

EU Tariff Network Code

Implementation status and monitoring conclusions

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Agenda

Overview

- Implementation timeline

Where we have been

- Implementation monitoring
- Effect monitoring

Where we are

- Consultations
- ACER's reviews

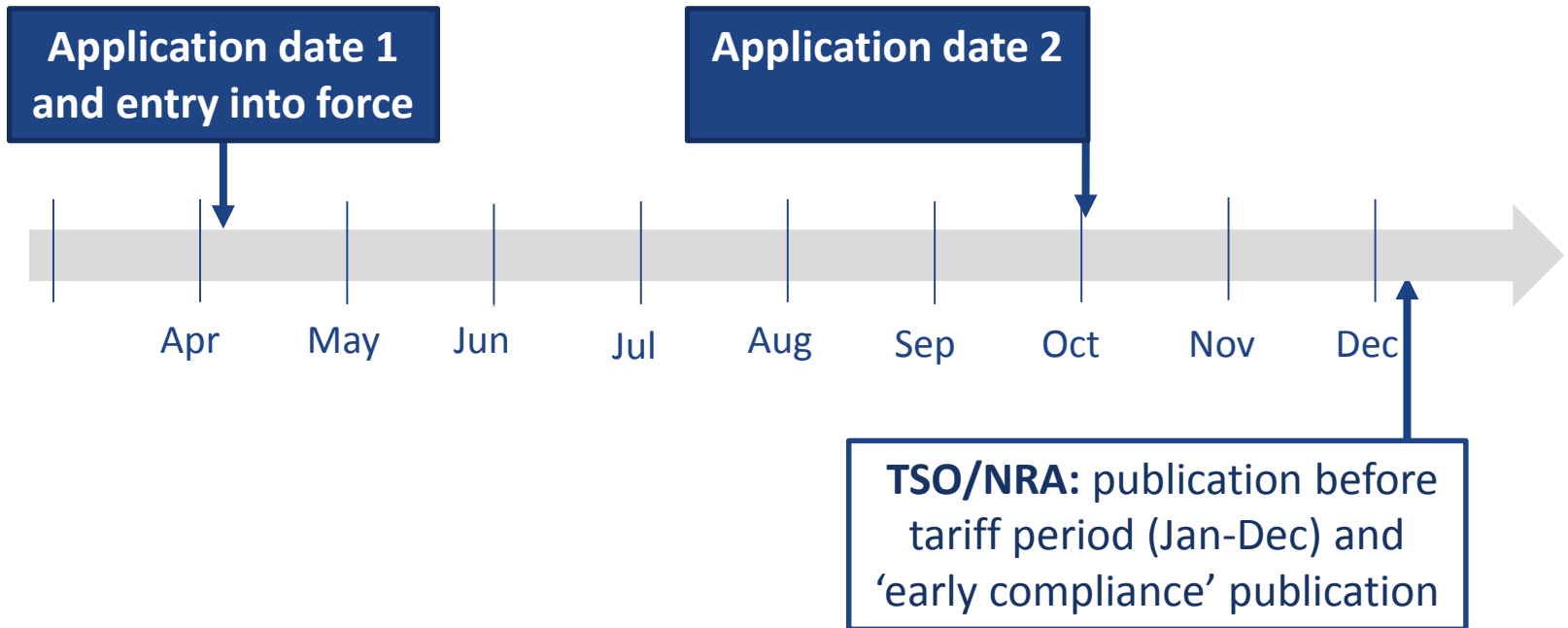
What is ahead of us

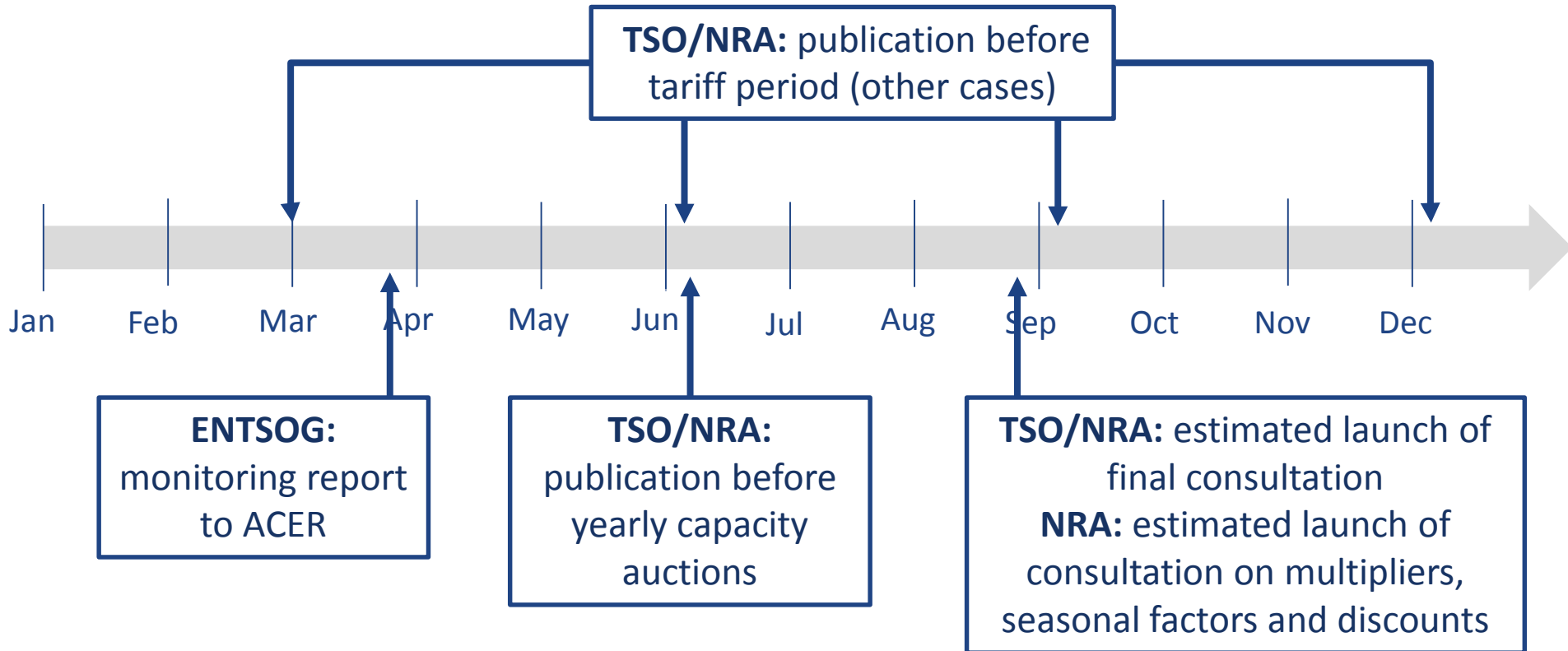
- ACER's report on allowed revenues





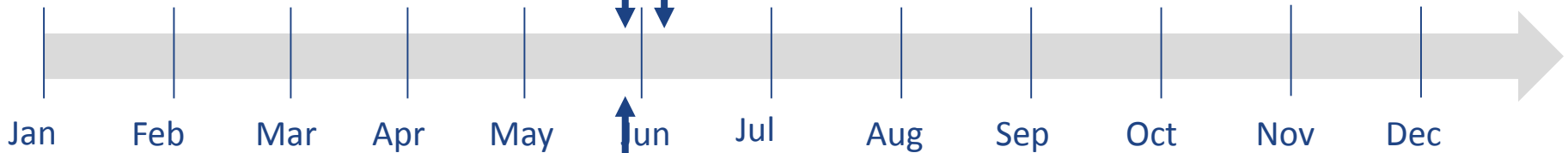
Overview: Implementation timeline





Application date 3

TSO/NRA: publication before yearly capacity auctions – based on ‘new’ methodology



NRA: decision on final consultation (send to ACER and EC) and on multipliers, seasonal factors and discounts





**Where we have been:
Implementation and effect monitoring**

Implementation monitoring 2017: lessons learnt

- Publication and consultation requirements are **time consuming**
- Need of **clear and timely agreement** on publication and consultation responsibility split between TSO and NRA





Effect monitoring 2017: lessons learnt

- Indicators **used**: under-/over-recovery of revenues, tariff changes, capacity bookings, availability of publications in English, multipliers
- But most indicators are for Chapters applicable only in **2019**





Where we are: Consultations



Consultation 1



By TSO or NRA, min 5-year cycle (from first completion by May 2019)

Proposed methodology

Cost allocation assessments

Compare tariffs from proposed methodology and from capacity-weighted distance

Discounts at points from/to storage

Discounts at points from LNG

Discounts at points from/to infrastructure for SoS to end isolation of MS

Information on revenue, commodity and non-transmission tariffs

Tariff changes and trends, tariff model

Fixed payable price in price cap regime for existing capacity



Consultation 2



By NRA, every tariff period (from first completion by May 2019)

Multipliers
and
seasonal
factors

Discounts at
points from
LNG

Discounts at points
from/to infrastructure
for SoS to end
isolation of MS

Discounts for
interruptible
products

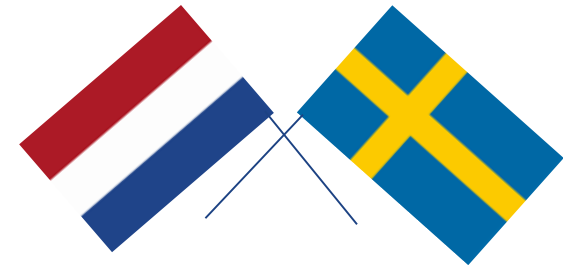


ACER's reviews of methodologies



What ACER must analyse

- Completeness
- Methodology vs criteria
- Commodity and non-transmission tariffs vs criteria



What ACER said

- Missing structural representation of network (NL)
- Missing methodology to forecast bookings, tariff model (SE)
- Need to justify postage stamp instead of capacity-weighted distance (NL, SE)
- Welcomes high degree of details (NL)



**What is ahead of us:
ACER's report on allowed revenues**

Results of September Workshop

What ACER must do

- Report on 'methodologies and parameters used to determine the allowed/target revenue of TSOs'

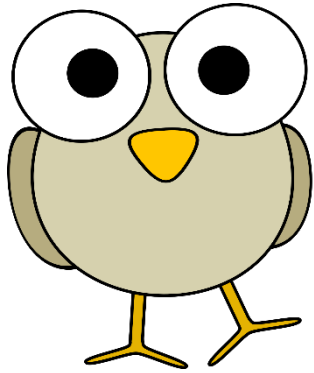
Report content

- Description of regulatory framework
- Harmonisation often inappropriate (RAB, WACC)
- Benchmarking of costs could be useful

Feedback

- Stakeholders quite supportive
- NRAs sceptical
- EC may feed report into studies
- No recommendations expected from ACER





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Thank You for Your Attention

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