



European Union Agency for the Cooperation
of Energy Regulators

Tariff Report

Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania

**NRA: Autoritatea Națională de Reglementare
în domeniul Energiei**

5 February 2025



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1. ACER conclusion

- 1 This Report presents the Agency's analysis of the consultation documents for the proposed reference price methodology ('RPM') on the gas transmission system for Romania, pursuant to Article 27(2) of the Network Code on Harmonised Transmission Tariff Structures for Gas ('NC TAR').
- 2 After a preliminary assessment of the consultation documents, the Agency bilaterally informed the Romanian National Regulatory Authority ('NRA'), while the public consultation was still open, that not all the information required under Article 26(1) of the NC TAR was included in the consultation. The aspects not addressed in this consultation had already been highlighted by the Agency in its 2018 Tariff Report, leading to the same deficiencies¹.
- 3 In this report, the Agency closely follows the considerations made in its previous assessment included in the 2018 Tariff Report². While some differences exist between the two assessments, the Agency observes that the NRA presents in the current consultation a tariff structure with similar characteristics to the one proposed in the 2018 consultation, with some limited changes.
- 4 Autoritatea Națională de Reglementare în domeniul Energiei ('ANRE'), the Romanian NRA, proposes a postage stamp RPM with a 50/50 entry-exit split and a 50% discount at entry points to and exit points from storages. The NRA also proposes commodity charges and non-transmission charges.
- 5 The NRA proposes in the consultation a regulatory period lasting five gas years, from 1 October 2025 to 30 September 2030.
- 6 The Agency highlights that the NRA extended the regulatory period 2019-2024 for a sixth year, prolonging the foreseen regulatory period to the end of gas year 2024-2025, contrary to the provisions of the NC TAR. The Agency remarks that the procedure consisting of the final consultation on the RPM, the motivated decision, the calculation of tariffs based on the decision, and the publication of the tariff results shall be repeated at least every five years pursuant to Article 27(5) of the NC TAR.
- 7 After having completed the analysis of the consultation documents pursuant to Article 27(2) of the NC TAR, the Agency concludes that:
 - The consultation contains most of the required information listed in Article 26(1) of the NC TAR, except for some information on the non-transmission services and the conclusions drawn by the NRA from the comparison between the proposed RPM and the counterfactual capacity weighted distance ('CWD') methodology. Most importantly, the assessment of the proposed RPM in accordance with the criteria specified in Article 7 of the NC TAR, pursuant to Article 26(1)(a)(v), has not been included in the consultation documents.
 - The reasoning ANRE provides for the choice of the postage stamp methodology is limited. Although the choice for a postage stamp methodology may be appropriate, as it is easy to understand it and the CAA outcome³ does not show a high degree of cross-subsidisation, the evaluation of the criteria described in Article 7 of the NC TAR and the conclusions ANRE has

¹ See paragraph (2) of the [Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania 2018](#).

² Tariff report 2018: [Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania 2018](#).

³ The result of the CAA for the postage stamp methodology is 0.79% and hence does not require further justification.

drawn from the comparison with the CWD methodology counterfactual are not included in the consultation documents, not offering stakeholders sufficient insights about the suitability of the postage stamp methodology. This prevented the Agency from producing a complete compliance assessment of the proposed RPM. Therefore, the Agency cannot conclude on the compliance of the proposed RPM with the requirements laid down in Article 7 of the NC TAR on cost reflectivity, preventing undue cross-subsidisation, and avoiding distortion of cross-border trade. While ANRE does not explicitly assess in the consultation documents the compliance of the proposed RPM with the principles of transparency and volume risk, the Agency could still conclude that the proposed RPM is compliant with the transparency and volume risk criteria, furthermore, the Agency has not identified any form of discrimination related to the proposed RPM;

- The criteria for setting commodity charges are in line with the requirements of the NC TAR;
- While the criteria for setting non-transmission charges are met, the non-transmission revenue is not included as part of the allowed revenue, contrary to the definition provided in Article 3(11) of the NC TAR. The Agency concludes that this element is not compliant with the requirements of the NC TAR. Furthermore, the Agency notes that the associated non-transmission services revenue is not reconciled as set out in Chapter IV of the NC TAR.

8 The Agency recommends the NRA to further justify the choice of the proposed RPM in its motivated decision, ensuring that stakeholders are fully informed about it, and including the following elements:

- considerations on the system's technical characteristics and flow dynamics, with particular attention to the distance as a potential cost driver;
- the conclusions drawn from the comparison of the proposed RPM with the counterfactual CWD methodology detailed in Article 8 of the NC TAR;
- the assessment of the proposed RPM with all the requirements listed in Article 7 of the NC TAR, undertaking a complete and thorough analysis of the legal criteria.

9 Finally, the Agency remarks that the NRA has not clarified how the costs related to the inclusion to the national transmission system of the Isacea 1 - Negru Voda 1 pipeline, part of the so-called Trans-Balkan pipeline infrastructure, have been taken into account, notably whether all costs associated with the pipeline inclusion have been accounted for in the Regulated Asset Base and allocated through the proposed RPM. The Agency recommends ANRE to clarify in its motivated decision how the costs associated with the inclusion of this pipeline have been taken into account.

10 The Agency notes that this recommendation is also relevant in the event that the two remaining pipelines, part of the Trans-Balkan pipeline infrastructure, would be included in the national transmission system.

2. Introduction

- 11 Commission Regulation (EU) 2017/460 of 16 March 2017 establishes a network code on harmonised transmission tariff structures for gas.
- 12 Article 27 of the NC TAR requires the Agency to analyse the consultation documents on the reference price methodologies for all entry-exit systems⁴. This Report presents the analysis of the Agency for the transmission system of Romania.
- 13 On 10 October 2024, ANRE forwarded the consultation documents to the Agency. The consultation was launched on 10 October 2024 and remained open until 9 December 2024. The Agency remarks that the consultation documents were published in English. On 29 January 2025, the consultation responses and their English summary were published. Within five months following the end of the final consultation, and pursuant to Article 27(4) of the NC TAR, ANRE shall take and publish a motivated decision on all the items set out in Article 26(1).
- 14 After a preliminary assessment of the consultation documents, the Agency bilaterally informed the NRA, while the public consultation was still open, that not all the information required under Article 26(1) of the NC TAR was included in the consultation. The aspects not addressed in this consultation had already been highlighted by the Agency in its 2018 Tariff Report, leading to the same deficiencies⁵.

In its response, the NRA informed the Agency that including the missing information and prolonging the public consultation would have not allowed sufficient time to finalise the motivated decision for the next yearly auction. Therefore, the NRA proposed to include the missing information directly in its motivated decision.

Reading guide:

- 15 Chapter 3 presents an analysis on the completeness of the consultation, namely if all the information in Article 26(1) has been published. Chapter 4 assesses the proposed RPM for Romania. Chapter 5 focuses on compliance, namely if the RPM complies with the requirements set out in Article 7 of the code. Chapter 6 includes other comments. This document contains two annexes: the legal framework and a list of abbreviations.

⁴ With the exception of Article 10(2)(b), when different RPMs may be applied by the TSOs within an entry-exit zone.

⁵ See paragraph (2) of the [Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania 2018](#).

3. Completeness

3.1. Has all the information referred to in Article 26(1) been published?

- 16 Article 27(2)(a) of the NC TAR requires the Agency to analyse whether all the information referred to in Article 26(1) of the NC TAR has been published.
- 17 Article 26(1) of the NC TAR requires that the consultation documents should be published in English language, to the extent possible. The Agency confirms that the consultation documents have been published in English.
- 18 Most of the information in Article 26(1) of the NC TAR has been published, however, the consultation missed out on bringing the justifications relevant for choosing a postage stamp methodology. Such justifications shall consider the system's technical characteristics and flow dynamics, with particular attention to the distance as a potential cost driver. Also, the conclusions drawn by the NRA from the comparison between the proposed RPM and the counterfactual CWD methodology, as required by Article 26(1)(a)(vi) of the NC TAR, are missing.
- 19 Furthermore, the consultation does not include the compliance assessment of the proposed RPM, in accordance with the criteria specified in Article 7 of the NC TAR, as required in Article 26(1)(a)(v), in particular none of the principles, such as transparency, cost reflectivity, preventing undue cross subsidisation, avoiding distortion of cross-border trade, and volume risk have been addressed.
- 20 The Agency, repeating the recommendation made in its 2018 Tariff Report⁶, recommends the NRA to include in the motivated decision the compliance assessment of the proposed RPM with the criteria specified in Article 7 of the NC TAR.
- 21 Finally, the Agency remarks that while the methodologies to compute the non-transmission services tariffs have been included as part of the consultation documents, no information related to the forecasted revenue to be recovered from such tariff has been presented. The Agency has discussed bilaterally with the NRA the non-transmission services tariffs requirements and the related findings are reported in the relevant section of this Report.

⁶ See paragraph (15) of the [Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania 2018](#).

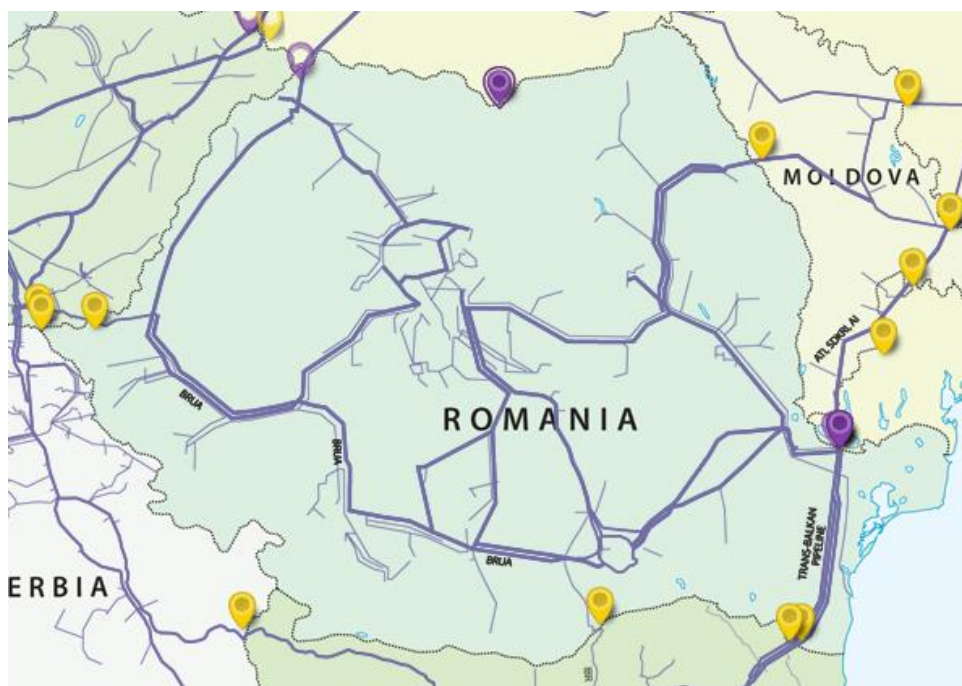
Table 1: Checklist information Article 26(1)

Article	Information	Published: Y/N/NA
26(1)(a)	the description of the proposed reference price methodology	Yes
26(1)(a)(i) 26(1)(a)(i)(1) 26(1)(a)(i)(2)	the indicative information set out in Article 30(1)(a), including: <ul style="list-style-type: none"> the justification of the parameters used that are related to the technical characteristics of the system, the corresponding information on the respective values of such parameters and the assumptions applied 	Yes
26(1)(a)(ii)	the value of the proposed adjustments for capacity-based transmission tariffs pursuant to Article 9	Yes
26(1)(a)(iii)	the indicative reference prices subject to consultation	Yes
26(1)(a)(iv)	the results, the components and the details of these components for the cost allocation assessments set out in Article 5	Yes
26(1)(a)(v)	the assessment of the proposed reference price methodology in accordance with Article 7	No
26(1)(a)(vi)	where the proposed reference price methodology is other than the capacity weighted distance reference price methodology detailed in Article 8, its comparison against the latter accompanied by the information set out in point (iii)	Partially The conclusions drawn by the NRA on the comparison are missing
26(1)(b)	the indicative information set out in Article 30(1)(b)(i), (iv), (v)	Yes
26(1)(c)(i) 26(1)(c)(i)(1) 26(1)(c)(i)(2) 26(1)(c)(i)(3)	where commodity-based transmission tariffs referred to in Article 4(3) are proposed <ul style="list-style-type: none"> the manner in which they are set the share of the allowed or target revenue forecasted to be recovered from such tariffs the indicative commodity-based transmission tariffs 	Yes
26(1)(c)(ii) 26(1)(c)(ii)(1) 26(1)(c)(ii)(2) 26(1)(c)(ii)(3) 26(1)(c)(ii)(4)	where non-transmission services provided to network users are proposed: <ul style="list-style-type: none"> the non-transmission service tariff methodology therefor the share of the allowed or target revenue forecasted to be recovered from such tariffs how the associated non-transmission services revenue is reconciled as referred to in Article 17(3) the indicative non-transmission tariffs for non-transmission services provided to network users 	Partially The items listed under the 2 nd and 3 rd bullet points are missing
26(1)(d)	the indicative information set out in Article 30(2);	Yes

4. Assessment of the proposed reference price methodology

- 22 The transmission system of Romania consists of approximately 124 entry points and 1184 exit points with 6487 pipeline sections totalling about 14,000 km in length. Domestic production accounted on average for 85% of domestic consumption in the period 2020-2023 while transit flows accounted for an average of 10%, in the same period, with an increasing trend⁷.
- 23 The Trans-Balkan pipeline is a piece of infrastructure in the South-East region of the country consisting of three parallel “transit” pipelines stemming from Isaccea to Negru Voda. Historically, these pipelines were used to supply the region with Russian sourced gas. In 2019, after the expiration of the long-term capacity contracts one of the three pipelines was included in the national transmission system. Following that, the proposed postage stamp methodology has been applied at the interconnection points Isaccea 1 and Negru Voda 1.

Figure 1: Romanian gas transmission system - Source: ENTSOG TP



4.1. Proposed tariff structure for Romania

- 24 ANRE proposes a postage stamp methodology with a 50/50 entry-exit split and a 50% discount at entry points to and exit points from storages. Also, commodity charges and non-transmission charges are proposed.
- 25 The NRA proposes in the consultation a regulatory period lasting five gas years, from 1 October 2025 to 30 September 2030.

⁷ Source: ACER elaboration on Eurostat data.

- 26 The Agency highlights that the NRA extended the regulatory period 2019-2024 for a sixth year, prolonging the foreseen regulatory period to the end of gas year 2024-2025, contrary to the provisions of the NC TAR. The Agency remarks that the procedure consisting of the final consultation on the RPM, the motivated decision, the calculation of tariffs based on the decision, and the publication of the tariff results shall be repeated at least every five years pursuant to Article 27(5) of the NC TAR.

4.1.1. Allowed revenue

- 27 The costs considered to calculate the total gas transmission revenues are split into fixed and variable. The NRA estimates, in the consultation documents, that fixed costs represent 85% of the total costs and variable costs 15% of the total costs.
- 28 While the fixed component is equally allocated to the group of entry points and exit points through the transmission tariff, ANRE proposes to apply a flow-based commodity charge, to cover for the variable costs, allocated only at the exit points.
- 29 The allowed revenue is based on the methodology approved by the NRA and presented as part of the consultation documents. The allowed revenue methodology takes into consideration the operative costs, the capital costs, and the pass-through costs. Following the methodology, every year the NRA applies correction components to the allowed revenue to compute the actual revenue to be included in the tariff computations. The regulatory account builds up from the over and under-recoveries that occurred at the end of the tariff periods, the reconciliation of revenues is approved every year by NRA decision.
- 30 In its 2018 Report the Agency recommended the NRA to explain in its motivated decision how the costs related to the inclusion to the national transmission system of the Isacea 1 - Negru Voda 1 pipeline, part of the so-called Trans-Balkan pipeline infrastructure, have been taken into account and assess its possible effect on the proposed RPM⁸.
- 31 Following the Agency's recommendation, the NRA in its 2018 motivated decision⁹ argued that "*the impact of the inclusion of this transit pipeline is low, representing less than 5% of the allowed revenue for the natural gas transmission activity and its additional capacity is almost 10% of national transmission system capacity*". Yet, the NRA has not clarified how the costs related to the inclusion of this pipeline to the national transmission system have been taken into account, notably whether all costs associated with the pipeline inclusion have been accounted for in the Regulated Asset Base and allocated through the proposed RPM. The Agency recommends ANRE to clarify in its motivated decision how the costs associated with the inclusion of this pipeline have been taken into account.
- 32 The Agency notes that this recommendation is also relevant in the event that the two remaining pipelines, part of the trans-Balkan infrastructure, would be included in the national transmission system.

4.1.2. Capacity cost driver

- 33 The forecasted contracted capacity is an input parameter to the postage stamp RPM. In the consultation documents, reported in the simplified model, the contracted capacity is estimated for each year of the regulatory period.

⁸ See paragraph (44) of the [Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania 2018](#).

⁹ ANRE Order 41/2019.

- 34 Only annual, quarterly, and monthly capacity products have been considered for the estimation of the total capacity booking levels. The NRA explains in the consultation documents that daily and within-day capacity products have not been considered due to their high volatility. The NRA argued that it is difficult to estimate the size of these bookings and that their small share compared to total capacity bookings makes the estimate less relevant when computing the proposed tariff.
- 35 The Agency remarks that excluding the daily and within-day capacity products from the estimation of the forecasted capacity products could increase the divergence between the allowed revenue and the actual revenue recovered, and that through increasing the level of the over- or under recovery to be attributed to the regulatory account and later reconciled through the tariffs of a subsequent tariff period, may increase cross-subsidization between network users of different periods.
- 36 The Agency concludes that the arguments provided in the consultation documents are not sufficient to justify the exclusion of the daily and within day capacity products in the estimation of the forecasted contracted capacity.
- 37 The Agency recommends ANRE to improve the information included in the consultation document related to the assumptions and methodology used in the estimation of the forecasted contracted capacities, pursuant to Article 26(1)(a)(i) of the NC TAR. In particular, the Agency recommends ANRE to include in the final decision the daily and within day capacity products in the estimation of the forecasted contracted capacity.

4.2. Cost allocation assessment

- 38 The NRA provides the results of the cost allocation assessment ('CAA'), both for the proposed capacity-based transmission tariff and for the proposed commodity-based transmission tariff. The result of the CAA for the proposed capacity-based transmission tariff RPM is 0.79%. The result of the CAA for the proposed commodity-based transmission tariff is 0%. Since the CAA values for the proposed tariffs are within the 10% threshold laid down in Article 5(6) of the NC TAR, the NRA does not need to provide further justifications.
- 39 The Agency recommends including in the motivated decision a CAA for the proposed capacity-based transmission tariff comparing scenarios with and without the discounts at entries from and exits to storage facilities.

4.3. Comparison with the CWD methodology

- 40 The NRA provides in the consultation documents a quantitative comparison of the postage stamp methodology and a counterfactual CWD methodology, as detailed in Article 8 of the NC TAR, pursuant to Article 26(1)(a)(vi) of the NC TAR.

Table 2: Comparison Reference Price CWD-Postage Stamp methodologies (lei/Mwh/h)

Entry point	CWD	Postage stamp	Exit point	CWD	Postage stamp
CSANADPALOTA IMPORT	3.04	4.98	CSANADPALOTA EXPORT	23.71	4.16
RUSE-GIURGIU	0.60	4.98	UNGHENI	0.92	4.16
NEGRU VODA 1	9.30	4.98	NEGRU VODA	1.94	4.16
			ISACCEA 1	0.05	4.16

Source: Own elaboration based on data presented by Swedegas in the consultation documents.

- 41 As shown in Table 2, the tariffs calculated with the CWD counterfactual differ substantially compared to the ones computed with the proposed postage stamp methodology. When providing the justification for not using a CWD methodology the NRA states, in the consultation documents, that it *“does not suit the technical characteristics of the Romanian transmission system because of the impossibility of setting a single relevant flow scenario based on which the distance matrix is to be configured”*. However, the Agency remarks that the NRA does neither include in the consultation documents any considerations nor provides conclusions from the comparison between the proposed postage stamp and the CWD methodology counterfactual.
- 42 The result of the CAA for the CWD capacity-based transmission tariff counterfactual is 3.64%, the level is below the 10% threshold laid down in Article 5(6) of the NC TAR, but higher than the CAA for the proposed postage stamp capacity-based transmission tariff.

5. Compliance

5.1. Does the RPM comply with the requirements set out in Article 7?

43 Article 27(2)(b)(1) of the NC TAR requires the Agency to analyse whether the proposed reference price methodology complies with the requirements set out in Article 7 of the NC TAR. This article refers to Article 17 of Regulation (EU) 2024/1789 and lists a number of requirements to take into account when setting the RPM. As these overlap, in the remainder of this chapter, the Agency will take a closer look at the five elements listed in Article 7 of the NC TAR.

5.1.1. Transparency

44 **Article 7(a)** of the NC TAR requires that the RPM aims at ensuring that network users can reproduce the calculation of reference prices and their accurate forecast.

45 As a simple methodology, the proposed postage stamp methodology enables a high degree of transparency and facilitates network users' understanding of the tariff setting and replicating tariff calculations compared to all the other methodologies. In addition, the Agency finds the simplified tariff model compliant with the requirements of Article 30(2)(b) of the NC TAR. The model allows to forecast tariffs up to the gas year 2029-2030.

46 For these reasons, while ANRE does not assess explicitly the compliance with Article 7(a) of the NC TAR in the consultation documents, the Agency could still conclude that the proposed RPM complies with the requirement of ensuring transparency and that network users are able to reproduce the calculation and forecast tariffs.

5.1.2. Cost-reflectivity

47 **Article 7(b)** of the NC TAR requires the RPM to take into account the actual costs incurred for the provision of transmission services, considering the level of complexity of the transmission network.

48 Following the same approach and as discussed in the Agency's 2018 Tariff Report¹⁰, the consultation documents provide limited reasoning justifying the choice of a postage stamp methodology. Notably, these justifications should reflect how the system characteristics, size and complexity impact the choice of the reference price methodology, whether the network configuration has a more linear or meshed structure, and how the domestic production and the cross-border flows impact the gas flow dynamics.

49 The consultation documents do not provide the assessment of how compliance with the cost reflectivity principle is ensured, as required in Article 26(1)(a)(v). Furthermore, the conclusions ANRE has drawn from the comparison of the proposed postage stamp methodology with the CWD methodology counterfactual are not included.

50 The absence of these elements prevented the Agency from assessing the compliance of the proposed postage stamp methodology with the principle of cost-reflectivity, therefore, the Agency cannot conclude on the compliance of the proposed RPM with the general principle of cost-reflectivity.

¹⁰ See paragraph (21) of the [Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania 2018](#).

5.1.3. Cross-subsidisation

- 51 **Article 7(c)** of the NC TAR requires the RPM to ensure non-discrimination and prevent undue cross-subsidisation.
- 52 One instrument to evaluate the degree of cross-subsidisation is the CAA. The result for the capacity-based cost allocation comparison index is 0.79%. The outcome of the commodity-based cost allocation comparison index is 0%. These values do not exceed 10% and therefore do not require further justification.
- 53 The consultation documents do not provide the assessment of how compliance with the principle of preventing undue cross-subsidisation is ensured, as required in Article 26(1)(a)(v). The Agency defines 'cross-subsidisation' as a derivation from cost-reflectivity, whereby users of the entry-exit system are allocated tariffs that differ from the costs they cause to the system. Given the absence of the assessment on cost reflectivity in the consultation documents, the Agency cannot conclude on the compliance of the proposed RPM with the requirement of preventing undue cross-subsidisation.
- 54 Regarding the requirement of ensuring non-discrimination, the Agency has not identified any form of discrimination related to the proposed RPM. This analysis is based on the definition of 'discrimination' as 'charging different prices to different network users for the identical gas transmission service'.

5.1.4. Volume risk

- 55 **Article 7(d)** of the NC TAR requires that the RPM ensures that significant volume risk related particularly to transport across an entry-exit system is not assigned to final customers within that entry-exit system.
- 56 While ANRE does not explicitly assess the compliance with Article 7(d) of the NC TAR in the consultation documents, the Agency remarks that the gas transported in Romania is not significantly higher than domestic consumption, limiting the possibility volume risk would materialise.

5.1.5. Cross-border trade

- 57 **Article 7(e)** of the NC TAR requires that the RPM ensures that the resulting reference prices do not distort cross-border trade.
- 58 The consultation documents do not provide the assessment of how compliance with the principle of preventing cross-border trade distortion is ensured, as required in Article 26(1)(a)(v). The Agency considers a cost-reflective methodology a safeguard against reference prices that would distort cross-border trade. Given the absence of the assessment on cost reflectivity in the consultation documents, the Agency cannot conclude on the compliance of the proposed RPM with the requirement of not distorting cross-border trade.

5.1.6. Conclusions

- 59 Overall, the Agency repeats its conclusions presented in the 2018 Tariff Report: the reasoning ANRE provides for the choice of the postage stamp methodology is limited. Although the choice for a postage stamp methodology may be appropriate, as it is easy to understand it and the CAA outcome does not show a high degree of cross-subsidisation, the evaluation of the criteria described in Article 7 of the NC TAR and the conclusions ANRE has drawn from the comparison with the CWD methodology counterfactual are not included in the consultation documents, not offering stakeholders sufficient insights about the suitability of the postage stamp methodology.

60 This prevented the Agency from producing a complete compliance assessment of the proposed RPM. Therefore, the Agency cannot conclude on the compliance of the proposed RPM with the requirements laid down in Article 7 of the NC TAR on cost reflectivity, preventing undue cross-subsidisation, and avoiding distortion of cross-border trade.

61 While ANRE does not explicitly assess in the consultation documents the compliance of the proposed RPM with the principles of transparency and volume risk, the Agency could still conclude that the proposed RPM is compliant with the transparency and volume risk criteria, furthermore, the Agency has not identified any form of discrimination related to the proposed RPM.

62 The Agency recommends the NRA to further justify the choice of the proposed RPM in its motivated decision, ensuring that stakeholders are fully informed about it, and including the following elements:

- considerations on the system's technical characteristics and flow dynamics, with particular attention to the distance as a potential cost driver;
- the conclusions drawn from the comparison of the proposed RPM with the counterfactual CWD methodology detailed in Article 8 of the NC TAR;
- the assessment of the proposed RPM with all the requirements listed in Article 7 of the NC TAR, undertaking a complete and thorough analysis of the legal criteria.

5.2. Are the criteria for setting commodity-based transmission tariffs as set out in Article 4(3) met?

63 Article 27(2)(b)(2) of the NC TAR requires the Agency to analyse whether the criteria for setting commodity-based transmission tariffs as set out in Article 4(3) are met. The Agency remarks that the use of commodity-based transmission tariffs is an exception. Only part of the transmission services revenue may be recovered by commodity-based transmission tariffs.

64 The NC TAR allows for two types of commodity-based transmission tariffs: a flow-based charge and a complementary revenue charge. Romania proposes to apply a flow-based charge.

65 The Romanian NRA proposes to apply commodity-based transmission tariffs equally at all exit points. The commodity-based transmission tariff accounts for about 15% of the transmission services revenue, in line with the estimation of the variable costs as described in paragraph (27). The Agency considers this level of commodity charge as appropriate.

66 The Agency acknowledges that in the regulatory period 2019-2025, ANRE decreased the amount of revenue collected from the commodity charge from 35% in 2019, 5% every year, until reaching the level of 15%.

67 The Agency concludes that the proposed flow-based charge meets the criteria set in Article 4(3).

Table 2: Criteria Article 4(3)(a) of the NC TAR.

Criteria	Y/N
levied for the purpose of covering the costs mainly driven by the quantity of the gas flow	Yes
calculated on the basis of forecasted or historical flows, or both.	Yes
set in such a way that it is the same at all entry points and the same at all exit points.	Yes
expressed in monetary terms or in kind	Yes

5.3. Are the criteria for setting non-transmission tariffs as set out in Article 4(4) met?

- 68 Article 27(2)(b)(3) of the NC TAR requires the Agency to analyse whether the criteria for setting non-transmission tariffs as set out in Article 4(4) are met. The non-transmission tariffs shall be cost-reflective, non-discriminatory, objective and transparent and shall be charged to the beneficiaries of the non-transmission service.
- 69 In the consultation documents the NRA proposes tariffs for two non-transmission services, already proposed in the previous public consultation:
- connection services;
 - complementary transmission services.
- 70 These services can be classified as non-transmission services since the costs for these services are not determined by capacity and distance.
- 71 The Agency repeats its assessment made in the 2018 Tariff Report¹¹ and concludes that the criteria as set out in Article 4(4) are met:
- The non-transmission tariffs reflect only the actual costs of providing these services (cost-reflective);
 - The same methodology is applied to all users of these services (non-discriminatory and objective);
 - The methodology is made available and transparent;
 - Finally, to avoid cross-subsidisation, only the users of these services are charged through these tariffs.
- 72 The Agency concludes that while the criteria for setting non-transmission charges are met, the non-transmission revenue is not included as part of the allowed revenue, contrary to the definition provided in Article 3(11) of the NC TAR. The Agency concludes that this element is not compliant with the requirements of the NC TAR. Furthermore, the Agency notes that the associated non-transmission services revenue is not reconciled as set out in Chapter IV of the NC TAR.

¹¹ See paragraph (42) of the [Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania 2018](#).

6. Other comments

- 73 As the Agency already pointed out in its 2018 Tariff Report¹², the reserve prices for non-yearly products are not stated in the foreseen unit (Articles 14(a) and 15(1) of the NC TAR). The reserve prices are calculated by multiplying the reference price by the multiplier and seasonal factor, but the division by 365 and the multiplication by the number of days is not part of the calculation. The comparison of these reserve prices expressed in Lei/MWh with the reserve prices in other Member States is not straightforward. Therefore, the Agency suggests using a tariff in Lei/MWh for the commodity charge, but using a tariff expressed in Lei/MWh/h/day, Lei/MWh/h/month, Lei/MWh/h/quarter and Lei/MWh/h/year for the capacity charges.

¹² See paragraph (45) of the [Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Romania 2018](#).

Annex 1: Legal framework

Article 27 of the NC TAR reads:

1. Upon launching the final consultation pursuant to Article 26 prior to the decision referred to in Article 27(4), the national regulatory authority or the transmission system operator(s), as decided by the national regulatory authority, shall forward the consultation documents to the Agency.
2. The Agency shall analyse the following aspects of the consultation document:
 - (a) whether all the information referred to in Article 26(1) has been published;
 - (b) whether the elements consulted on in accordance with Article 26 comply with the following requirements:
 - (1) whether the proposed reference price methodology complies with the requirements set out in Article 7;
 - (2) whether the criteria for setting commodity-based transmission tariffs as set out in Article 4(3) are met;
 - (3) whether the criteria for setting non-transmission tariffs as set out in Article 4(4) are met.
3. Within two months following the end of the consultation referred to in paragraph 1, the Agency shall publish and send to the national regulatory authority or transmission system operator, depending on which entity published the consultation document, and the Commission the conclusion of its analysis in accordance with paragraph 2 in English.
The Agency shall preserve the confidentiality of any commercially sensitive information.
4. Within five months following the end of the final consultation, the national regulatory authority, acting in accordance with Article 41(6)(a) of Directive 2009/73/EC, shall take and publish a motivated decision on all items set out in Article 26(1). Upon publication, the national regulatory authority shall send to the Agency and the Commission its decision.
5. The procedure consisting of the final consultation on the reference price methodology in accordance with Article 26, the decision by the national regulatory authority in accordance with paragraph 4, the calculation of tariffs on the basis of this decision, and the publication of the tariffs in accordance with Chapter VIII may be initiated as from the entry into force of this Regulation and shall be concluded no later than 31 May 2019. The requirements set out in Chapters II, III and IV shall be taken into account in this procedure. The tariffs applicable for the prevailing tariff period at 31 May 2019 will be applicable until the end thereof. This procedure shall be repeated at least every five years starting from 31 May 2019.

Article 26(1) of the NC TAR reads:

1. One or more consultations shall be carried out by the national regulatory authority or the transmission system operator(s), as decided by the national regulatory authority. To the extent possible and in order to render more effective the consultation process, the consultation document should be published in the English language. The final consultation prior to the decision referred to in Article 27(4) shall comply with the requirements set out in this Article and Article 27, and shall include the following information:
 - (a) the description of the proposed reference price methodology as well as the following items:
 - (i) the indicative information set out in Article 30(1)(a), including:
 - (1) the justification of the parameters used that are related to the technical characteristics of the system;
 - (2) the corresponding information on the respective values of such parameters and the assumptions applied.

- (ii) the value of the proposed adjustments for capacity-based transmission tariffs pursuant to Article 9;*
- (iii) the indicative reference prices subject to consultation;*
- (iv) the results, the components and the details of these components for the cost allocation assessments set out in Article 5;*
- (v) the assessment of the proposed reference price methodology in accordance with Article 7;*
- (vi) where the proposed reference price methodology is other than the capacity weighted distance reference price methodology detailed in Article 8, its comparison against the latter accompanied by the information set out in point (iii);*
- (b) the indicative information set out in Article 30(1)(b)(i), (iv), (v);*
- (c) the following information on transmission and non-transmission tariffs:*
 - (i) where commodity-based transmission tariffs referred to in Article 4(3) are proposed:*
 - (1) the manner in which they are set;*
 - (2) the share of the allowed or target revenue forecasted to be recovered from such tariffs;*
 - (3) the indicative commodity-based transmission tariffs;*
 - (ii) where non-transmission services provided to network users are proposed:*
 - (1) the non-transmission service tariff methodology therefor;*
 - (2) the share of the allowed or target revenue forecasted to be recovered from such tariffs;*
 - (3) the manner in which the associated non-transmission services revenue is reconciled as referred to in Article 17(3);*
 - (4) the indicative non-transmission tariffs for non-transmission services provided to network users;*
- (d) the indicative information set out in Article 30(2);*
- (e) where the fixed payable price approach referred to in Article 24(b) is considered to be offered under a price cap regime for existing capacity:*
 - (i) the proposed index;*
 - (ii) the proposed calculation and how the revenue derived from the risk premium is used;*
 - (iii) at which interconnection point(s) and for which tariff period(s) such approach is proposed;*
 - (iv) the process of offering capacity at an interconnection point where both fixed and floating payable price approaches referred to in Article 24 are proposed.*

Article 7 of the NC TAR reads:

The reference price methodology shall comply with Article 13 of Regulation (EC) No 715/2009 and with the following requirements. It shall aim at:

- (a) enabling network users to reproduce the calculation of reference prices and their accurate forecast;*
- (b) taking into account the actual costs incurred for the provision of transmission services considering the level of complexity of the transmission network;*
- (c) ensuring non-discrimination and prevent undue cross-subsidisation including by taking into account the cost allocation assessments set out in Article 5;*
- (d) ensuring that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system;*
- (e) ensuring that the resulting reference prices do not distort cross-border trade.*

Article 17 of Regulation (EU) 2024/1789 reads:

1. Tariffs, or the methodologies used to calculate them, applied by the transmission system operators and approved by the regulatory authorities pursuant to Article 78(7) of Directive (EU) 2024/1788, as well as tariffs published pursuant to Article 31(1) of that Directive, shall be transparent, take into account the need for system integrity and its improvement and reflect the actual costs incurred, insofar as such costs correspond to those of an efficient and structurally comparable network operator and are transparent, whilst including an appropriate return on investments. Tariffs, or the methodologies used to calculate them, shall be applied in a non-discriminatory manner.

Tariffs may also be determined through market-based arrangements, such as auctions, provided that such arrangements and the revenue arising therefrom are approved by the regulatory authority.

Tariffs, or the methodologies used to calculate them, shall facilitate efficient natural gas trade and competition, while at the same time avoiding cross-subsidies between network users and providing incentives for investment and maintaining or creating interoperability for transmission networks.

Tariffs for network users shall be non-discriminatory and shall be set separately for every entry point into or exit point out of the transmission system. Cost-allocation mechanisms and rate setting methodology regarding entry points and exit points shall be approved by the regulatory authorities. Regulatory authorities shall ensure that network tariffs shall not be calculated on the basis of contract paths.

2. Tariffs for network access shall neither restrict market liquidity nor distort trade across borders of different transmission systems. Where, notwithstanding Article 78(7) of Directive (EU) 2024/1788, differences in tariff structures would hamper trade across transmission systems, transmission system operators shall, in close cooperation with the relevant national authorities, actively pursue convergence of tariff structures and charging principles.

3. Until 31 December 2025, the regulatory authority may apply a discount of up to 100 % to capacity-based transmission and distribution tariffs at entry points from, and exit points to, underground natural gas storage facilities and at entry points from LNG facilities, unless and to the extent that such a storage facility which is connected to more than one transmission or distribution network is used to compete with an interconnection point.

From 1 January 2026, the regulatory authority may apply a discount of up to 100 % to capacity-based transmission and distribution tariffs at entry points from, and exit points to, underground natural gas storage facilities and at entry points from LNG facilities for the purpose of increasing security of supply. The regulatory authority shall re-examine that tariff discount and its contribution to the security of supply during every regulatory period, in the framework of the periodic consultation carried out pursuant to the network code adopted pursuant to Article 71(2), first subparagraph, point (d).

4. Regulatory authorities may merge adjacent entry-exit systems with a view to enabling full or partial regional integration where tariffs may be abolished at the interconnection points between the entry-exit systems concerned. Following the public consultations conducted by the regulatory authorities or by the transmission system operators, the regulatory authorities may approve a common tariff and an effective compensation mechanism between transmission system operators for the redistribution of costs arising from the abolition of interconnection points.

5. Member States with more than one interconnected entry-exit system, or more than one network operator within one entry-exit system, may implement a uniform network tariff with the aim of creating a level playing field for network users, provided that a network plan has been approved and a compensation mechanism between the network operators is implemented.

Article 4(3) of the NC TAR reads:

3. The transmission services revenue shall be recovered by capacity-based transmission tariffs. As an exception, subject to the approval of the national regulatory authority, a part of the transmission services revenue may be recovered only by the following commodity-based transmission tariffs which are set separately from each other:

- (a) a flow-based charge, which shall comply with all of the following criteria:
 - (i) levied for the purpose of covering the costs mainly driven by the quantity of the gas flow;**

- (ii) calculated on the basis of forecasted or historical flows, or both, and set in such a way that it is the same at all entry points and the same at all exit points;*
- (iii) expressed in monetary terms or in kind.*
- (b) a complementary revenue recovery charge, which shall comply with all of the following criteria:*
 - (i) levied for the purpose of managing revenue under- and over-recovery;*
 - (ii) calculated on the basis of forecasted or historical capacity allocations and flows, or both;*
 - (iii) applied at points other than interconnection points;*
 - (iv) applied after the national regulatory authority has made an assessment of its cost-reflectivity and its impact on cross-subsidisation between interconnection points and points other than interconnection points.*

Article 4(4) of the NC TAR reads:

4. The non-transmission services revenue shall be recovered by non-transmission tariffs applicable for a given non transmission service. Such tariffs shall be as follows:

- (a) cost-reflective, non-discriminatory, objective and transparent;*
- (b) charged to the beneficiaries of a given non-transmission service with the aim of minimising cross-subsidisation between network users within or outside a Member State, or both.*

Where according to the national regulatory authority a given non-transmission service benefits all network users, the costs for such service shall be recovered from all network users.

Annex 2: List of abbreviations

Acronym	Definition
ACER	Agency for the Cooperation of Energy Regulators
ANRE	Autoritatea Națională de Reglementare în domeniul Energiei
ENTSOG	European Network of Transmission System Operators for Gas
NRA	National Regulatory Authority
TSO	Transmission System Operator
EC	European Commission
EU	European Union
MS	Member State
NC TAR	Network code on harmonised transmission tariff structures for gas
IP	Interconnection Point
VIP	Virtual Interconnection Point
RPM	Reference Price Methodology
CWD	Capacity Weighted Distance
CAA	Cost Allocation Assessment
RAB	Regulated Asset Base
OPEX	Operational Expenditures
CAPEX	Capital Expenditures
ITC	Inter-transmission system operator compensation mechanism