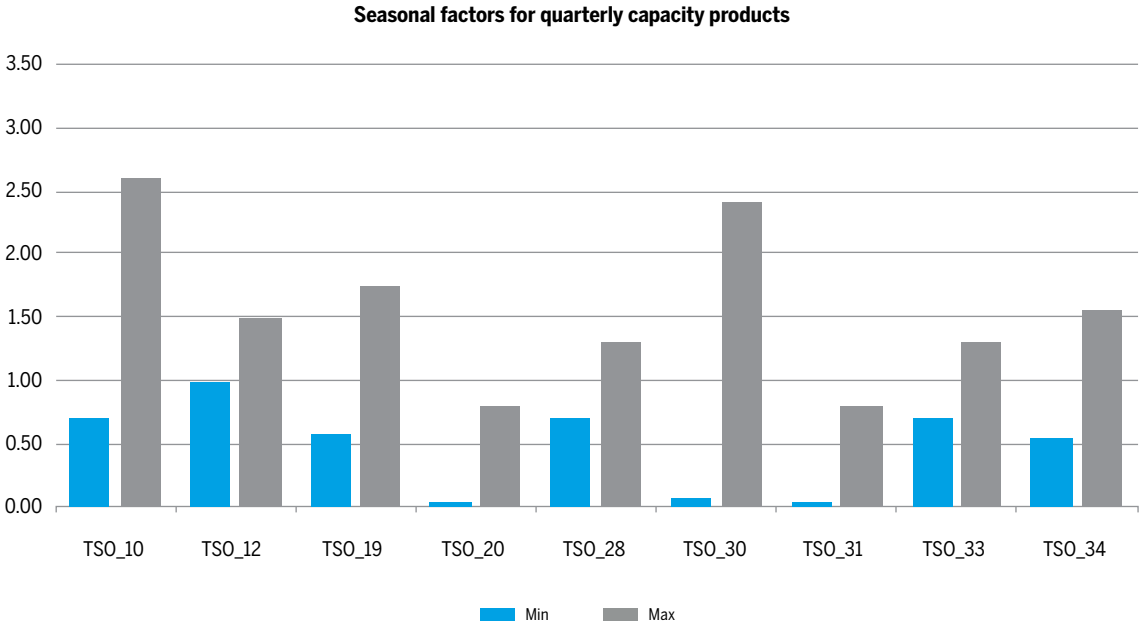



Figure 52: Minimum and maximum values of seasonal factors used by TSOs for quarterly capacity products

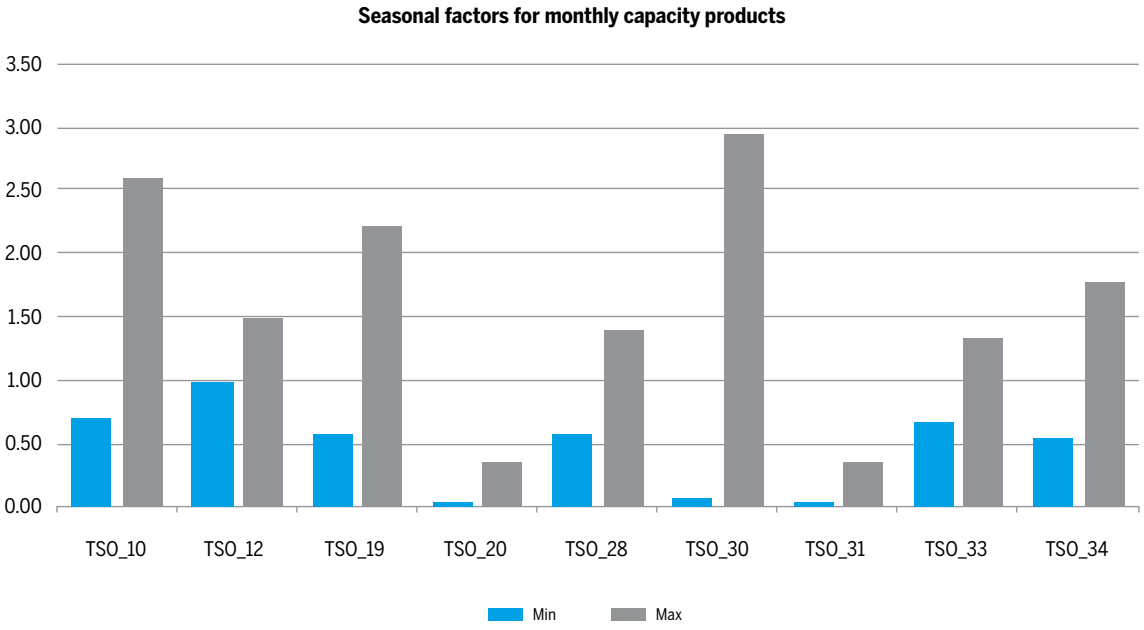



Figure 53: Minimum and maximum values of seasonal factors used by TSOs for monthly capacity products

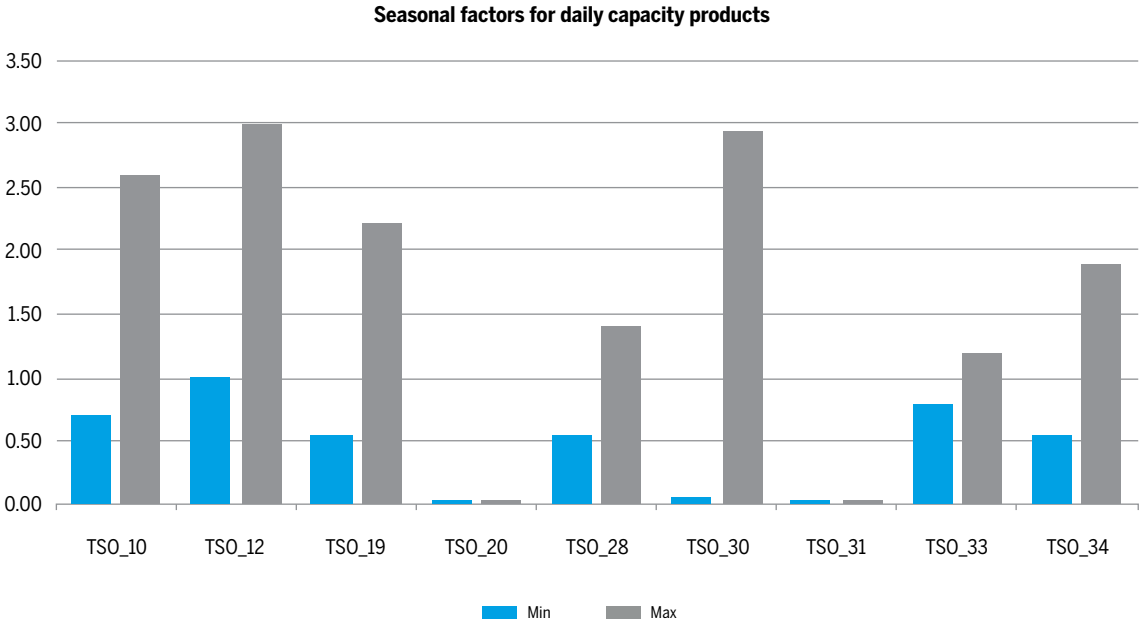



Figure 54: Minimum and maximum values of seasonal factors used by TSOs for daily capacity products

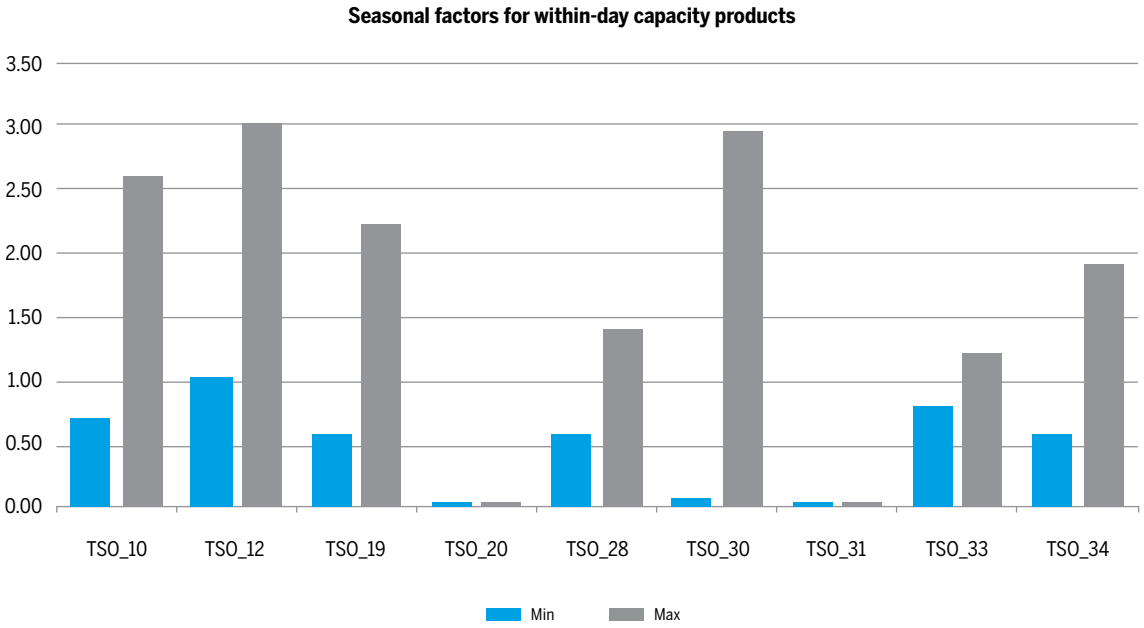



Figure 55: Minimum and maximum values of seasonal factors used by TSOs for within-day capacity products

### 4.2.4 TAR.4: PUBLICATION OF INFORMATION IN ENGLISH

#### 4.2.4.1 Description of TAR.4

TAR.4 indicates whether information is available in English for some specific TAR NC items which are described below and are covered in chapters VII and VIII of the TAR NC. It is the same indicator as in the previous report with updated data. This indicator comprises five sub-indicators:

- **Information for the periodic consultation:** Article 26 of the TAR NC establishes that the periodic consultation shall be performed by the NRA or TSO, as decided by the NRA.
- **Information on the responses to the periodic consultation:** Article 26(3) of the TAR NC establishes that the responses received for the consultation and their summary shall be published by the TSO or NRA, depending on who published the consultation documents.
- **Information for the consultation on some discounts, multipliers and seasonal factors:** Article 28 of the TAR NC sets that the consultation on discounts, multipliers and seasonal factors shall be carried out by the NRA.
- **Information for the yearly capacity auction:** information specified in Article 29 of the TAR NC shall be published before the annual yearly capacity auction by the NRA or TSO as decided by the NRA.
- **Information to be published before the tariff period:** Article 30 of the TAR NC establishes that some information shall be published before the tariff period in accordance with the requirements set out in Articles 31 and 32 by the NRA or TSO, as decided by the NRA.

Publication requirements involving the publication in English are described in Chapter VII 'Consultation requirements' and Chapter VIII 'Publication requirements' of the TAR NC, whose application dates were respectively on 6 April 2017 and 1 October 2017. In particular, Article 26 of the TAR NC mentions that one or more consultations shall be conducted, and the corresponding consultation documents should be published, to the extent possible, in English. Additionally, Article 31 of the TAR NC states that information should be available to the public in one or more official languages of the Member State and, to the extent possible, in English.

#### 4.2.4.2 Goal of TAR.4

Indicator TAR.4 aims to check if information to be published per the TAR NC is available in English, which is supposed to facilitate access to markets for all network users in a non-discriminatory way and improve effectiveness in the consultation process. It contributes to transparency and tariff comparability across Europe. Documents in English enhance market integration by facilitating such access to information.

#### 4.2.4.3 Assumption for TAR.4

For each sub-indicator mentioned above, TSOs were requested to reply one of the following answers:

- Yes, if the information is published in English.
- No, if the information is not published in English.
- NRA or Ministry, if the TSO is not responsible for data publication because the publication of information for a specific topic is the responsibility of the NRA or Ministry.
- Derogation-related, if the TSO holds a derogation.
- Undecided/not relevant. Undecided applies to those cases in which no decision has been made regarding the publication responsibility because the periodic consultation following Article 26 of the TAR NC was in process on 1 October 2019. On the other hand, TSOs could answer not relevant when the question was not relevant for them. This may apply to those TSOs that do not have IPs and therefore did not hold auctions or to those TSOs who instead of holding auctions applied an alternative allocation mechanism pursuant to Article 30 of the CAM NC.

In those cases in which the TSO reported that the NRA or Ministry is the responsible for the information publication in English, there has been no follow-up regarding whether this information has been published in this language or not since it is not the TSOs' responsibility and TAR.4 is mainly focused on the responsibilities of the TSOs for Chapters VII and VIII of the TAR NC.

For each TSO, the reference used remains the same for each sub-indicator of TAR.4. For example, TSO_1 refers to the same TSO across all sub-indicators of TAR.4.

Picture courtesy of Gascade

### 4.2.4.4 Results for TAR.4 in 2019

Table 3 shows the answers provided by the 43 TSOs which sent answers for the five sub-indicators following the assumptions mentioned above.

**Status of English publication for each information item**

| TSO number | Periodic Information | Periodic Responses | D, M, and SF | Yearly Capacity Auction | Tariff Period |
|---|---|---|---|---|---|
| TSO_01 | Yes | Yes | Yes | Yes | Yes |
| TSO_02 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_03 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_04 | Yes | Yes | Yes | Yes | Yes |
| TSO_05 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_06 | Yes | Yes | Yes | Yes | Yes |
| TSO_07 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_08 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_09 | Yes | Yes | Yes | NRA or ministry | NRA or ministry |
| TSO_10 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_11 | Yes | Yes | Yes | Yes | Yes |
| TSO_12 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_13 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_14 | NRA or ministry | NRA or ministry | NRA or ministry | Undecided/not relevant | Yes |
| TSO_15 | Yes | Yes | Yes | Yes | Yes |
| TSO_16 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_17 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_18 | Yes | Yes | NRA or ministry | Yes | Yes |
| TSO_19 | Yes | Yes | NRA or ministry | Yes | Yes |
| TSO_20 | NRA or ministry | NRA or ministry | NRA or ministry | Yes | Yes |
| TSO_21 | Yes | Yes | Yes | Yes | Yes |
| TSO_22 | NRA or ministry | NRA or ministry | Yes | Undecided/not relevant | Yes |
| TSO_23 | Yes | Yes | Undecided/not relevant | Undecided/not relevant | No |
| TSO_24 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_25 | Yes | Yes | Yes | Yes | Yes |
| TSO_26 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_27 | NRA or ministry | NRA or ministry | NRA or ministry | Undecided/not relevant | NRA or ministry |
| TSO_28 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_29 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_30 | Yes | Yes | Yes | Yes | Yes |
| TSO_31 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_32 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_33 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_34 | Derogation-related | Yes | Yes | Yes | Derogation-related |
| TSO_35 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_36 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_37 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_38 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_39 | NRA or ministry | NRA or ministry | Yes | Yes | Yes |
| TSO_40 | NRA or ministry | NRA or ministry | NRA or ministry | Yes | Yes |
| TSO_41 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_42 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |
| TSO_43 | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry | NRA or ministry |

Table 3: Status of publication in English for each sub-indicator of TAR.4 for each TSO

Based on the results shown in table 3, for each sub-indicator the following observations can be extracted (cf. Figure 56):

- **Information on the periodic consultation:** 30 TSOs indicated that the NRA or Ministry is responsible for the data publication, one TSO mentioned that they hold a derogation and twelve TSOs (four of which are from English-speaking MSs) indicated that they published the information in English.
- **Responses to the periodic consultation:** 30 TSOs indicated that the publication is responsibility of the NRA or Ministry while 13 TSOs (5 from English-speaking MSs) reported that they published this information in English.
- **Information on the consultation for some discounts, multipliers and seasonal factors:** 17 TSOs reported that it is the NRA or Ministry who manage the publication in English while 25 TSOs informed that they published the information in English and one TSO indicated that this has not been decided or is not relevant.
- **Information about the yearly capacity auction:** For this sub-indicator a majority of 27 TSOs reported that they published the information in English. Twelve TSOs informed that it is the responsibility of the NRA or Ministry, while four TSOs answered 'undecided/not relevant'.
- **Information before the tariff period:** As in the previous indicator, most of the TSOs (a total of 28 from which three are from English-speaking MSs) indicated that information was published in English. In the case of 13 TSOs, it was reported that the responsibility of the information publication lays with the NRA or Ministry. One TSO reported that it is under derogation while the remaining TSO informed that the information was not published.

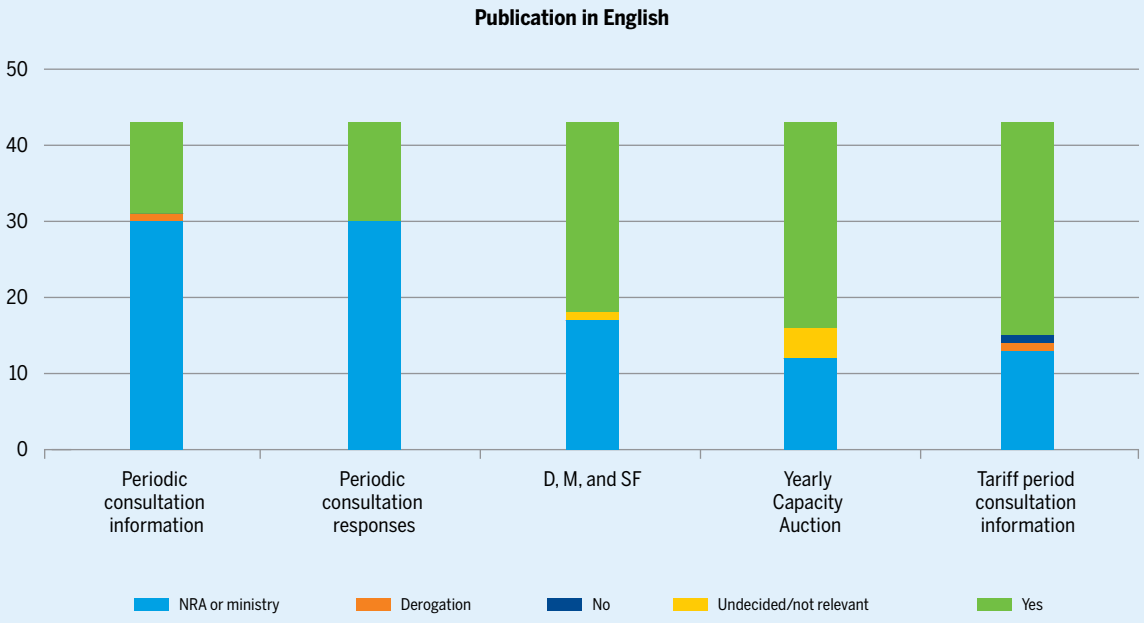



Figure 56: Results of TAR.4 on publication in English

If the data for the five topics is analysed as a whole, it can be observed that in 48.84 % of the cases the TSOs reported that they published the information in English while in 47.44 % of the cases the publication of information was reported as a NRA or Ministry responsibility.

Furthermore, Figure 57 also shows that only in 0.47 % of the cases the information was not published in English. As mentioned before, this corresponds to one TSO who did not publish information on the periodic consultation in English.

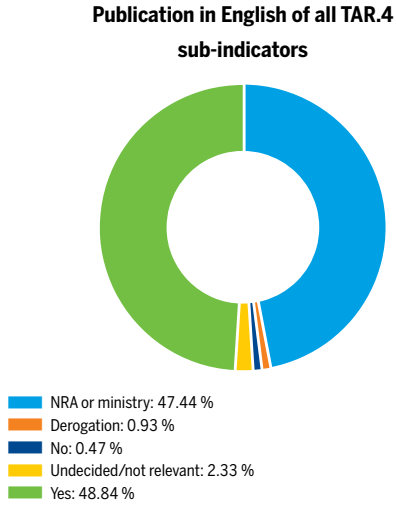



Figure 57: Overall overview of publication in English for each sub-indicator of TAR.4

### 4.2.5 TAR.5: MULTIPLIERS APPLIED BY TSOs

#### 4.2.5.1 Description of TAR.5

This indicator covers the multipliers currently applied at IPs by TSOs for each non-yearly standard capacity product. It provides information on quarterly, monthly, daily and within-day standard capacity products and allows to know if the multipliers are within the range stipulated by the TAR NC. TAR.5 is the same indicator as in the previous report with the addition of a question about whether the same multiplier has been used at all IPs for a given product runtime or not.

The TAR NC defines a multiplier as *'the factor applied to the respective proportion of the reference price in order to calculate the reserve price for a non-yearly standard capacity product'.* The topic of multipliers is mostly addressed in Chapter III 'Reserve prices', Chapter VII 'Consultation requirements' and Chapter VIII 'Publication requirements' of the TAR NC, whose application dates are 31 May 2019 for Chapter III, 6 April 2017 for Chapter VII, and 1 October 2017 for Chapter VIII.

Article 13 of the TAR NC sets out the level of multipliers for the capacity products which must be between 1 and 1.5 (both included) for quarterly and monthly standard capacity products and between 1 and 3 (both included) for daily and within-day standard capacity products, unless 'duly justified cases' apply[25].

This Article only applies as of 31 May 2019, but provisions for the prevailing RPM should go on to apply until the end of the prevailing tariff period. The present EM report considers the situation applicable at 1 October 2019 as a convention, i.e. at the start of the 2019–20 gas year. As TSOs may or may not have changed tariff periods by that date (following the 31 May 2019 application date), TAR NC provisions on multipliers are not uniformly implemented and reflected in this report.

25 Article 13(1)(b) of the TAR NC sets out that: 'In duly justified cases, the level of the respective multipliers may be less than 1, but higher than 0, or higher than 3.'

#### 4.2.5.2 Goal of TAR.5

The objective of TAR.5 is to give transparency on multipliers applied to short-term products at IPs only. As in the case of seasonal factors, the real impact that the implementation of the TAR NC may have on the level of multipliers can be measured from 2019 and in coming years.

#### 4.2.5.3 Assumption for TAR.5

TAR.5 considers a range of values for multipliers used by each TSO at 1 October 2019 and identifies outliers.

This indicator focuses on the minimum, maximum and average values of multipliers to cover the cases where, for a given capacity product, specific IPs benefit from specific multipliers, as allowed by Article 12.1 of the TAR NC. For each category of capacity products, the arithmetic mean over all IPs has been calculated by the TSO before sending its data to ENTSOG. Some TSOs may apply different multipliers depending on the IP: for example, a quarterly multiplier of 1.3 at IP 1, and 1.4 at IP 2. However, for other TSOs, multipliers will be the same for a given type of capacity product at all IPs (e.g. 1.5 for all quarterly products at all IPs). TSOs were requested to notify whether the same multiplier applies at all IPs in each category, which is a difference to the previous report. In addition, for each TSO the reference used remains the same for each sub-indicator of TAR.5. For example, TSO 1 refers to the same TSO across all sub-indicators of TAR.5.

TAR.5 takes specific provisions regarding within-day multipliers. For within-day capacity purposes, some TSOs still marketed daily products at 1 October 2019. The TAR NC sets out that only within-day products for these purposes, based on their hourly duration, are allowed. However, it is not currently prohibited to price within-day capacity as daily products, since provisions on within-day tariffs are part of Chapter III of the TAR NC, whose application date was on 31 May 2019, which is extended until the end of the tariff period prevailing at 31 May 2019. TSOs with daily products sold for within-day use have been taken out of TAR.5 analysis since they are not fully comparable with the other TSOs.

Although the application date of Chapter II 'Reference price methodology' of TAR NC applies since 31 May 2019, it must be considered that if the TSO did not change the tariff period at 1 October 2019, the multipliers may be out of the range. This does not mean that the TSO is not TAR NC compliant since Article 27(5) permits retaining tariffs applicable at such date until the end of the prevailing tariff period.

#### 4.2.5.4 Results for TAR.5 in 2019

From 43 TSOs who responded to the TAR EM survey, only replies from 39 TSOs were considered[26] for TAR.5 indicator.

Figures 58, 59, 60 and 61 show the minimum and maximum current values of multipliers for TSOs as well as the minimum and maximum values stipulated by the TAR NC for each type of capacity product. They also display an average (the black line) of the average value of multipliers for one specific capacity product, which was provided by one non-outlier TSO.

- **Multipliers for quarterly and monthly capacity products:** Article 13(a) of the TAR NC mentions that *'for quarterly standard capacity products and for monthly standard capacity products, the level of the respective multiplier shall be no less than 1 and no more than 1,5'.*

Only four TSOs used multipliers out of this range for both types of capacity products. For monthly capacity products, one additional TSO, who has a derogation from Article 13 of the TAR NC, presented an outlier since its maximum multiplier was above the range.

It can also be observed that all the multipliers used by TSO_14 for these products are above the maximum value allowed by the TAR NC. Oppositely, TSO_36 reported that all their multipliers are under the minimum. In the case of the remaining three TSOs presenting outliers, the maximum value of the multiplier was above the maximum level.

The average for quarterly multipliers is 1.14 while the average for monthly multipliers is 1.26, among non-outlier TSOs.

26 For 2 TSOs, the data received was not considered since in 2019 they did not have separate multipliers. In the case of the other 2 TSOs, data on multipliers was not received because they have no IP.

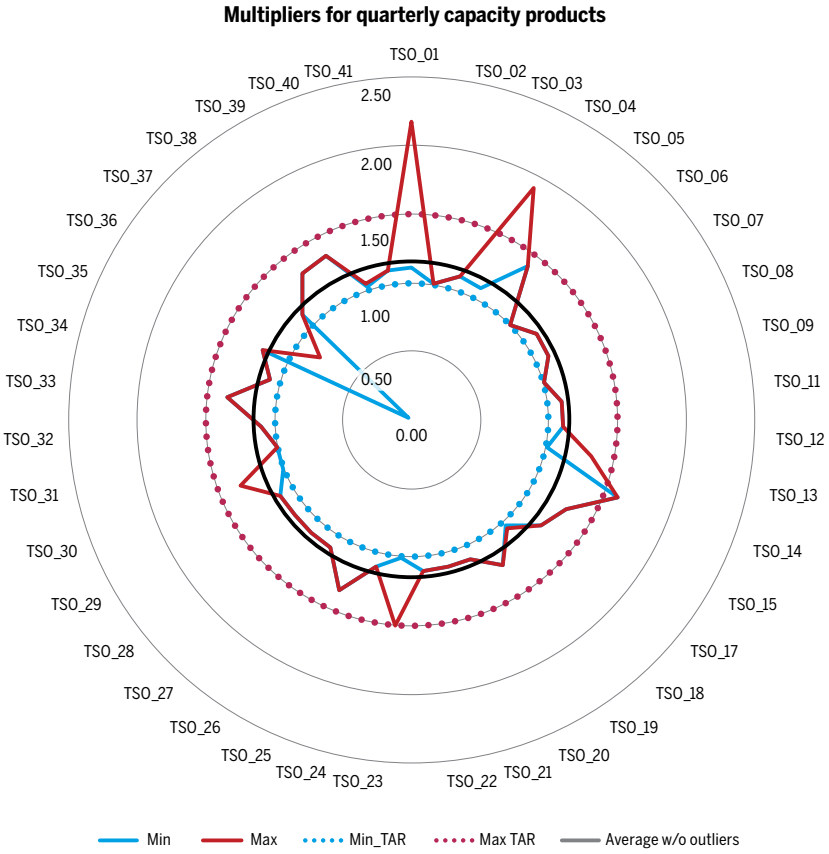



Figure 58: TAR.5 sub-indicator on quarterly multipliers for TSOs in Europe

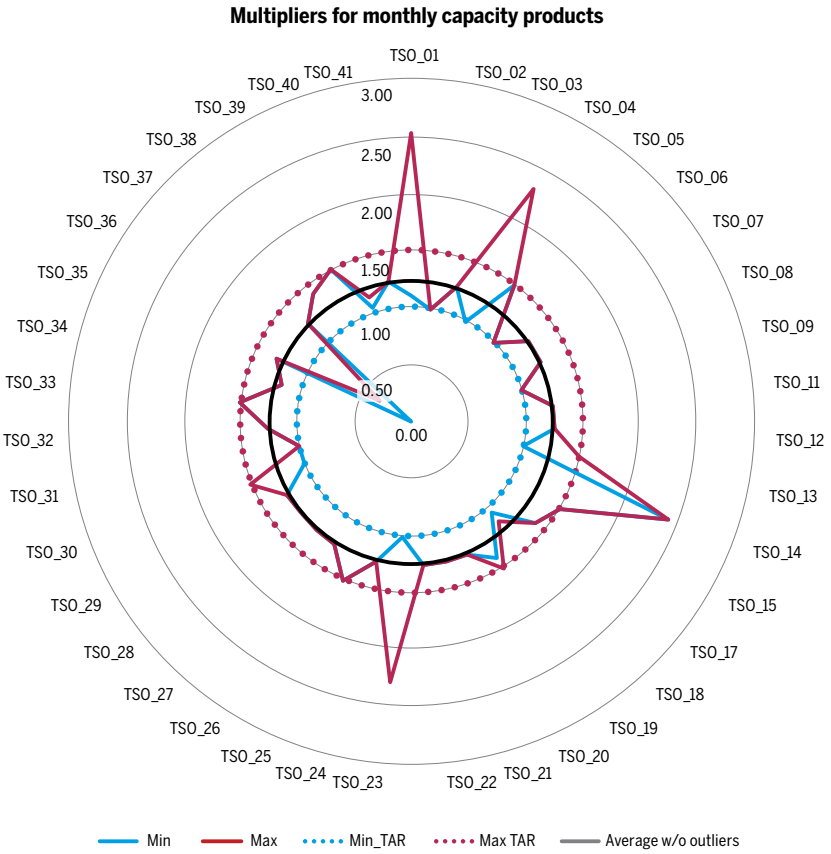



Figure 59: TAR.5 sub-indicator on monthly multipliers for TSOs in Europe

- **Multipliers for daily and within-day capacity products:** Article 13(b) of the TAR NC states that '*for daily standard capacity products and for within-day standard capacity products, the level of the respective multiplier shall be no less than 1 and no more than 3. In duly justified cases, the level of the respective multipliers may be less than 1, but higher than 0, or higher than 3*'.

  According to the data obtained, the same five TSOs used multipliers outside the range for both, daily and within-day standard capacity products. For these products, TSO_06 and TSO_36 used multipliers significantly under the minimum allowed. One of these TSOs reported that their proposal for addressing this issue of multipliers out of the range is currently under consideration by their NRA. On the other side, TSO_01 and TSO_04 used multipliers with values significantly above the maximum allowed by the TAR NC. Only TSO_23 showed multipliers slightly above the maximum. However, this TSO has a derogation from Article 13 of the TAR NC.

  The average daily multiplier is 1.65 among non-outlier TSOs while the average within-day multiplier is 1.71.

Picture courtesy of TAP

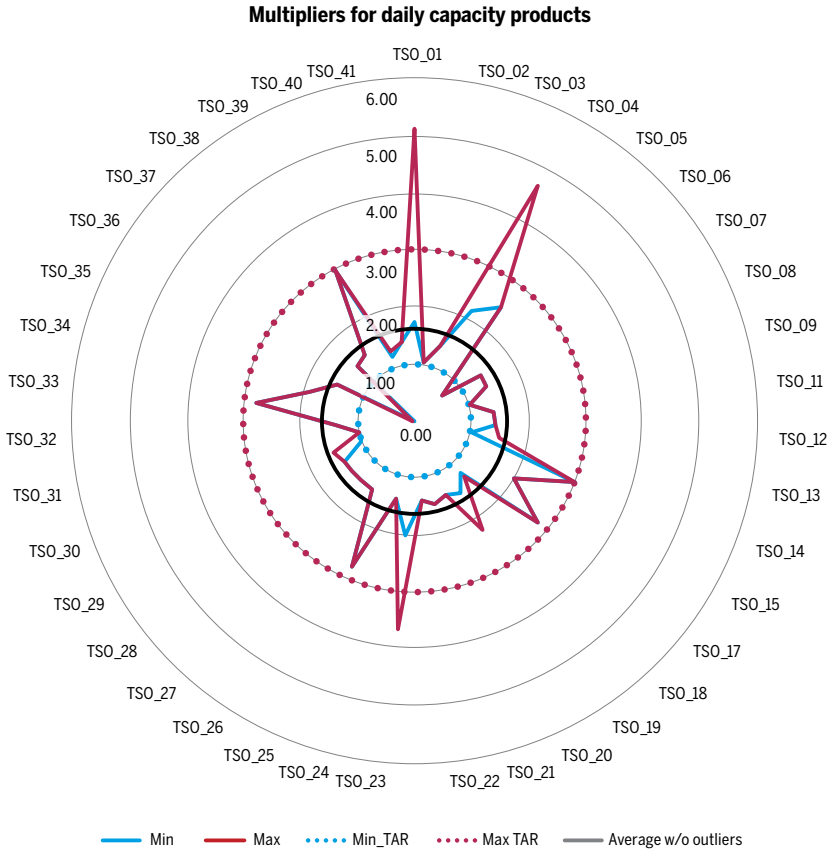



Figure 60: TAR.5 sub-indicator on daily multipliers for TSOs in Europe

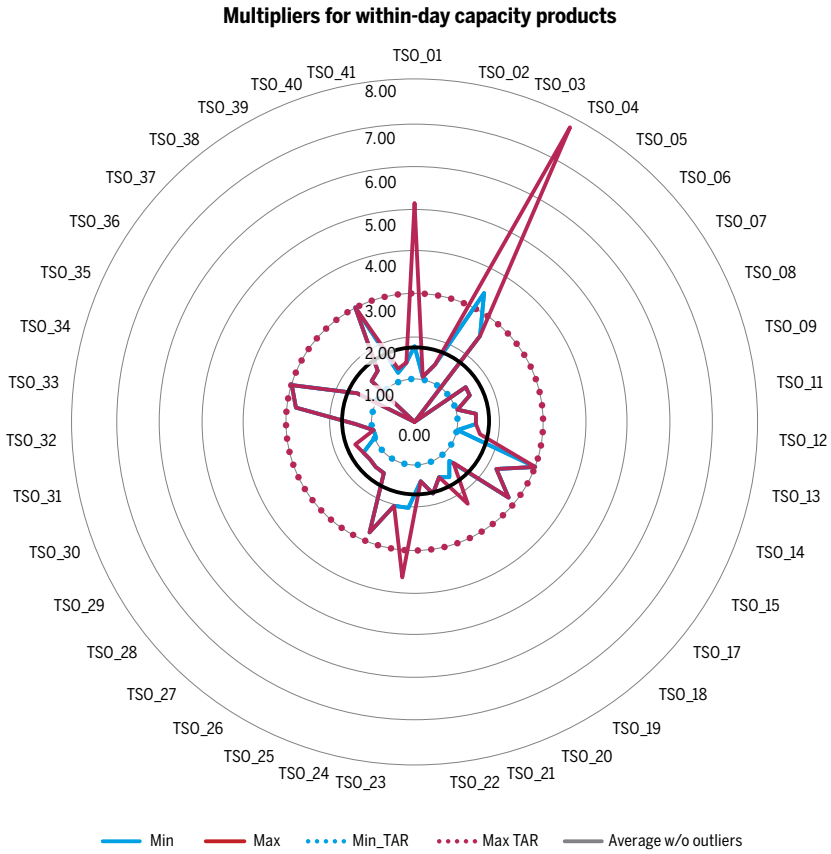



Figure 61: TAR.5 sub-indicator on within-day multipliers for TSOs in Europe

## 4.3 CONCLUSIONS

In terms of the 5 EM indicators used in this EM report 2019, the following conclusions can be drawn:

- **TAR.1** Ratio of under-/over-recoveries to allowed/target revenues for TSOs

  Results for TAR.1 show that on average the revenue recovery reaches a level which is close to the allowed/target revenue. It is still early to assess whether the TAR NC may contribute to modify revenue recovery by TSOs, and other factors will have to be distinguished to focus on the possible impact of TAR NC implementation.

- **TAR.2** Tariff changes at all TSOs' points for yearly products

  The evolution in tariffs for EU TSOs over the 2013 – 18 period indicates relative stability of tariffs once inflation is taken into account. For many TSOs, yearly tariff changes follow a trend which seems correlated to inflation levels, or even under these levels. A few TSOs depart from these trends and display more accentuated spikes and troughs in their tariff evolution.

- **TAR.3** Seasonal factors for IPs

  Although seasonal factors may be useful for reflecting the variation of demand within the year, it has been observed that a majority of TSOs (79 %) decided not to apply these factors in their non-yearly capacity products. Only nine TSOs indicated that they have used seasonal factors for these standard capacity products from which four reported that different seasonal factors were used across their IPs.

  From the graphics displayed in section 4.2.3.4 *'results for TAR.3 (seasonal factors) in 2019',* similar patterns are observed between quarterly and monthly standard capacity products and also between daily and within-day standard capacity products since all the TSOs used similar or equal seasonal factors for these two groups of capacity products.

- **TAR.4** Publication of information in English

  Based on the results presented in section 4.2.4 *'publication of information in English',* 30 out of 43 TSOs indicated that it is the NRA's responsibility to publish information in English for the sub-indicators periodic consultation information and periodic consultation responses, whilst a majority of TSOs are responsible for publishing information requested in Articles 28, 29 and 30.

  When it was the TSO's responsibility to publish such information, they indicated in almost all the cases that this information was published in English. Therefore, in general it can be stated that TSOs contributed to enhance network users' access to the market, tariff comparability and transparency by making information accessible for all the audience.

- **TAR.5** Multipliers for capacity products with quarterly, monthly, daily and within-day durations at IPs

  The results shown in section 4.2.5 *'multipliers applied by TSOs'*, indicated that a majority of TSOs are compliant with the ranges of multipliers defined in the TAR NC. In 88 % of the cases, multipliers had values within the allowed ranges. However, by 1 October 2019, 7 TSOs indicated that they have used multipliers out of the ranges for two or more non-yearly capacity products. In those cases in which the multipliers are outside these ranges and the TSO has no derogation, the TSO will have to adjust their multipliers to these ranges or it will have to provide a due justification for this level (this is only valid for daily and within-day multipliers).

# ANNEX A

## List of participating European TSOs

| | European TSOs covered in the implementation monitoring part of the report | European TSOs covered in the effect monitoring part of the report |
|---|---|---|
| Austria | Gas Connect Austria GmbH | Gas Connect Austria GmbH |
| | Trans Austria Gasleitung GmbH | Trans Austria Gasleitung GmbH |
| Belgium | Fluxys Belgium SA | Fluxys Belgium SA |
| Bulgaria | Bulgartransgaz EAD | Bulgartransgaz EAD |
| Croatia | Plinacro | Plinacro |
| Czech Republic | NET4GAS s.r.o. | NET4GAS s.r.o. |
| Denmark | Energinet | Energinet |
| Estonia | Elering AS (derogation) | Elering AS (derogation) |
| Finland | Gasum Oy (derogation) | Gasum Oy (derogation) |
| France | GRTgaz | GRTgaz |
| | Teréga | Teréga |
| Germany | bayernets GmbH | bayernets GmbH |
| | Fluxys Deutschland GmbH | Fluxys Deutschland GmbH |
| | Fluxys Tenp GmbH | Fluxys Tenp GmbH |
| | GASCADE Gastransport GmbH | GASCADE Gastransport GmbH |
| | Gastransport Nord GmbH | Gastransport Nord GmbH |
| | Gasunie Deutschland Transport Services GmbH | Gasunie Deutschland Transport Services GmbH |
| | GRTgaz Deutschland GmbH | GRTgaz Deutschland GmbH |
| | Lubmin-Brandov Gastransport GmbH | no data provided |
| | NEL Gastransport GmbH | NEL Gastransport GmbH |
| | Nowega GmbH | Nowega GmbH |
| | ONTRAS Gastransport GmbH | ONTRAS Gastransport GmbH |
| | Open Grid Europe GmbH | Open Grid Europe GmbH |
| | terranets bw GmbH | terranets bw GmbH |
| | Thyssengas GmbH | Thyssengas GmbH |
| Greece | DESFA S.A. | DESFA S.A. |
| Hungary | FGSZ Ltd | FGSZ Ltd |
| Ireland | Gas Networks Ireland | Gas Networks Ireland |
| Italy | Snam Rete Gas S.p.A. | Snam Rete Gas S.p.A. |
| | Infrastrutture Transporto Gas S.p.A.[27] | Infrastrutture Transporto Gas S.p.A. |
| | Società Gasdotti Italia S.p.A. | Società Gasdotti Italia S.p.A. |
| Latvia | Conexus Baltic Grid | Conexus Baltic Grid |
| Lithuania | AB Amber Grid | AB Amber Grid |
| Luxembourg | Creos Luxembourg S.A. (derogation) | Creos Luxembourg S.A. (derogation) |
| the Netherlands | BBL Company V.O.F. | BBL Company V.O.F. |
| | Gasunie Transport Services B.V. | Gasunie Transport Services B.V. |
| Poland | GAZ-SYSTEM S.A. | GAZ-SYSTEM S.A. |
| Portugal | REN – Gasodutos, S.A. | REN – Gasodutos, S.A. |
| Romania | Transgaz SA | Transgaz SA |
| Slovakia | eustream a.s. | eustream a.s. |
| Slovenia | Plinovodi d.o.o. | Plinovodi d.o.o. |
| Spain | Enagás S.A | Enagás S.A |
| | Regasificadora del Noroeste S.A | Regasificadora del Noroeste S.A |
| Sweden | Swedegas AB | Swedegas AB |
| United Kingdom | GNI (UK) Limited | GNI (UK) Limited |
| | Interconnector UK Ltd. | Interconnector UK Ltd. |
| | National Grid Gas plc | National Grid Gas plc |
| | Premier Transmission Ltd. | Premier Transmission Ltd. |

27 According to Italian regulation (Resolution 114/2019/R/gas of 28 March 2019) which establishes tariff regulatory criteria for the period 2020–2023 in line with TAR NC requirements, the main TSO (Snam Rete Gas) is responsible for the calculation of the transmission tariffs with reference to the entire Italian transmission network, therefore also for the portion of the network managed by ENTSOG members Società Gasdotti Italia and Infrastrutture Trasporto Gas.

# ANNEX B

## Links to the Article 29 and 30 information published on the TSO/NRA website and a guide to the information published on ENTSOG's Transparency Platform

| European TSOs covered in the implementation monitoring report | | Link to the Article 29 and 30 information published on the TSO/NRA website |
|---|---|---|
| Austria | Gas Connect Austria GmbH | E-Control, Tariff network code, viewed on 3 April 2020, **<https://www.e-control.at/en/marktteilnehmer/gas/tarif-network-code>** |
| | Trans Austria Gasleitung GmbH | E-Control, Tariff network code, viewed on 3 April 2020, **<https://www.e-control.at/en/marktteilnehmer/gas/tarif-network-code>** |
| Belgium | Fluxys Belgium SA | Fluxys, Tariffs, viewed on 3 April 2020, **<https://www.fluxys.com/en/products-services/empowering-you/tariffs>** |
| Bulgaria | Bulgartransgaz EAD | Bulgartransgaz EAD, Publication in accordance with Article 29 and 30, viewed on 3 April 2020, **<https://bulgartransgaz.bg/en/pages/prozrachnost-tarifi-132.html>** |
| Croatia | Plinacro | Plinacro, Publications according to Chapter VIII, viewed on 3 April 2020, **<https://www.plinacro.hr/default.aspx?id=895>** |
| Czech Republic | NET4GAS s.r.o. | Energy Regulatory Office, TAR NC Information, viewed on 3 April 2020, **<http://www.eru.cz/en/informace-podle-tar-nc>** |
| Denmark | Energinet | Energinet, Tariffs and fees, viewed on 3 April 2020, **<https://en.energinet.dk/Gas/Tariffs-and-fees>** |
| Estonia | Elering AS (derogation) | Elering AS, Network service, viewed on 3 April 2020, **<https://elering.ee/en/network-service#tab0>** |
| Finland | Gasum Oy / Gasgrid Finland Oy (derogation) | Gasgrid Finland Oy, Transmission tariffs and service prices, viewed on 3 April 2020, **<https://gasgrid.fi/en/our-services/transmission-tariffs-and-service-price-list/>** |
| France | GRTgaz | GRTgaz, Tariffs, viewed on 3 April 2020, **<http://www.grtgaz.com/en/acces-direct/customer/supplier-trader/tariffs.html>** |
| | Teréga | Teréga, Tariff, viewed on 3 April 2020, **<https://www2.terega.fr/en/what-we-can-offer/transport/transport-contract/tariff.html>** |
| Germany | bayernets GmbH | Bayernets GmbH, Price list and info, viewed on 3 April 2020, **<https://www.bayernets.de/start_gastransport_en.aspx?int_name=_70636>** |
| | Fluxys Deutschland GmbH | Fluxys, Tariffs, viewed on 3 April 2020, **<https://www.fluxys.com/en/products-services/empowering-you/tariffs>** |
| | Fluxys Tenp GmbH | Fluxys, Tariffs, viewed on 3 April 2020, **<https://www.fluxys.com/en/products-services/empowering-you/tariffs>** |
| | GASCADE Gastransport GmbH | GASCADE Gastransport GmbH, Tariff, viewed on 3 April 2020, **<https://www.gascade.de/en/our-network/tariff/>** |
| | Gastransport Nord GmbH | Gastransport Nord GmbH, Tariff information, viewed on 3 April 2020, **<https://gtg-nord.de/uploads/live/dms/176/20191130_tariffinformation.pdf>** |
| | Gasunie Deutschland Transport Services GmbH | Gasunie Deutschland Transport Services GmbH, Tariff, viewed on 3 April 2020, **<https://www.gasunie.de/en/transparency/transparenz--verplichtungen/tariff>** |
| | GRTgaz Deutschland GmbH | GRTgaz Deutschland GmbH, Publication according to NC TAR, viewed on 3 April 2020, **<https://www.grtgaz-deutschland.de/en/NC_TAR>** |
| | Lubmin-Brandov Gastransport GmbH | Lubmin-Brandov Gastransport GmbH, Transparency requirements, viewed on 3 April 2020, **<http://www.lbtg.de/en/node/40>** |
| | NEL Gastransport GmbH | NEL Gastransport GmbH, Tariff, viewed on 3 April 2020, **<https://www.nel-gastransport.de/en/our-network/tariff/>** |
| | Nowega GmbH | Nowega GmbH, Network transparency, viewed on 3 April 2020, **<https://www.nowega.de/en/gas-transport/network-transparency/#information>** |
| | ONTRAS Gastransport GmbH | ONTRAS Gastransport GmbH, Transparency information, viewed on 3 April 2020, **<https://www.ontras.com/en/transparency/transparency-information/>** |
| | Opal Gastransport GmbH & Co. KG | Opal Gastransport GmbH & Co.KG, Regulated tariff, viewed on 3 April 2020, **<https://www.opal-gastransport.de/en/our-network/regulated-tariff/>** |
| | Open Grid Europe GmbH | Open Grid Europe GmbH, Information to be published, viewed on 3 April 2020, **<https://oge.net/en/for-customers/gas-transmission/market-information/legal-publication/information-to-be-published-before-the-annual-yearly-capacity-auction-and-the-tariff-period>** |
| | terranets bw GmbH | Terranets bw GmbH, Gas grid information, viewed on 3 April 2020, **<https://www.terranets-bw.de/en/gas-transmission/gas-grid-information/>** |
| | Thyssengas GmbH | Thyssengas GmbH, Publication of information, viewed on 3 April 2020, **<https://thyssengas.com/en/network-enquiries/transparency-information/publication-of-information-according-to-commission-regulation-eu-2017-460-nc-tar.html>** |

| European TSOs covered in the implementation monitoring report | | Link to the Article 29 and 30 information published on the TSO/NRA website |
|---|---|---|
| Greece | DESFA S.A. | DESFA S.A., Regulated services, viewed on 3 April 2020, **<https://www.desfa.gr/en/regulated-services/transmission/annex-i-of-regulation-715-2009>** |
| Hungary | FGSZ Ltd | Hungarian Energy and Public Utility Regulatory Authority, Prices, viewed on 3 April 2020, **<http://www.mekh.hu/prices-natural-gas>** |
| Ireland | Gas Networks Ireland | Gas Network Ireland, Transmission tariffs, viewed on 3 April 2020, **<https://www.gasnetworks.ie/corporate/gas-regulation/tariffs/transmission-tariffs/>** |
| Italy | Snam Rete Gas S.p.A. | Snam Rete Gas S.p.A., Gas transmission tariffs, viewed on 3 April 2020, **<https://www.snam.it/en/transportation/network-code-tariffs/Gas_transmission_tariffs/index.html>** |
| | Infrastrutture Transporto Gas S.p.A. | Snam Rete Gas S.p.A., Gas transmission tariffs, viewed on 3 April 2020, **<https://www.snam.it/en/transportation/network-code-tariffs/Gas_transmission_tariffs/index.html>** |
| | Società Gasdotti Italia S.p.A. | Snam Rete Gas S.p.A., Gas transmission tariffs, viewed on 3 April 2020, **<https://www.snam.it/en/transportation/network-code-tariffs/Gas_transmission_tariffs/index.html>** |
| Latvia | Conexus Baltic Grid | Conexus Baltic Grid, Publication according NC TAR, viewed on 3 April 2020, **<https://capacity.conexus.lv/?id=178&lang=eng>** |
| Lithuania | AB Amber Grid | AB Amber Grid, Information to be published, viewed on 3 April 2020, **<https://www.ambergrid.lt/uploads/documents/2020-kainos/TAR_NC_2020.pdf>** |
| Luxembourg | Creos Luxembourg S.A. (derogation) | |
| the Netherlands | BBL Company V.O.F. | BBL Company V.O.F., Tariffs forward flow, viewed on 3 April 2020, **<https://www.bblcompany.com/services/tariffs/tariffs-forward-flow>** |
| | Gasunie Transport Services B.V. | Authority for Consumers and Markets, Information document tariffs NC TAR, viewed on 3 April 2020, **<https://www.acm.nl/en/publications/information-document-tariffs-nc-tar-tariff-period-2019>** |
| Poland | GAZ-SYSTEM S.A. | GAZ-SYSTEM S.A., Tariff and applicable tariff rates, viewed on 3 April 2020, **<https://en.gaz-system.pl/strefa-klienta/taryfa/taryfa-i-stawki-oplat/>** |
| Portugal | REN – Gasodutos, S.A. | ERSE, Transmission tariffs transparency, viewed on 3 April 2020, **<https://www.erse.pt/en/activities/market-regulation/tariffs-and-prices-natural-gas/#transmission-tariffs-transparency>** |
| Romania | Transgaz SA | Transgaz SA, Transmission tariffs, viewed on 3 April 2020, **<http://www.transgaz.ro/en/clients/transmission-services/transmission-tariffs>** |
| Slovakia | eustream a.s. | eustream a.s., Tar NC requirements, viewed on 3 April 2020, **<https://www.eustream.sk/en_transmission-system/en_other-information/en_tariff-information-page/en_tar-nc-requirements>** |
| Slovenia | Plinovodi d.o.o. | Plinovodi d.o.o., Information in regards to Article 29 and 30, viewed on 3 April 2020, **<http://www.plinovodi.si/media/4989/information-on-establishing-a-network-code-on-harmonised-transmission-tariff-structures-for-gas_2020.pdf>** |
| Spain | Enagás S.A | Enagás S.A, Tariffs, viewed on 3 April 2020, **<https://www.enagas.es/enagas/en/Transporte_de_gas/Servicios_GNL_y_GN/Tarifas>**[28] |
| | Regasificadora del Noroeste S.A | |
| Sweden | Swedegas AB | Swedegas AB, Tariff regulatory information, viewed on 3 April 2020, **<https://www.swedegas.com/Our_services/services/transmission/Tariff-regulation-and-information>** |
| United Kingdom | GNI (UK) Limited | Gas Market Operator for Northern Ireland, ENTSOG tariff network code compliance, viewed on 3 April 2020, **<http://gmo-ni.com/tariffs/entsog-tariff-network-codes>** |
| | Interconnector UK Ltd. | Fluxys, Interconnector, viewed on 3 April 2020, **<https://www.fluxys.com/en/company/interconnector-uk>** |
| | National Grid Gas plc | National Grid Gas plc, Gas transparency requirements, viewed on 3 April 2020, **<https://www.nationalgridgas.com/about-us/gas-transparency-requirements>** |
| | Premier Transmission Ltd. | Gas Market Operator for Northern Ireland, ENTSOG tariff network code compliance, viewed on 3 April 2020, **<http://gmo-ni.com/tariffs/entsog-tariff-network-codes>** |

28 The decision on who is responsible for the publication has not yet been taken by the NRA.

### ENTSOG's Transparency Platform – link to published information on TSO or NRAs website

ENTSOG's Transparency Platform has a link for all TSOs to the information published on their website, or their NRAs website, depending who has publication responsibility. This link can be accessed by going into ENTSOG's Transparency Platform using the following link: **https://transparency.entsog.eu/** – click 'Operators' on the top toolbar – click on the panel for the TSO you are looking for information on – under 'Links' click 'Tariff information page' – this will bring you directly to the TSOs or NRAs website.

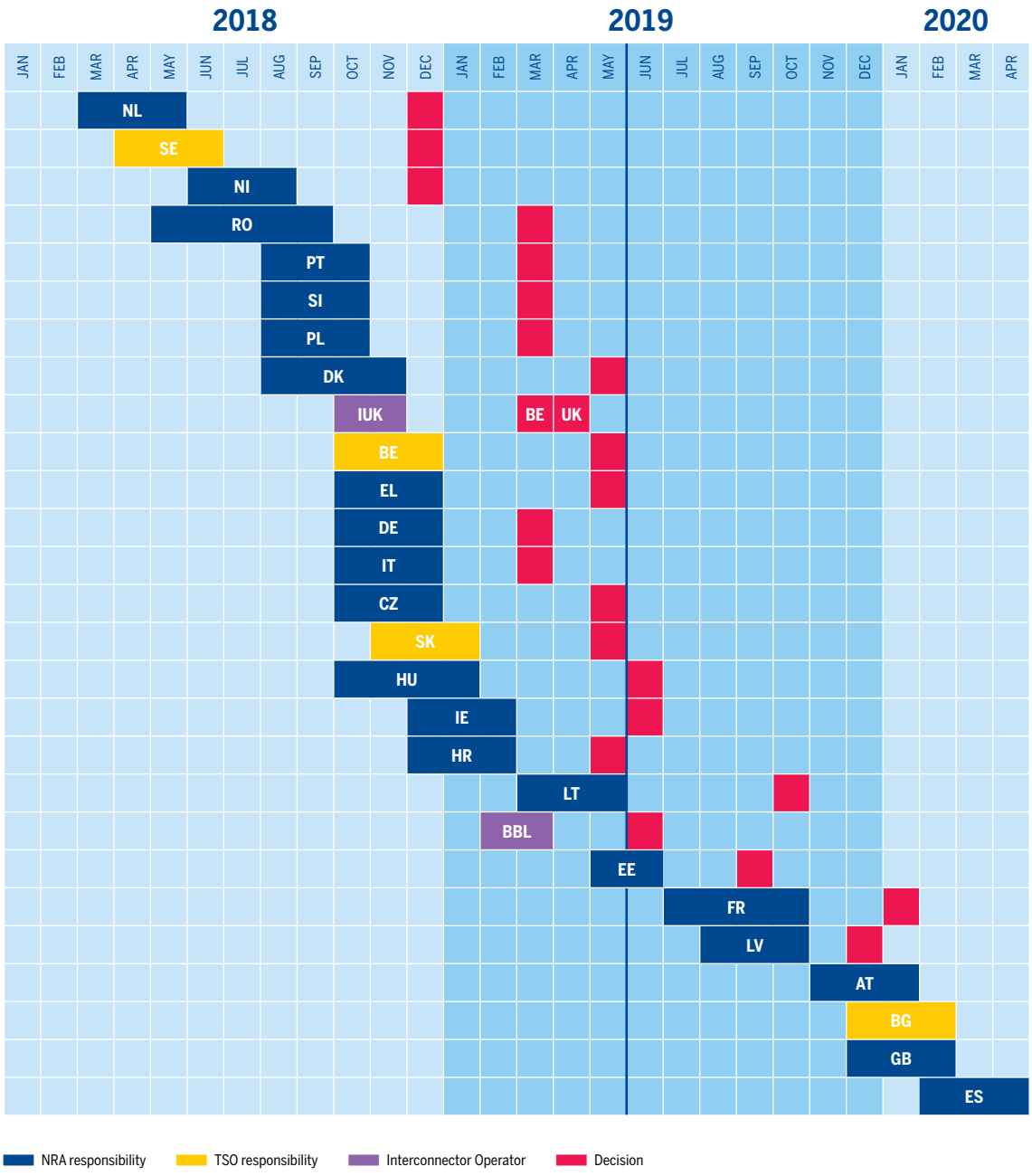
### ENTSOG's Transparency Platform – standardized table

ENTSOG's Transparency Platform has a standardised table which publishes the information for all TSOs on the reserve prices for standard capacity products for firm capacity and for standard capacity products for interruptible capacity, and the flow-based charge where applied. Data can be accessed per TSO or IP directly from ENTSOG's Transparency Platform using the following link: **https://transparency.entsog.eu/#/points/data?points=** – click the 'Tariff Data' tab, enter the relevant TSO or IP name into the search box, and fill in the relevant date range on the right-hand side.

Picture courtesy of TAP

# ANNEX C

## Final consultation (Article 26) and NRA motivated decision (Article 27(4)) – timelines and responsibility per MS[29]




FI Derogated until 01.01.2020
Based on information up to 1st March 2020

29 This is just a rough overview of the timelines of each consultation. For exact dates, additional information on the final consultations and NRA motivated decisions, please see the Agency's website: <https://www.acer.europa.eu/en/Gas/Framework%20guidelines_and_network%20codes/Pages/Harmonised-transmission-tariff-structures.aspx>

# ANNEX D

## Quick overview of European TSOs.

| European TSOs covered in the implementation monitoring report | | Payable price currently offered by TSOs | Tariff period covered in this report | Regulatory period covered in this report |
|---|---|---|---|---|
| Austria | Gas Connect Austria GmbH | Floating payable price | 01.01.2017 – 31.12.2020 | 01.01.2017 – 31.12.2020 |
| | Trans Austria Gasleitung GmbH | Floating payable price | 01.01.2017 – 01.10.2020 | 01.01.2017 – 01.10.2020 |
| Belgium | Fluxys Belgium SA | Floating payable price | 01.01.2016 – 31.12.2019 | 01.01.2016 – 31.12.2019 |
| Bulgaria | Bulgartransgaz EAD | Floating payable price | 01.10.2019 – 30.09.2020 | 01.10.2017 – 30.09.2020 |
| Croatia | Plinacro | Floating payable price | 01.01.2017 – 21.12.2020 | 01.01.2017 – 21.12.2020 |
| Czech Republic | NET4GAS s.r.o. | Floating and fixed payable price | 01.01.2019 – 31.12.2019 | 01.01.2016 – 31.12.2020 |
| Denmark | Energinet | Fixed payable price | 01.10.2019 – 30.09.2020 | 01.01.2020 – 31.12.2020 |
| Estonia | Elering AS (derogation) | | | |
| Finland | Gasum Oy (derogation) | | | |
| France | GRTgaz | Floating payable price | 01.04.2019 – 31.03.2020 | 01.04.2017 – 31.03.2020 |
| | Teréga | Floating payable price | 01.04.2019 – 31.03.2020 | 01.04.2017 – 31.03.2020 |
| Germany | bayernets GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | Fluxys Deutschland GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | Fluxys Tenp GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | GASCADE Gastransport GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | Gastransport Nord GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | Gasunie Deutschland Transport Services GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | GRTgaz Deutschland GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | Lubmin-Brandov Gastransport GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | NEL Gastransport GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | Nowega GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | ONTRAS Gastransport GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | Open Grid Europe GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | terranets bw GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| | Thyssengas GmbH | Floating payable price | 01.01.2019 – 01.01.2020 | 01.01.2018 – 31.12.2022 |
| Greece | DESFA S.A. | Floating payable price | 01.01.2019 – 31.12.2019 | 01.01.2019 – 31.12.2022 |
| Hungary | FGSZ Ltd | Floating payable price | 01.10.2019 – 30.09.2020 | 01.01.2017 – 30.09.2021 |
| Ireland | Gas Networks Ireland | Floating payable price | 01.10.2019 – 30.09.2020 | 01.10.2017 – 30.09.2022 |
| Italy | Snam Rete Gas S.p.A. | Floating payable price | 01.01.2019 – 31.12.2019 | 01.01.2016 – 31.12.2019 |
| | Infrastrutture Transporto Gas S.p.A. | Floating payable price | 01.01.2019 – 31.12.2019 | 01.01.2016 – 31.12.2019 |
| | Società Gasdotti Italia S.p.A. | Floating payable price | 01.01.2019 – 31.12.2019 | 01.01.2016 – 31.12.2019 |
| Latvia | Conexus Baltic Grid | Fixed payable price | 01.07.2019 – 31.12.2019 | 01.07.2019 – 31.12.2019 |
| Lithuania | AB Amber Grid | Floating payable price | 01.01.2019 – 31.12.2019 | 01.01.2019 – 31.12.2023 |
| Luxembourg | Creos Luxembourg S.A. (derogation) | | | |
| the Netherlands | BBL Company V.O.F. | Fixed payable price | N/A | N/A |
| | Gasunie Transport Services B.V. | Floating payable price | 01.01.2019 – 31.12.2019 | 01.01.2017 – 31.12.2021 |
| Poland | GAZ-SYSTEM S.A. | Floating payable price | 01.01.2019 – 31.12.2019 | 01.01.2019 – 31.12.2019 |
| Portugal | REN – Gasodutos, S.A. | Floating payable price | 01.10.2019 – 30.09.2020 | 01.01.2020 – 31.12.2023 |
| Romania | Transgaz SA | Floating payable price | 01.10.2019 – 30.09.2020 | 01.10.2019 – 30.09.2024 |
| Slovakia | eustream a.s. | Fixed payable price | 01.01.2017 – 31.12.2021 | 01.01.2017 – 31.12.2021 |
| Slovenia | Plinovodi d.o.o. | Floating payable price | 01.01.2019 – 31.12.2019 | 01.01.2019 – 31.12.2019 |
| Spain | Enagás S.A | Floating payable price | 01.01.2019 – 31.12.2019 | 01.07.2014 – 31.12.2020 |
| | Regasificadora del Noroeste S.A | Floating payable price | 01.01.2019 – 31.12.2019 | 01.07.2014 – 31.12.2020 |
| Sweden | Swedegas AB | Floating payable price | 01.10.2019 – 30.09.2020 | 01.01.2019 – 31.12.2022 |
| United Kingdom | GNI (UK) Limited | Fixed payable price | 01.10.2019 – 30.09.2020 | 01.10.2017 – 30.09.2022 |
| | Interconnector UK Ltd. | Fixed payable price | 01.10.2019 – 30.09.2020 | N/A |
| | National Grid Gas plc | Floating and fixed payable price | 01.10.2019 – 30.09.2020 | 01.04.2013 – 31.03.2021 |
| | Premier Transmission Ltd. | Fixed payable price | 01.10.2019 – 30.09.2020 | 01.10.2017 – 30.09.2022 |

# ABBREVIATIONS

| | |
|---|---|
| **ACER** | Agency for the Cooperation of Energy Regulators established by Regulation (EC) No 713/2009 |
| **AD** | Application Date |
| **CAA** | Cost Allocation Assessment |
| **CAM NC** | 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, 17.3.2017, p. 1) |
| **CWD** | Capacity-Weighted Distance |
| **EC** | European Commission |
| **EM** | Effect Monitoring |
| **ENTSOG** | European Network of Transmission System Operators for Gas |
| **EU** | European Union |
| **Gas Directive** | Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.8.2009, p. 94) |
| **Gas Regulation** | Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 211, 14.8.2009, p. 36) |
| **IDoc** | Implementation Document for the Network Code on Harmonised Transmission Tariff Structures for Gas |
| **IM** | Implementation Monitoring |
| **IP** | Interconnection Point, as defined by Article 3(2) of the CAM NC |
| **MS(s)** | Member State(s) |
| **NRA** | National Regulatory Authority |
| **RPM** | Reference Price Methodology |
| **TAR NC** | Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas |
| **TP** | Transparency Platform |
| **TS** | Transmission Services |
| **TSO** | Transmission System Operator |

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