

# ACER Consultation Template

Fields marked with \* are mandatory.

## Introduction

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The Agency for the Cooperation of Energy Regulators ('the Agency') has developed an online template following Article 26(5) of the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a Network Code on Harmonised Transmission Tariff Structures for Gas ('TAR NC'). The online template has been designed for the NRA/TSO responsible for carrying out the consultation on the reference price methodology to provide a summary of the consultation.

The online template and the tool for the submission of files to the Agency is implemented over a secure IT connection based on https.

Instructions for using the online template and for the submission of the consultation documents are on the appendix, at the end of the online template. For addition information on the online template, visit: [http://www.acer.europa.eu/Official\\_documents/Public\\_consultations/Pages/ACER-Consultation-Template.-Tariff-NC-Article-26\(5\).aspx](http://www.acer.europa.eu/Official_documents/Public_consultations/Pages/ACER-Consultation-Template.-Tariff-NC-Article-26(5).aspx)

## General information on the consultation on the RPM

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\* Member state

Poland

Organisation responsible for the consultation on the RPM.

Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. - National Transmission System

Contact point in the NRA/TSO responsible for the consultation.

[REDACTED], all responses within the consultation should be sent to nctar@gaz-system.pl

Timeline for the final consultation: launch and closing dates.

The final consultation begins on 31 August and will last until 31 October 2021

Will there be any intermediate consultations prior to the final consultation? If so, what topics will they cover? The last section of the survey allows the NRA/TSO providing information on this part of the process.

No intermediate consultations were provided.

Are any intermediate consultations planned/expected prior to the final consultation on the RPM?

- Yes
- To be decided
- No

## **A. Proposed reference price methodology [Article 26 (1)(a)]**

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### **A.1. Information on the parameters used in the proposed RPM related to technical characteristics of the transmission system [Articles 26(1)(a)(i), 30.(1)(a)].**

Provide the information on the parameters listed in Article 30(1)(a)(i-v) when they are an input to the proposed RPM . For parameters that are not an input to the RPM, mark as 'Not applicable'.

The description of the RPM and the justification of the parameters may refer to information requested in other points of Article 26 and in other articles, such as Article 7.

#### **A.1.A. Description of the proposed reference price methodology [Article 26(1)(a)].**

The following description is intended to provide an overview of the RPM. Include a reference to, at least, the following elements. Only refer to these items if they are applicable to the RPM:

- Choice of RPM
- Cost drivers of the RPM
- Locational signals in E/E points resulting of the RPM (e.g.: capacity, distance). Locational signals are price levels that send incentives to network users in order for the network operators to achieve an efficient operation and/or expansion of the gas system.
- Entry/exit split. Cost reflectivity and application to the RPM.
- Capacity/commodity split. Cost reflectivity and application to the RPM.
- Intra-system/cross-system split. Cost reflectivity and application to the RPM.
- Adjustments (benchmarking, equalisation and rescaling).
- Use of inter-TSO compensation mechanism. Brief note on the application of the RPM in multi-TSO E /E system and reference to the inter-TSO compensation mechanism consultation.

Indicate the choice of RPM (e.g.: postage stamp, capacity weighted distance, virtual point, matrix, or other)

GAZ-SYSTEM proposes the postage stamp methodology as RPM for the National Transmission System for years 2023 -2024

Provide description.

The reference price methodology presented in the consultation document assumes that fees depending on the contracted capacity will be charged at all entry points to the transmission system, excluding the LNG Terminal entry point, and at all exit points from the transmission system.

The method of allocating the costs to individual points of the transmission system proposed by GAZ-SYSTEM is the so-called postage stamp method. It assumes that costs are allocated to individual entry points and, respectively, to individual exit points on the basis of a single cost driver - the forecasted contracted capacity.

In practice this means that the proposed rate will be the same for all entry points to the transmission system, with the exception of entry points from storage facilities and the entry point from the LNG Terminal and will be the same for all exit points from the transmission system, with the exception of exit points to storage facilities, using a flexible ex-ante cost allocation between entry and exit points in the range of 30/70 to 70/30. The proposed flexible solution, in a situation of ongoing investments, can protect system users from significant year-on-year increases in reference prices during the lifetime of this methodology (i.e. years 2023 - 2024)

For the reference prices applied at the entry points to the transmission system from storage facilities and the exit points from the transmission system to storage facilities, a discount will apply pursuant to Article 9 of the TAR NC, as detailed in paragraph 2 of the consultation document attached.

For the reference price applied at the entry point to the transmission system from the LNG Terminal, a discount will be applied in accordance with Article 9 of the TAR NC, described in detail in paragraph 2 of the consultation document attached.

Reference to consultation document(s). Provide document ID and relevant page(s).

Pages 7 - 14 of the consultation document.

### A.1.B. Justification of the parameters and how they are used in the RPM [Articles 26(1)(a)(i), 30(1)(a)(i-v)].

Justify the selection and use of the parameters listed in Article 30(1)(a)(i-v) that are and input to the RPM, in view of the level of complexity of the transmission network related to the technical characteristics of the transmission system.

Reference to consultation document(s). Provide document ID and relevant page(s).

The proposed RPM is based on one cost-driver - forecasted contracted capacity that is described in point 1.1 on page 11. Moreover the technical parameters and description of the network are available on pages 7 and 8 of the document.

### A.1.C. Technical capacity at entry and exit points: values and associated assumptions [Articles 26(1)(a)(i), 30(1)(a)(i)].

Is the parameter an input to the RPM?

- Yes  
 No

### A.1.D. Forecasted contracted capacity at entry and exit points: values and associated assumptions [Articles 26(1)(a)(i), 30(1)(a)(ii)].

Is the parameter an input to the RPM?

- Yes  
 No

Values of the forecasted contracted capacity at entry and exit points. Reference to consultation document(s). Provide document ID and relevant page(s).

The forecasted contracted capacities [kWh/h] included in the indicative reference price calculation are presented below:

#### ENTRY

Entry points capacity - E gas (UGS excluded) 27 730 894

Entry points capacity - UGS (E gas) 24 818 244

Entry points capacity - Lw gas 1 202 602

Entry points capacity - LNG 7 963 613

#### EXIT

Exit points capacity - E gas (UGS excluded) 60 455 271

Exit points capacity - UGS (E gas) 14 374 170

Exit points capacity - Lw gas 2 062 997

Associated assumptions for the values of the forecasted contracted capacity at entry and exit points. Reference to consultation document(s). Provide document ID and relevant page(s).

Point 1.1 - Cost drivers, pages 11 -12

### A.1.E. The quantity and the direction of the gas flow for entry and exit points: values and associated assumptions [Articles 26(1)(a)(i), 30(1)(a)(iii)].

Is the parameter an input to the RPM?

- Yes  
 No

### A.1.F. Structural representation of the transmission network with an appropriate level of detail and associated assumptions [Articles 26(1)(a)(i), 30(1)(a)(iv)].

The representation should include an image of a simplified network depicting the transmission network and distinguishing the elements defined in Article 2(1)(1) of the Regulation (EC) No. 715/2009:

- High-pressure pipelines (other than the upstream pipeline network and other than high-pressure pipelines primarily used in the context of local distribution of natural gas, with a view to its delivery).
- Transmission networks which are dedicated to supplying domestic customers.
- TSO-DSO interface (transmission exit points to DSO).

The representation should include the transmission network elements included in the regulatory asset base.

Reference to consultation document(s). Provide document ID and relevant page(s).

A detailed map of the transmission system operated by GAZ-SYSTEM is available on the website:  
<https://swi.gaz-system.pl/swi/public/#!/gis/map/preview?id=10059&lang=en>  
The link is included in the document on page 9.

Associated assumptions and criteria used for the structural representations (e.g.: clustering, average distances, etc).  
Provide reference to consultation document(s):

The transmission network of GAZ-SYSTEM is highly meshed, with several mutual interconnections. In the two gas transmission sub-systems (high-methane natural gas E subsystem and low-methane natural gas Lw subsystem), the Company operates 60 entry points and over 920 exit points. The lack of a hydraulic connection between the E gas subsystem and the Lw gas subsystem makes it impossible to perform gaseous fuel conversion services between these systems. There are 7 UGS connected to the National Transmission System.

**A.1.G. Additional technical information and associated assumptions about the transmission network such as the length of pipelines, the diameter of pipelines and the power of compressor stations [Articles 26(1)(a)(i), 30(1)(a)(v)].**

Are there other parameter used as input to the RPM related to technical characteristics of the transmission system? Provide pipeline pressure levels if available.

- Yes
- No

## **A.2. The value of the proposed adjustments for capacity-based transmission tariffs pursuant to Article 9 [Article 26(1)(a)(ii)]**

**A.2.A. Proposed discount(s) at entry points from and exit points to storage facilities [Articles 26(1)(a)(ii), 9(1)].**

Do you apply the discount(s) at entry points from and/or exit points to storage facilities?

- Yes
- No

Indicate discount (%) at entry points from storage facilities compared to the initial result of the RPM.

80

Indicate discount (%) at exit points to storage facilities compared to the initial result of the RPM.

80

Other file or reference (e.g. different discounts for different products at the same storage facilities).

Point 2.1 - Discount for UGS, page 12

Are there storage facilities connected to more than one transmission or distribution network system.

- Yes
- No

#### A.2.B. Proposed discount(s) at entry points from LNG facilities [Articles 26(1)(a)(ii), 9(2)].

Do you apply the discount(s) at entry points from LNG facilities?

- Yes
- No

Indicate discount (%) at entry points from LNG facilities.

Reference to consultation document(s). Provide document ID and relevant page(s).

#### A.2.C. Proposed discount(s) at entry points from and exit points to infrastructure developed with the purpose of ending the isolation of Member States [Articles 26(1)(a)(ii), 9(2)].

Do you apply discount(s) at entry points from and exit points to infrastructure developed with the purpose of ending the isolation of Member States?

- Yes
- No

### A.3. Indicative reference prices subject to consultation [Article 26(1)(a)(iii)]

#### A.3.A. Indicative reference prices at each entry and at each exit point [Article 26(1)(a)(iii)].

Reference to consultation document(s). Provide document ID and relevant page(s).

### A.4. Cost allocation assessment [Articles 26(1)(a)(iv), 5]

According to Article 27(2)(b) the Agency shall assess the compliance of Article 7. Given that Article 7(c) refers to the cost allocation assessment, the Agency's analysis of compliance applies to the cost allocation assessment. For this purpose, the Agency request the NRA/TSO responsible for the consultation to submit a justification of the cost allocation assessment together with the rest of the consultation documentation once the consultation is launched. This only applies for the case when the cost allocation ratio exceeds 10%. This justification is requested by the Agency independently of its inclusion in the NRA motivated decision described in Article 27(4). For the submission of documents relevant to this section, see the upload section at the end of this template.

#### A.4.A. Results of the capacity cost allocation assessment [Articles 26(1)(a)(iv), 5].

Capacity cost allocation comparison index (%)

9.27

#### A.4.B. Components of the capacity cost allocation assessment [Articles 26(1)(a)(iv), 5].

Reference to consultation document(s). Provide document ID and relevant page(s).

Point 4 - Cost Allocation Assessment, pages 14 - 16

#### A.4.C. Details of components of the capacity cost allocation assessment [Articles 26(1)(a)(iv), 5].

Description of the calculation, including:

- Details of the cost drivers following Article 5(1)(a).
- Rationale for the combination of capacity cost drivers.
- Where the result of the capacity cost comparison index exceeds 10%, provide the justification for such results.

Reference to consultation document(s). Provide document ID and relevant page(s).

Point 4 - Cost Allocation Assessment, pages 14 - 16

#### A.4.A. Results of the commodity cost allocation assessment [Articles 26(1)(a)(iv), 5].

Commodity cost allocation comparison index (%).

#### A.4.B. Components of the commodity cost allocation assessment [Articles 26(1)(a)(iv), 5].

Reference to consultation document(s). Provide document ID and relevant page(s).

All revenue will be recovered based on capacity-based tariff thus no commodity cost allocation comparison index is calculated.

#### A.4.C. Details of components of the commodity cost allocation assessment [Articles 26(1)(a)(iv), 5].

Description of the calculation, including:

- Details of the cost drivers following Article 5(1)(a).

- Rationale for the combination of commodity cost drivers.
- Where the result of the commodity cost comparison index exceeds 10%, provide the justification for such results.

Reference to consultation document(s). Provide document ID and relevant page(s).

Not applicable.

## **A.5. Assessment of the proposed reference price methodology in accordance to Article 7 and Article 13 of the Regulation (EC) No. 715/2009 [Article 26(1)(a) (v)]**

The Agency will evaluate the compliance of the RPM against the set of principles laid out in Article 7 [Article 27(2)(b)(1)]. For the purpose of making explicit the criteria that will be used for this analysis, the template provides the following non-exhaustive list of suggestions to follow in the assessment.

Quantitative analysis and stakeholder support will be taken by the Agency as evidence. When such proofs are not available, compliance will be reviewed based on the explanations provided.

### **A.5.A. The RPM should: enable network users to reproduce the calculation of reference prices and their accurate forecast.**

The description of the RPM, together with the rest of elements listed in this template should be instrumental to allow replicating the calculation of reference prices. Provide the manner and the order in which these elements are used for the calculation of the RPM.

Reference to consultation document(s). Provide document ID and relevant page(s).

The requirements set out in Article 7 are described on pages 9 - 10 of the consultation document. The detailed manner in which the rates are calculated can be found in Point 5 - Description of the tariff model on pages 16 - 17.

### **A.5.B. The RPM shall into account the actual costs incurred for the provision of transmission services considering the level of complexity of the transmission network.**

Evaluate the cost reflectivity of the RPM related to the level of complexity and the technical characteristics of the transmission network. The assessment can be based on elements such as:

- How do the level of complexity and the technical characteristics of the transmission network influence the choice of RPM?
- Is the use or non-use of locational signals related to the level of complexity and the technical characteristics of the transmission network?
- How does the choice of E/E split affect the cost reflectivity of reference prices?
- How do reference prices at E/E points relate to the underlying costs of the network?
- Indicate any other elements of the RPM relevant to assess the cost reflectivity of the RPM

Reference to consultation document(s). Provide document ID and relevant page(s).

The relevant information can be found in point 1 - Description of the proposed method for the determination of the reference price, page 7 and 7.2 - Entry-Exit breakdown, on page 21 of the Consultation Document

#### **A.5.C. The RPM shall ensure non-discrimination and shall prevent undue cross-subsidisation including by taking into account the cost allocation assessments set out in Article 5.**

Evidence for the assessment should take into account the cost allocation assessment, which checks the non-discrimination between two predefined groups of network users. Other means can be used to check non-discrimination between other groups of network users. Provide reference to consultation document(s). Provide document ID and relevant page(s).

The proposed reference price methodology does not cause excessive cross subsidisation what is proved by the cost assessment analysis, described in Point 4 - Cost allocation assessment, pages 14 - 16 of the Consultation document.

#### **A.5.D. The RPM shall ensure that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system.**

Explain how the variation in transit flows affects reference prices for final consumers. The assessment can be based on elements such as:

- The contribution of the E/E split to the risk bared by final consumers.
- Are there any ex-ante splits of revenues for the purpose of intra-system and cross-system users?

Reference to consultation document(s). Provide document ID and relevant page(s).

According to the proposed reference price methodology GAZ-SYSTEM plans to charge only capacity-based tariffs with an ex-ante Entry-Exit described in detail in Point 7.2 Entry/Exit breakdown, page 21 of the document. The indicative prices are equal despite the fact whether it is intra-system or cross-system network use. Almost homogenic characteristics of the transmission in Poland (ex-post intra-/cross-system network use split equal 96/4) confirm that the postage stamp cost allocation methodology is appropriate in this case. The information on CAA can be found in point 4, page 14 and about the breakdown between the revenue to be recovered form intra-system and cross-system network use can be found in point 7.3 - Split between intra-system and cross-system revenues on page 25 of the Consultation Document.

#### **A.5.E. The RPM shall ensure that the resulting reference prices do not distort cross-border trade.**

Refer at least to the effect of the E/E split on cross-border trade. Provide reference to consultation document(s). Provide document ID and relevant page(s).

In the proposed reference price methodology GAZ-SYSTEM uses the postage stamp cost allocation method with ex-ante Entry-Exit detailed in point 7.2 on page 21 of the Consultation document. In order to avoid favouring contractual paths GAZ-SYSTEM considers that the capacity at interconnection points should be contracted with the same conditions concerning tariffs as the capacity contracted at internal points of the transmission system. This means that regardless the type of point in

the system (excluding the entry to and exit from storage facilities points and entry from LNG facility, where discount apply) the reference prices are set based on one cost driver – forecasted contracted capacity, hence no ex-ante intra-system/cross-system network use split applies. Please refer to point 1 on page 7, 7.2 and 7.3 on pages 21 -25 of the Consultation Document.

## **A.6. Comparison with the CWD methodology [Article 8] accompanied by the indicative reference prices subject to consultation set out in Article 26(1)(a) (iii)**

**A.6.A. Where the proposed reference price methodology is other than the capacity weighted distance reference price methodology detailed in Article 8, a comparison between both methodologies should be performed [Articles 26(1)(a)(vi), 8].**

The comparison should be performed with an appropriate level of detail and should enable stakeholders to identify the main differences, advantages and disadvantages of the compared methodologies. The following non-exhaustive list provides relevant elements that can guide the comparison:

- Differences, if any, in the input parameters for each of the methodologies such as input parameters (e.g.: technical and forecasted capacity), ratios for the allowed or target revenue listed in Article 30(1)(b)(v) and discounts to storage and LNG.
- Differences in the manner in which each of the methodologies reflect the level of complexity and the technical characteristics of the transmission network.
- Relation of each of the methodologies to the principles laid out in Article 7.
- Cost allocation assessment in Article 5.

Provide the same parameters and assumptions used for the CWD as for the proposed RPM, highlighting the differences, if any. When the parameters used for each of the methodologies are different, indicate and follow through the differences in reference prices.

Reference to consultation document(s). Provide document ID and relevant page(s).

The CWD prices are calculated based on the same indicative allowed revenue as the prices calculated based on the proposed reference price methodology. Both proposed RPM prices and CWD prices are calculated on the same assumptions concerning the forecasted contracted capacities, though CWD additionally uses distance as cost driver. Moreover such adjustments as discounts for storage facilities at entry and exit points and LNG entry point, included in the proposed RPM, were also applied in the CWD at the same levels. For details please refer to point 6 on page 18 of the Consultation Document. Please be informed that on the following website: <https://en.gaz-system.pl/strefa-klienta/taryfa/konsultacje-nc-tar/> the attachments containing prices calculated based on CWD methodology for each entry and exit point can be found.

**A.6.B. Comparison of indicative reference prices at each entry point and at each exit point of the proposed RPM and the CWD detailed in Article 8.**

Reference to consultation document(s). Provide document ID and relevant page(s).

Due to the fact that GAZ-SYSTEM operates approximately 980 entry and exit points the detailed prices calculated based on the CWD methodology are published as attachments available for download on the following website <https://en.gaz-system.pl/strefa-klienta/taryfa/konsultacje-nc-tar/>

## **B. Allowed or Target Revenue of the TSO [Article 26(1)(b)]**

### **B.7. Indicative information set out in Article 30(1)(b)(i), (iv) and (v)**

**B.7.A. Allowed or target revenue, or both, of the transmission system operator [Articles 26(1)(b), 30(1)(b)(i)].**

- If allowed and target revenue are both used, provide detail for each case.
- In the case of multiple TSOs, indicate the approach adopted. In the case where the NRA is carrying out the consultation, provide the reference where the information on allowed or target revenue for each TSO can be found.
- Units: currency/year

Description.

The allowed revenue calculated for period of 12 months is approved for the tariff year by decision of the President of ERO. The allowed revenue is based on cost-plus methodology and constitutes the aggregate of costs related to transmission services the rate of return on capital employed (RAB).  
The indicative allowed revenue for year 2023, equals thous. PLN 2,540,122.

Reference to consultation document(s). Provide document ID and relevant page(s).

Point 7 - Information regarding the indicative regulated revenue used to calculate the indicative reference prices in effect in 2023, page 20 of the Consultation document.

### **B.7.B. Transmission services revenue [Articles 26(1)(b), 30(1)(b)(iv)].**

Description (Units: currency/year)

allowed revenue related to transmission services, on the basis of which indicative reference prices were calculated, amounting to thous. PLN 2,475,802.

Reference to consultation document(s). Provide document ID and relevant page(s).

Point 7 - Information regarding the indicative regulated revenue used to calculate the indicative reference prices in effect in 2023, page 20 of the Consultation document.

### **B.7.C. Capacity-commodity split of the transmission services revenue.**

**Breakdown between the revenue from capacity-based transmission tariffs and the revenue from commodity-based transmission tariff [Articles 26(1)(b), 30(1)(b)(v)(1)].**

Revenue from recovered from capacity-based transmission tariffs, %:

100

Revenue from recovered from commodity-based transmission tariffs, %:

0

Reference to consultation document(s). Provide document ID and relevant page(s).

Point 7.1 on page 21 of the Consultation document

#### B.7.D. Entry-exit split of the transmission services revenue.

Breakdown between the revenue from capacity-based transmission tariffs at all entry points and the revenue from capacity-based transmission tariffs at all exit points [Articles 26(1)(b), 30(1)(b)(v)(2)].

Revenue from capacity-based transmission tariffs at all entry points, %:

50

Revenue from capacity-based transmission tariffs at all exit points, %:

50

Reference to consultation document(s). Provide document ID and relevant page(s).

GAZ-SYSTEM uses 50/50 Entry/Exit split to calculate the indicative reference prices published in the Consultation document. However the Company's approach is detailed in point 7.2 on page 21 of the document.

#### B.7.E. Intra-system/cross-border split of the transmission services revenue.

Breakdown between the revenue from domestic network users at both entry points and exit points and the revenue from cross-border network users at both entry points and exit points calculated as set out in Article 5, [Articles 26(1)(b), 30(1)(b)(v)(3)]

Revenue from domestic network users at entry points and exit points, %:

96

Revenue from cross-border network users at entry points and exit points, %:

4

Reference to consultation document(s). Provide document ID and relevant page(s).

Point 7.3 on page 25 refers to intra-system/cross-system split, the details concerning the CAA can be found in point 4 on page 14 of the document attached.

## C. Information on commodity based and non-transmission tariffs [Article 26(1)(c)]

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Following Article 27(2), the Agency shall analyse the compliance of the criteria used for setting commodity-based tariffs as set out in Article 4(3), and of the criteria used for setting non-transmission tariffs as set out in Article 4(4). The analysis of compliance will be based on the terms listed in this section.

### C.8. Flow based charge. Information on commodity-based transmission tariffs referred to in Article 4(3) [Article 26(1)(c)(i)]

Do you apply a flow based charge?

- Yes  
 No

Comments, if relevant.

Not applicable.

### C.9. Complementary revenue recovery charge: Information on commodity-based transmission tariffs referred to in Article 4(3) [Article 26(1)(c)(i)]

Do you use a complementary revenue recovery charge?

- Yes  
 No

Comments, if relevant.

### C.10. Information on non-transmission services provided to network users [Article 26(1)(c)(ii)]

Are there non-transmission services provided to network users on the bases of a non-transmission service tariff methodology?

- Yes  
 No

#### C.10.A. Non-transmission service tariff methodologies [Articles 26(1)(c)(ii)(1), 4(1)].

Provide:

- List of services considered as non-transmission service on the basis of the criteria laid out in Article 4 (1).
- Users to which each of the non-transmission services applies. Indicate if it is not possible to identify the beneficiary of the non-transmission service.
- Explanation of the non-transmission tariff methodology provided per service.

Description:

GAZ-SYSTEM plans to provide the following non-transmission services related to:

- pressure reduction
- gas compression services upon customers' request

The general information on non-transmission services can be found in Point 10, on page 25 of the Consultation document.

Reference to consultation document(s). Provide document ID and relevant page(s).

The general information on non-transmission services can be found in Point 10, on page 25 of the Consultation document.

### C.10.B. Share of the allowed or target revenue forecasted to be recovered from such tariffs, [Articles 26(1)(c)(ii)(2)]

Share of the allowed or target revenue forecasted to be recovered from non-transmission service tariffs. Provide, if possible, details per type of non-transmission service.

The total indicative revenue planned to be recovered from non-transmission tariffs in year 2023 equals thous. PLN 64,320, that is 3% of the total indicative allowed revenue for year 2023.

Reference to consultation document(s). Provide document ID and relevant page(s).

The general information on non-transmission services can be found in Point 10, on page 25 of the Consultation document.

### C.10.C. The manner in which the associated non-transmission services revenue is reconciled as referred to in Article 17(3) [Articles 26(1)(c)(ii)(3), 17(3)].

Provide details about how is the reconciliation done including the use of a regulatory account, the split of regulatory accounts into sub-accounts, and the use of separate accounts.

Given the requirements of Article 17.3 of the TAR NC, the Company proposes the following approach to the settlement of non-transmission services under the regulatory account.

$$SKR = PUP(n-2) + PUS(n-2) + PUR(n-2) - PD(n-2)$$

where:

SKR - balance of the regulatory account calculated in the year (n-1) in which the tariff for the year (n) is set

PUP(n-2) - transmission service revenue in calendar year (n-2),

PUS(n-2) - compression service revenue realized in calendar year (n-2),

PUR(n-2) - revenue from reduction services realized in calendar year (n-2),

PD(n-2) - revenue authorised by the ERO President for year (n-2).

Taking into account the above, the allowed revenue in year n, for which the tariff is being set, will be the sum of revenue from transmission services (PUP) and revenue from compression services PUS and revenue from reduction services (PUR).

Reference to consultation document(s). Provide document ID and relevant page(s).

The above information can be found in Point 10, on page 25 of the Consultation document.

#### C.10.D. Indicative non-transmission tariffs for non-transmission services to network users [Articles 26(1)(c)(ii)(4)].

Formula and description:

##### PRESSURE REDUCTION SERVICE

The regulated revenue thus determined relating to the reduction service will be recovered at the exit points from the transmission system by means of monthly charges calculated as the quotient of the regulated revenue on a monthly basis and the divisor, i.e., the number of pressure reduction and metering stations, according to the following formula:

$$R_m = P_R / n / 12$$

where:

R<sub>m</sub> - monthly fee charged to the user using the gas pressure reduction services at pressure reduction and metering stations [PLN],

PR - regulated revenue for gas pressure reduction services [PLN],

n - number of pressure reduction and metering stations [pcs].

The calculation of the reduction service fee will be determined once a year during the process of approval of the tariff for transmission and non-transmission services for the following calendar year by the President of ERO.

##### GAS COMPRESSION SERVICE

In order to calculate indicative rates for gas compression services on customer request, GAZ-SYSTEM, on the basis of historical data, assumed that in 2023 will provide the service at 10 points of the National Transmission System.

The calculation of reference prices for gas compression services was carried out on a cost-plus basis.

This means that operating costs related to the provision of compression services at the request of customers will be separated from the cost base of GAZ-SYSTEM in the process of tariff approval, and then they will be increased by the return on capital employed on the assets separated as assets used for the provision of compression services. The regulated revenue so determined for compression service will be recovered at the transmission system entry/exit points through monthly charges calculated as described below.

The compression service fee will consist of two components:

- a fixed subscription fee determined once a year on the basis of the fixed costs of the compression service in the previous calendar year,

- a variable fee depending on:

- the amount of energy added to the gaseous fuel during the compression process,

- Gas Reference Price (GRP) for the high-methane gas balancing area defined as the price representing the weighted average price of gaseous fuel purchased by the TSO in the gas month preceding the month when the GRP will be published,

The fee for the provision of gas compression services at the request of the customer will be billed according to the following formula:

$$W_m = O_a + CRG_E * E$$

where:

W<sub>m</sub> - monthly remuneration for the gas compression service [PLN],

O<sub>a</sub> - subscription fee determined once a year on the basis of fixed compression service costs in the previous calendar year for each settlement point [PLN/month],

CRG<sub>E</sub> - reference price of gas for the high-methane gas balancing area - price constituting the weighted average price of gaseous fuel purchased by the TSO in the gas month preceding the month in which the CRG will be published [PLN/kWh],

E - the amount of energy used in the compression process per month [kWh] resulting from the suction and pressing pressure levels and the amount of compressed gaseous fuel.

Reference to consultation document(s). Provide document ID and relevant page(s).

The details concerning the reduction service can be found in Point 10.1 on page 26 and regarding compression service in Point 10.2 on page 27 of the document.

## D. Compared tariffs and tariff model [Article 26(1)(d)]

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### D.11. The indicative information set out in Article 30(2)

The comparison should be based on indicative reference prices. Whenever the data necessary for this comparison is not available at the time of the consultation on the RPM (e.g.: multipliers and seasonality), provide the date and the source where the information will be available.

#### D.11.A. Comparison between transmission tariffs applicable for:

- the prevailing tariff period, and for
- the tariff period for which the information is published.

Explain the difference between the level of transmission tariffs [Articles 26(1)(d), 30(2)(a)(i)].

Comparison with the past tariff period. The comparison should be based on transmission tariffs.

Reference to consultation document(s). Provide document ID and relevant page(s).

The relevant information can be found in Point 11 on page 29 of the Consultation document.

Link to information on TSO/NRA website.

The general information on tariffs can be found on the following website <https://en.gaz-system.pl/en/customer-zone/tariff/>

The information related to the publication in compliance with Articles 29 and 30 of the TAR NC can be found here <https://en.gaz-system.pl/en/customer-zone/tariff/tar-nc-publication/>

#### D.11.B. Comparison between transmission tariffs applicable for:

- the tariff period for which the information is published, and for
- each tariff period within the remainder of the regulatory period.

Provide estimated difference in the level of transmission tariffs [Articles 26(1)(d), 30(2)(a)(ii)].

Comparison with upcoming tariff periods. The comparison should be based on transmission tariffs.

Reference to consultation document(s). Provide document ID and relevant page(s).

The relevant information can be found in Point 11 on page 29 of the Consultation document.

Link to information on TSO/NRA website.

The general information on tariffs can be found on the following website <https://en.gaz-system.pl/en/customer-zone/tariff/>

The information related to the publication in compliance with Articles 29 and 30 of the TAR NC can be found here <https://en.gaz-system.pl/en/customer-zone/tariff/tar-nc-publication/>

#### D.11.C. At least a simplified tariff model, updated regularly, enabling network users to calculate the transmission tariffs applicable for the prevailing tariff period and to estimate their possible evolution beyond such tariff period [Articles 26(1)(d), 30(2)(b)].

Tariff model for prevailing tariffs and future tariff periods. The simplified tariff model should serve for the calculation of tariffs. If the information on multipliers and seasonality is not available at the time of the publication of the consultation on the RPM, it should be indicated. By the time this information is published, the simplified tariff model should be updated to include information on tariffs.

Reference to consultation document(s). Provide document ID and relevant page(s).

The information on the simplified tariff models can be found in Point 11 on page 29 of the Consultation document. The models are published on the website. The link to the models is also included in the document itself.

Link to information on TSO/NRA website.

<https://en.gaz-system.pl/en/customer-zone/tariff/tar-nc-consultation/>

#### D.11.D. Explanation of how to use the simplified tariff model [Articles 26(1)(d) and 30(2)(b)].

Reference to consultation document(s). Provide document ID and relevant page(s).

The relevant information can be found in Point 11 on page 29 of the Consultation document.  
The provided simplified tariff models are user-friendly and self-explaining.

### **E. Fixed payable price under price cap regime [Article 26(1)(e)]**

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## E.12. Where the fixed payable price referred to in Article 24(b) is offered under a price cap regime for existing capacity

Is the fixed payable price referred to in Article 24(b) offered under a price cap regime for existing capacity.

- Yes  
 No

## Documentation submission to the Agency

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The online template and the tool for the submission of files to the Agency is implemented over a secure IT connection based on https.

### Final consultation on the RPM

The Agency requests the NRA/TSO responsible for launching the final consultation on the RPM to follow the below requirements when submitting the consultation documentation to the Agency:

- **All files containing numerical data** must be provided to the Agency in non-protected Excel or Excel compatible files independently of how they are published in the consultation.
- **Files containing text** must be provided to the Agency in Word, Word compatible files, or PDF.
- **Files containing images** must be provided to the Agency in a commonly used image formats or PDF.
- **All data must be provided in non-protected files** that allow editing. If PDFs are used, they must not be protected against editing (e.g.: they must allow copying the text of the PDF)
- **Confidential information must be clearly marked as confidential. In the cases where the consultation includes confidential information, a non-confidential version of the consultation must also be provided as part of the documentation.** Such version can be prepared erasing or aggregating the sensible information to render the data non-confidential.

Upload consultation documentation

**c5d137f5-5492-4114-b111-2d6c5af6146c/Attachment\_no.**

**1\_to\_the\_Consultation\_document\_for\_the\_National\_Transmission\_System\_in\_fulfillment\_of\_Article 8 of the TAR NC.pdf**

Provide a description of the uploaded documents and how they relate to the consultation (e.g.: main documents, supporting files, etc)

The attached pdf document contains the indicative reference prices calculated based on the proposed RPM - postage stamp and comparative CWD as described in Article 8 of the TAR NC.

Information on confidentiality. If any of the submitted files are subject to confidentiality rules, please identify these files and provide additional non confidential versions.

Not applicable. All the provided files are publicly available.

## Cost allocation assessment justification

Does the capacity and/or the commodity cost allocation comparison index, as per Articles(3)(c) and Article(4)(c), exceed 10%?

Yes

No

## Additional supporting documents

For the purpose of making the implementation of the TAR NC more efficient, the Agency provides below two sections to facilitate information on intermediate consultations and on the publication of stakeholder responses relative to the final consultation on the RPM. The Agency advocates that NRAs/TSOs provide links to this data and/or the documentation itself by the time it is available. The survey can be accessed after the submission of the final consultation for the purpose of providing this data.

## Final consultation on th RPM: responses and summary

Upload consultation documentation

**c72a53b6-3ecb-413e-ab22-b67c0f129dbd**

**/Consultation\_document\_for\_the\_National\_Transmission\_System\_in\_fulfilment\_of\_Article\_26\_of\_t  
pdf**

Link to the consultation documents.

The following link refers to the consultation: <https://en.gaz-system.pl/customer-zone/tariff/tar-nc-consultation/>

The responses and its summary will be published under the same link.

## Intermediate consultation(s) on th RPM

Upload intermediate consultation documentation.

Link to the consultation documents.

Not applicable. No intermediate consultation have been conducted.

## Appendix: Instructions for using the survey

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**The online template and the tool for the submission of files to the Agency is implemented over a secure IT connection which will be operational as of end of September 2017.**

## Reading the survey

The online template lists all legal requirements for the consultation on the RPM according to Article 26. In addition, it provides interpretation and guidelines to several requirements of Article 26. These two levels of text can be distinguished based on the colour of the typography used:

- **Blue typography** replicates the text of the Tariff NC and provides references to articles of the Tariff NC.
- **Black typography** provides descriptions and clarifications to the text of the TAR NC.

The additional clarifications and guidelines provide the reasoning and arguments that ACER will employ when reviewing the consultations, following the requirement set in Article 27(2).

The online template is structured into five different sections following the structure of Article 26. At the end of the survey, a section for uploading the consultation document(s) is provided.

The online template mirrors all requirements laid out in the template checklist which is available at:

## Timeline for completing the survey

The online template can be filled as of its date of publication (5 July 2017). It can be saved as a draft and can be subsequently updated following the steps of the national process until the final submission. The Agency advocates that the NRA/TSO responsible for the consultation provides the requested information relative to the consultation on the RPM using the online template. This includes:

- **Prior to the consultation**, the NRA/TSO should provide details relative to the contact point, the estimated timeline for the consultation, and the planning of intermediate consultations, if any.
- **After the publication of the final consultation**, the NRA/TSO should submit details relative to the publication of the stakeholder responses [Article 26(3)] and the NRA motivated decision [Article 27(4)].

## NRA/TSO input on the survey

When filling out the survey, the NRA/TSO responsible for the consultation on the RPM, should provide the following information:

- **Descriptions and justifications** based the requirements listed on Article 26.
- **References to the consultation document(s)** where the requested information can be found. References should include the name of the document and the page(s) being referred.
- **Relevant information on the consultation process.**

Whenever the format of the survey incurs in any incompatibility with the structure of the consultation, the NRS/TSO should contact ACER.

## Submission of the consultation document(s) to the Agency

This platform allows NRAs/TSOs submitting the consultation document(s) to the Agency. The submission of these documents is an obligation laid out under Article 27(1) and it is independent of the use that NRAs /TSOs make of the template. For this purpose, the NRA/TSO carrying out the consultation can use this file submission tool above.

## Publication of the survey summary

Upon filling in the requested information laid out in the online template tool, the NRA/TSO can access a summary of the consultation on PDF format. The PDF document can be included as an annex to the national consultation.

Regardless of the NRA/TSO decision to publish this document, the Agency will release on its website the completed templates as part of its analyses on the RPM consultations [Article 27(2)].

## Useful links

[COMMISSION REGULATION \(EU\) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas \(NC TAR\) \(http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0460&from=EN\)](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0460&from=EN)

[ACER Tariff Template website \(http://www.acer.europa.eu/en/Gas/Framework%20guidelines\\_and\\_network%20codes/TAR\\_IMP/Pages/default.aspx\)](http://www.acer.europa.eu/en/Gas/Framework%20guidelines_and_network%20codes/TAR_IMP/Pages/default.aspx)

## Contact

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