



ACER Consultation Template

Fields marked with * are mandatory.

Introduction

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 additional 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

* Member state

Poland

Organisation responsible for the consultation on the RPM.

Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. (GAZ-SYSTEM) performs the duties as the Independent System Operator (ISO) on the Polish Section of the Yamal - Western Europe pipeline (The Transit Gas Pipeline System [TGPS]) owned by EuRoPol GAZ s.a (EuRoPol GAZ or the Company).

Pursuant to the decision of Energy Regulatory Office of 19 May 2015, the President of the Energy Regulatory Office, granting GAZ-SYSTEM a certificate of independence with respect to its operatorship of The Transit Gas Pipeline System, gave the right to calculate tariff for gas transmission services to EuRoPol GAZ.

Due to the fact that GAZ-SYSTEM is not responsible for setting the tariff of The Transit Gas Pipeline System, the source of data presented in the consultation document is the EuRoPol GAZ.

The consultation obligation was imposed on GAZ-SYSTEM by the decision of the President of the Energy Regulatory Office of July 16, 2018.

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

[REDACTED]
[REDACTED]
e-mail for responses submission mentioned in the consultation document
nctar@gaz-system.pl

Timeline for the final consultation: launch and closing dates.

28 August 2018 - 31 October 2018

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, there will be no intermediate consultations. GAZ-SYSTEM (ISO) conducts only the final consultation.

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)]

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)

Capacity weighted distance is proposed.

Provide description.

The Transit Gas Pipeline System (SGT), owned by EuRoPol GAZ, is the Polish length of the Yamal–West Europe transit gas pipeline. According to a decision of the President of the National Energy Regulatory Office (URE), the GAZ–SYSTEM fulfils functions of the Transmission System Operator (TSO) on the SGT.

The transmission services rendered with the SGT, both by the EuRoPol GAZ and by the GAZ–SYSTEM, are settled out according to the tariff approved by the President of the URE on request of the EuRoPol GAZ. The EuRoPol GAZ incurs all costs of the SGT's functioning.

Operation costs of the regulated activity planned for the tariff year (as a principle, the tariff period corresponds to a calendar year), increased by an adequate amount of return on equity engaged for this activity and reduced by expected revenue from the reverse services rendered by the GAZ–SYSTEM on the SGT (in the direction reverse to the basic gas transmission direction) constitute the indicative cost basis for calculation of the reference prices (the basis for calculation of the reference prices). All data and assumptions used by the EuRoPol GAZ for calculation of the reference prices are subject to the final assessment and approval by the President of the URE (the tariff approval decision).

It is assumed that the whole indicative revenue of the EuRoPol GAZ will be recovered in the form of the capacity-based transmission tariffs (charges). The proposed RPM is a method of setting the reference price basing on the capacity-weighted distance. The cost driver (cost carrier), referred to in Art. 5 of the TAR NC, is the product of:

- a) Expected capacity contracted at a given entry or exit point,
- b) Distance between the corresponding points. In order to determine these distances the points are combined in pairs (pursuant to Art.8(1)(c) of the TAR NC). In the gas flow scenario assumed for the RPM (from East to West), there are the following pairs of points:

Entry Kondratki - Exit Interconnection Point (PWP);

Entry Kondratki - Exit Mallnow.

The PWP is a interconnection point, made of two points that have a physical location (see [1F]). The weighted average distance Entry Kondratki–Exit PWP is calculated by means of the formula shown in Art. 8(2)(a)(i), i.e. as an average distance weighted with contracted capacities, assigned to individual points of a physical location. Such an approach simplifies the calculation of the reference price for the PWP.

The only deviation from the standard CWD method described in Art. 8 of the TAR NC is the adjustment of the proportion of revenue breakdown into entry and exit (E/E) - this ratio in the indicative tariff amounts to 51.5/48.5 rather than 50/50. This adjustment results from additional assumptions used for the cost allocation and aimed at:

- Ensuring that the customers at both entry points (Entry Kondratki i Entry Mallnow) are treated equally, by making the reference prices at these points equal (the same reference price for entry to the SGT);
- Ensuring that for each customer for a given kind of a service (product), the sum of charges for entry and exit for a unit of contracted capacity, converted into a unit of distance between the pair of points specified in the gas flow scenario used in the RPM, was the same.

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

For description of the proposed reference price methodology please refer to point A.1 on page 2 of the consultation document available on GAZ-SYSTEM (ISO) website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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 technical characteristics of the SGT justifies application of the CWD as the method for determination of the reference price. In case of such a network structure, use of distances between appropriate entry/exit points as a cost driver applicable for costs allocation is fully justified. The proposed RPM uses real distances measured along the pipeline route.

The indicative data based on predicted contracted capacities arise from the assumption that the primary gas flow direction in the SGT will be transport from East to West. It is assumed that services of reverse transport (the reverse) would be rendered in the opposite direction (Entry Mallnow - Exit PWP) to a relatively small extent - the share of the indicative revenue from these services in the total annual amount of the EuRoPol GAZ's regulated revenue is only 1.3%. This fact justifies use of the specific gas flow scenario for calculation of the reference prices.

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).

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Forecasted contracted capacities - year 2020 [MWh/y]:  
ENTRY Kondratki - 345 711 726 MWh/y  
EXIT PWP - 30 240 000 MWh/y  
EXIT Mallnow - 315 471 726 MWh/y
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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).

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The indicative data based on predicted contracted capacities arise from the assumption that the primary gas flow direction in the SGT will be transport from East to West. It is assumed that services of reverse transport (the reverse) would be rendered in the opposite direction (Entry Mallnow - Exit PWP) to a relatively small extent. For detailed information please refer to points A.1.A and A.1.B on page 2 and 3 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation\_document\_EPG\_EN.pdf
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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).

The structure of the transmission system is not an input to the proposed reference price methodology. However the technical information is provided in point A.1.G on page 4 of the Consultation Document available on GAZ-SYSTEM (ISO) website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf . Moreover the Consultation Document contains a link to detailed map of the transmission system operated by GAZ-SYSTEM <https://swi.gaz-system.pl/swi/public/#!/gis/map/preview?id=10072&lang=en>

Associated assumptions and criteria used for the structural representations (e.g.: clustering, average distances, etc).

Provide reference to consultation document(s):

Non applicable

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

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

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).

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For indicative reference prices for year 2020 please refer to point A.3.A,
page 5 of the Consultation Document available on GAZ-SYSTEM website
http://en.gaz-system.pl/fileadmin/pliki/taryfa/en
/Consultation_document_EPG_EN.pdf
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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 (%)

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).

All entry or exit points on the SGT are interconnector ones (IP). Therefore the Compcap cost allocation index, used to compare the indices: the intersystemic capacity index Ratiocrosscap and the intrasystemic capacity index Ratiointracap, is not calculated. Due to the nature of the transit gas pipeline system - no intra-system entry and exit points - the cost allocation assessment was not carried out. Please refer to point A.4, page 5 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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).

All entry or exit points on the SGT are interconnector ones (IP). Therefore the Compcap cost allocation index, used to compare the indices: the intersystemic capacity index Ratiocrosscap and the intrasystemic capacity index Ratiointracap, is not calculated. Due to the nature of the transit gas pipeline system - no intra-system entry and exit points - the cost allocation assessment was not carried out. Please refer to point A.4, page 5 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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 entry or exit points on the SGT are interconnector ones (IP). Therefore the Compcap cost allocation index, used to compare the indices: the intersystemic capacity index Ratiocrosscap and the intrasystemic capacity

index $\text{Ratiointra}_{\text{cap}}$, is not calculated. Due to the nature of the transit gas pipeline system - no intra-system entry and exit points - the cost allocation assessment was not carried out. Please refer to point A.4, page 5 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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).

All entry or exit points on the SGT are interconnector ones (IP). Therefore the Compcap cost allocation index, used to compare the indices: the intersystemic capacity index $\text{Ratio}_{\text{crosscap}}$ and the intrasystemic capacity index $\text{Ratio}_{\text{intra}_{\text{cap}}}$, is not calculated. Due to the nature of the transit gas pipeline system - no intra-system entry and exit points - the cost allocation assessment was not carried out. Please refer to point A.4, page 5 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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 indicative reference prices presented in this publication document have been calculated using the method which in principle is compatible with the CWD, by means of the formulas referred to in Art. 8 of the TAR NC. The description of the proposed RPM, the indicative input data for calculation and the calculation procedure is presented above in point A.1.A on page 2 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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).

Relevant information can be found in point A.1, page 2 and point B.7 on page 7 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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).

All Entry/Exit points within the SGT are interconnector ones (IP). No final customers are connected to the SGT. Therefore there is no risk of cross-subsidisation between intra-system and cross-system network use. Relevant information can be found in point A.5 on page 5 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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).

The proposed RPM uses the CWD methodology (it determines the reference prices basing on capacity-weighted distances). The only deviation from the standard CWD method as stated in Art. 8 of the TAR NC, is an adjustment of the revenue breakdown ratio to the entry and exit - in the indicative tariff the ratio is 51.5/48.5 rather than 50/50. This adjustment results from additional assumptions used for the cost allocation and aimed at:

- Ensuring an equal treatment of customers at both entry points (Kondratki and Mallnow), by using the same reference prices at these points;
- Ensuring that for each customer for a given type of service (product), the sum of charges for entry and exit per unit of contracted capacity, converted into a unit of distance between the pairs of points determined in the gas flow scenario used in the RPM, is the same.

The aforementioned adjustments arise from the system's characteristics (structure) (it is a linear transit gas pipeline). Moreover, these adjustments allow for elimination of cross-subsidisation.

All Entry/Exit points within the SGT are interconnector ones (IP). No final customers are connected to the SGT. Therefore no ex-ante intra-system/cross-system network use split is applied.

Relevant information can be found in point A.5 on page 5 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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).

The proposed RPM, including use of the same reference prices at both the Kondratki entry point and the Mallnow entry/exit point, has been used for calculation of the EuRoPol GAZ s.a.'s tariffs since 2014. Therefore it does not introduce any significant changes to inter-system settlements. The change of the level of reference prices for various tariff periods results only from changing purchase costs of materials rather than from a change in the methodology of costs allocation for individual entry/exit points. Relevant information can be found in point A.5 on page 5 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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 proposed RPM uses the CWD methodology (it determines the reference prices basing on capacity-weighted distances). The only deviation from the standard CWD method as stated in Art. 8 of the TAR CN is an adjustment of the revenue breakdown ratio into entry and exit (E/E) - in the indicative tariff the ratio is 51.5/48.5 rather than 50/50. Relevant information can be found in point A.6.A on page 6 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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).

Comparison of the indicative reference prices according to RPM and CWD (PLN /MWh/day) can be found in point A.6.B on page 7 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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 indicative revenue of EuRoPol GAZ for the tariff period which is the subject of this consultation amounts to PLN 943.84 million (regulated revenue).

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

The indicative revenue of EuRoPol GAZ can be found in point B.7.A on page 7 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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

Description (Units: currency/year)

The indicative revenue from transmission services amounts to PLN 943.84 million (this is equal to the amount of the EuRoPol GAZ 's regulated revenue) including:

- a) PLN 931.94 million is the indicative revenue from the long-term continuous transmission services (equal to the basis of the reference prices calculation);
- b) PLN 11.90 million is the indicative revenue from the reverse transmission services rendered on the SGT (in the direction opposite to the primary gas flow direction).

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

The indicative revenue of EuRoPol GAZ can be found in point B.7.B on page 8 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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).

Information concerning capacity-commodity split can be found in point B.7.C on page 8 of the Consultation Document available on GAZ-SYSTEM website

http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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, %:

51.5

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

48.5

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

Information concerning Entry-Exit split can be found in point B.7.D on page 8 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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, %:

100

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

0

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

Information concerning intra-system/cross-border split can be found in point B.7.E on page 8 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf

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

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.

Based on the provisions of Polish tariff regulation - Regulation of the Minister of Economy of 15th March 2018 concerning detailed principles of tariff design and calculation, and settlements in gas trade only capacity-based tariffs are charged.

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

Comments, if relevant.

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

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 comparison of the tariffs is based on reference prices. Upon publishing of this document no information is available neither on multipliers and seasonal ratios nor on the manner of calculating discounts for standard products referring to intermittent capacity. The above-mentioned information is the subject of separate consultation being performed by the NRA (the Energy Regulatory Office) and it will be published after it is approved, on the GAZ-SYSTEM website.

The table in point D.11.A on page 10 of the Consultation Document available on GAZ-SYSTEM website http://en.gaz-system.pl/fileadmin/pliki/taryfa/en/Consultation_document_EPG_EN.pdf presents differences in reference prices levels between the current tariff and the indicative one calculated according to the proposed Reference Price Methodology (RPM). The tariff that is currently in force was made effective as of January 1, 2017. The increase of the indicative reference prices comparing to that tariff results from a costs increase including mainly an increase in the gas purchase price for the needs of the transmission.

Link to information on TSO/NRA website.

At the moment of submission of this checklist information on the consultation of the national regulatory authority in fulfilment of Article 28 of the TAR NC is not yet available.

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).

Non applicable. The tariff year is equal to the regulatory period.

Link to information on TSO/NRA website.

Non applicable. The tariff year is equal to the regulatory period.

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 simplified tariff model in the form of an Excel file (please see the link below) allows for performing a simulation of the reference prices determined according to the proposed RPM. Upon publishing of this document no information is available neither on multipliers and seasonal ratios nor on the manner of calculating discounts for standard products referring to intermittent capacity. The above-mentioned information is the subject of separate consultation being performed by the NRA (the Energy Regulatory Office).

Link to information on TSO/NRA website.

The simplified tariff model will be properly updated, not later than on the date of publishing the above-mentioned information on the website <http://en.gaz-system.pl/customer-zone/transit-yamal-pipeline/tgps-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 simplified tariff model is used for simulation of reference prices levels (rates of tariff charges for the SGT's entry and exit for annual continuous products). The starting point are settings that correspond to the indicative data (i.e. the ones that are the subject of this consultation). A change in the indicative reference prices can be simulated by a simulation of changes concerning:

- Level of regulated revenue;
- Breakdown of this revenue between the entry and exit points;
- Utilisation of technical capacities of the SGT.

The above-mentioned variables are simulated by means of dedicated sliders. In order to return to the input (indicative) data click the "Return to Indicative Data" pushbutton.

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

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

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

ef0e1808-1e0d-4c2f-940a-0c44dd5e91b4/Consultation_document_EPG_EN.pdf
762871e2-859b-4507-a80f-4481be7eef2e/Tariff_model_2020_EPG_EN.xlsm

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

Consultation_document_EPG_EN.pdf - this is the consultation document in fulfilment of Article 26 of the TAR NC published on GAZ-SYSTEM website.
Tariff_model_2020_EPG_EN.xlsm - simplified tariff model for TGPS

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

Non applicable

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

Link to the consultation documents.

Intermediate consultation(s) on th RPM

Upload intermediate consultation documentation.

Link to the consultation documents.

Appendix: Instructions for using the survey

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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