

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 addition information on the online template, visit: [http://www.acer.europa.eu/Official_documents/Public_consultations/Pages/ACER-Consultation-Template.-Tariff-NC-Article-26\(5\).aspx](http://www.acer.europa.eu/Official_documents/Public_consultations/Pages/ACER-Consultation-Template.-Tariff-NC-Article-26(5).aspx)

General information on the consultation on the RPM

* Member state

Greece

Organisation responsible for the consultation on the RPM.

Regulatory Authority for Energy (RAE)

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

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Timeline for the final consultation: launch and closing dates.

Launch: 20.03.2023 - 22.05.2023

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.

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)

The proposed RPM is postage stamp. Further details on the RPM choice and its implementation are provided below.

The National Natural Gas Transmission System (NNGTS) is fairly simple. A main transmission pipeline of 512km runs from North to South with total length of 953.2km. There are three interconnection points (entries) at the North (Sidirokastro Entry Point at the Greek-Bulgarian border, Kipi Entry Point at the Greek-Turkish border and Nea Mesimvria Entry Point in connection with TAP) and the LNG Entry Point from the Revythoussa LNG terminal at the South (Agia Triada Entry Point). An additional entry point at the North-East is expected to enter operation on 1.1.2024 from the FSRU Gastrade at Alexandroupoli (Amfitriti Entry Point). Currently the NNGTS has 48 Exit Points, including two for reverse flow at IP Sidirokastro and IP Nea Mesimvria, 25 points to distribution networks and 21 points to industrial consumers and power plants. An additional exit point is expected to enter operation in 2024, at Komotini in connection with IGB.

It is worth noting that from the operation of the Alexandroupolis FSRU in January 2024 until a compressor station at Komotini becomes operational in October 2024, flows from the Kipi entry point will be interrupted to allow for the availability of a point-to-point product Amfitriti-IGB. Moreover, firm flow from the other entry points towards IGB will not be possible unless part of the NNGTS is upgraded. Thus, firm flow to IGB will be possible only from the Alexandroupolis FSRU.

The simple topology of the NNGTS and the fact that the entry points to the NNGTS are located both to the north/north east and to the south justify the use of postage stamp over other approaches.

Provide description.

The transmission services required revenue (herein after TSR) is equally split (50/50) between entries and exits. The 50/50 split is chosen so that the burden of the TSR is shared equally between entries/exits.

1. A uniform reference price applies to all Entry Points, calculated according to the procedure and the provisions of Articles 10, 22 and 29 of the Tariff Regulation (RAE Decision 98/2013 - refer to Documents 4A and 4B of the Consultation Document Pack for the Greek and English versions respectively), apart from the Revithoussa LNG terminal (Agia Triada Entry Point). Entry points Kipi (Greek-Turkish border) and Amfitriti (FSRU Alexandroupolis) are clustered together (NE Cluster). For 2024 entry point Kipi (technical capacity 4.3 millNm³/d) will be shut down to allow for the availability of the point-to-point product Amfitriti-IGB.
2. A uniform reference price applies to all Exit Points of the NNGTS.

Forecasts of contracted capacity are based upon the following:

- (i) Latest forecasts regarding the Gross Domestic Product.
- (ii) Latest forecasts regarding the development on crude oil and CO₂ emission allowances prices.
- (iii) The latest and projected developments in the electricity market including RES penetration, environmental constraints and the implementation of the target model.
- (iv) Data and estimations from suppliers and Gas Distribution Companies provided to DESFA according to Article 90 and 91 of the National Natural Gas System (NNGS) Network Code.

Demand at the Exit Points is first obtained on an annual basis. Then by taking into account the most recent daily profiles, a daily maximum capacity is calculated. The value of the daily maximum capacity is assigned to the forecasted contracted capacity.

The forecasted contracted capacity at Entry Points is estimated based on the existing long-term contracts and DESFA's assumptions on the evolution of contracted capacity, based on historical data. For values used in 2024 please refer to our response to Question A.1.B and A.5.A below.

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

Refer to Articles 10, 20, 21, 22, 23, 27, 28, 29, 40, 41, 42 and 44 of the Tariff Regulation (documents 4A and 4B in the Consultation Document Pack for the Greek and English versions respectively), as well as the accompanying presentation (document 3).

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 an 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).

Articles 27, 28 and 29 of the Tariff Regulation (refer to documents 4A and 4B in the Consultation Document Pack for the Greek and English versions respectively).

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).

Forecasted capacities for 2024 are:

a) Exits

Sidirokastro IP: 32.259.150 kWh/day/yr

N. Mesimvria IP: 586.750 kWh/day/yr

IGB: 43.453.563 kWh/day/yr

Domestic: 324.826.588 kWh/day/yr

b) Entries

Sidirokastro IP: 121.597.555 kWh/day/yr

Kipi IP & FSRU Gastrade (to VTP): 1.350.883 kWh/day/yr

FSRU Gastrade: 44.451.702 kWh/day/yr

N. Mesimvria IP: 35.346.301 kWh/day/yr

Ag. Triada/Revithoussa: 240.875.676 kWh/day/yr

More details can be found in the Simplified Model excel file (document 1 in the Consultation Document Pack).

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).

Natural gas demand is estimated by DESFA on a rolling yearly basis for the next decade (namely 2023-2032, 2024-2033 etc.) according to the procedure defined in Articles 90 and 91 of the NNGS Network Code. Due to the dominant share of electricity in natural gas consumption, DESFA has been obtained separate forecasts for natural gas demand due to electricity production through a number of detailed studies. The next paragraphs provide more details.

It needs to be clarified that the estimated volumes do not affect directly the calculation of tariffs, since the proposed tariff methodology is based on capacity bookings. Except for revenues related to the Old recoverable difference balance, estimated volumes do not affect the tariffs. To this end, the inclusion of demand assumptions aims at providing the estimated trend of the market, as well as the indirect estimation of the booked capacities in various entry and exit points, as is further explained below.

Exits: Domestic demand

- Gas demand for Power Production is forecasted through electricity market simulation, taking also into account latest available market intelligence, i.e. the delayed decommissioning of lignite units (as decided by the Ministry in Dec. 2022).
- Gas demand for high pressure customers in 2024 is based on recent market data and further analysis on daily profile based on historical data. This demand category was dramatically decreased in year 2022 and is expected to slightly overcome this sharp decline in years 2023-2025. Assuming that prices and market stabilize, growth is foreseen from 2026 onwards.
- For 2024, gas demand for distribution networks is based on data provided by DSOs and further analysis on daily profile based on historical data, degree days and category of use. From 2025 onward, demand for distribution networks is based on data provided by DSOs.

Exits: Exports

Following the geopolitical evolutions of this year, a higher supply gap for the SEE region could be a potential upside for transit volumes, however alternative/potentially competing supply routes could appear from other countries of the SEE region, so, for 2024, the demand of exports to Bulgaria and further North is kept at a conservative level, similar to 2022 exports (i.e. approximately 2,5 bcma), of which 1 bcma from Sidirokastro and the rest from IGB. From 2025 onward, this demand is increasing to 3 bcma, of which 2 bcma through IGB and the rest from Sidirokastro.

- North Macedonia: Exports to N. Macedonia start on October 2025; Volumes are estimated using the capacities booked at the corresponding market test and a load factor equal to 1
- Nea Mesimvria (TAP): The annual demand for this exit point is calculated from the expected capacity bookings with a load factor equal to 1. Resulting volumes are 0,02 bcma for the 2 months of 2024, since firm capacity will exist from November 204, increasing to 0,11 bcma for 2025, 0,12 bcma in 2026 and 0,16 bcma in 2027.

As per Art. 91 of NNGS Network Code, the Operator must perform a Development Study by 30 June of each year, which includes, inter alia, estimates of the annual demand for Natural Gas for the entire country, by administrative region and User category, as well as the maximum daily and hourly demand for natural gas, for each of the next 10 years. Despite that obligation, the last available Development Study was performed in 2020, while the last Demand Forecast Study was performed in 2021.

Please refer to:

<http://www.desfa.gr/en/national-natural-gas-system/development-of-the-nngs/development-study>

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 structural representation of the transmission network is available via the following link: http://www.desfa.gr/?page_id=3278&lang=en

A detailed map of the transmission network can be seen in document 5 of the Consultation Document Pack.

For the calculation of the Regulated Asset Base, the Operator, apart from the elements of the transmission network whose construction has been completed, has also taken into account the projects that are included in section 3B of the proposal on the Allowed Revenue of the NNGS and the Draft Tariffs (refer to documents 2A and 2B of the Consultation Document Pack for the Greek and English versions respectively).

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

As above, please see <http://www.desfa.gr/en/national-natural-gas-system/transmission> for a more detailed description on the NNGTS.

Average distances between entry and exit points can be seen in detail in sheet "2024_CWD" of the Simplified Model excel file (document 1 in the Consultation Document Pack).

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).

The reader is referred to the Simplified Model excel file (document 1 in the Consultation Document Pack). Reference prices for 2024 are provided below.

Capacity Charge:

Sidirokastro Entry point: 3,2736 €/kWh /h/yr

N. Mesimvria Entry point: 3,2736 €/kWh /h/yr

Ag. Triada Entry point: 3,2736 €/kWh /h/yr

Kipi Entry point & FSRU Entry Gastrade: 3,2736 €/kWh /h/yr

Sidirokastro IP – exit: 6,1507 €/kWh /h/yr

N. Mesimvria IP – exit: 6,1507 €/kWh /h/yr

IGB – exit: 6,1507 €/kWh /h/yr

Domestic users:

N Zone: 6,1507 €/kWh /h/yr

S Zone: 6,1507 €/kWh /h/yr

Soc tariff*: 1.2857 €/kWh /h/yr

LNG tariff: 2.1614 €/kWh /h/yr

*50% socialization on the LNG revenue is applied to domestic and IP exits. This value has already been included in the exit point capacity charges presented above.

There is an additional complementary commodity charge (0,000181 €/kWh) applied only to domestic exits, to account for the old recoverable difference.

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 (%)

6.3

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).

The proposed RPM exclusively uses capacity-based transmission tariffs, based on forecasted contracted capacities (Art. 5(1)(a)(ii)), therefore the procedure outlined in Art. 5(3), using the provisions of Art. 5(5), was utilized to perform the capacity cost allocation assessment. Refer to p. 23 of the accompanying presentation (document 3 in the Consultation Document Pack) for more details on the procedure.

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).

Forecasted contracted capacities are used as the cost drivers, in line with the type of driver used in the reference price methodology.

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

Commodity cost allocation comparison index (%).

0

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).

Not applicable, since only capacity tariffs are applied.

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

Description of the calculation, including:

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

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

Not applicable. See above.

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).

See our response to Question A.1.A above and Articles 10, 20, 21, 22, 23, 27, 28, 29, 40, 41, 42 and 44 of the Tariff Regulation (refer to documents 4A and 4B in the Consultation Document Pack for the Greek and English versions respectively).

Input data required for the calculation of the RP can be found in the Simplified Model excel file (document 1 in the Consultation Document Pack). Readers are also referred specifically to sheet "Tariff Calcs" of said document.

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).

Please see our response per relevant item below

1) How do the level of complexity and the technical characteristics of the transmission network influence the choice of RPM?

As already stated in our responses to other questions above, the NNGTS system of DESFA is fairly simple comprising of a single main transmission pipeline and a number of branches. Entry points are located both in the north (and north-east) and in the south. A postage stamp method such as the one selected herein can ensure non-discrimination amongst network users with utmost transparency and minor complexity in the calculations.

2) Is the use or non-use of locational signals related to the level of complexity and the technical characteristics of the transmission network?

No locational signals are used in the RP. The choice was made to avoid discrimination amongst users.

3) How does the choice of E/E split affect the cost reflectivity of reference prices?

According to the NC TAR, the purpose of the entry-exit split, is to avoid barriers to cross-border trade and cross-subsidies between types of network users. The 50-50 split of the Transmission Required Revenue (TRR) proposed ensures an at least equal sharing of the overall transmission services cost between entries and exits (both domestic and cross-border). Refer to Article 22 of the Tariff Regulation for a definition of the Transmission Required Revenue).

We note that Exit Points bear two additional costs:

a) the socialisation of the Revithoussa Allowed Revenue. This is related to the security of supply, which of course cannot burden the entries. In the past, this applied only to the domestic exit points. However, it is generally admitted that significant investments and operational costs have incurred in order to support also the security of supply of Bulgaria and the rest of the region. Therefore, this cost component is currently proposed to be applied to all exit points.

b) and the Old Recoverable Difference (refer to Art. 21 of the Tariff Regulation – RAE Decision 98/2023) due to reduced demand in natural gas consumption in comparison to the forecasted values in the years before 2016, that also cannot burden imports. This is applied only to the domestic exit points, as a complementary commodity charge.

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).

Responses are provided separately for each element of the question above: (1) non-discrimination, (2) cost allocation assessments set out in Article 5, (3) undue cross subsidisation

1) Non-discrimination

The proposed RPM is a cost-plus, postage stamp methodology with a 50/50 split of the transmission services revenue. This approach ensures non-discrimination amongst entry points and exit points as detailed below:

- The reference price for all interconnection points (IP RP) is the same and regardless of their use as Entry or Exit Points.
- The reference price is the same for all non-IP Exit Points.

2) Undue cross-subsidisation including by taking into account the cost allocation assessments set out in Article 5.

As presented in Question A.4.A, the indicative result of the Cost Allocation Assessment for the NNGTS is 6.3% using the reference price methodology, which is below the 10% threshold set in Article 5.

3) Undue cross-subsidisation in intra-system flows

- Entry Points: The reader is referred to our responses to Question A.6 in relation to the implementation of the CWD methodology and its comparison to the proposed RPM.
- Exit Points: As reported in our response to Question A.1.A, the NNGTS consists of 48 Exit Points, including two for reverse flow at IP Sidirokastro and IP Nea Mesimvria, 25 points to distribution networks and 21 points to industrial consumers and power plants. An additional exit point is expected to enter operation in 2024, at Komotini in connection with IGB. To ensure that there is no discrimination amongst end-users (or categories of end-users), the reference price is the same for all exit points.

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).

There are no ex-ante splits of revenues for the purpose of intra-system and cross-system users. We do not consider that there is a risk bared by final consumers. Recent changes of flow throughout Europe show a steady flow from the Greek LNG Terminals towards the eastern Balkans. These are secured through booked capacities at the LNG terminals and the relevant IPs.

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).

Refer to our response to Question A.5.B item 3 and A.5.C above.

The Tariff Regulation provides for the same Reference Price at Interconnection Points regardless if they are used as Entry or Exit Points. Thus, the Reference Price for gas entering Greece is the same for gas exiting Greece for when and if such flows occur (Article 27 paragraph 5 of the Tariff Regulation). Also note that IPs have the same Reference Price with Domestic exit points, to ensure that there is no discrimination amongst end-users. Additionally, the proposed tariffs are among the cheapest in the region (cf. TAP and IGB tariffs, for example).

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 implementation of the CWD follows the provisions of Article 8 of EU NC TAR.

Input data used in the implementation of the CWD are the same to those applied for the proposed RPM, namely:

- Entry points are treated separately, with the exception of the Kipi (Greek-Turkish border) and Amfitriti (FSRU Alexandroupolis), which are clustered together
- IP exit points are treated separately, while domestic exit points are clustered into South and North zone clusters
- The RPM is based on the forecasted capacity
- A 50-50 entry-exit split is applied to the Transmission Services Required Revenue
- The Allowed Revenue is calculated according to the provisions of Art. 10 of the Tariff Regulation (RAE Decision 98/2023)
- No discount is applied at Ag. Triada (LNG Entry Point).

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).

The comparison between the proposed RPM and the CWD as detailed in Article 8 and implemented as per our response to Question A.6.A is presented in Sheet "Comparisons" of the Simplified Model excel file (document 1 in the Consultation Document Pack).

The differences (in %) in the tariffs of the proposed RPM compared to those of CWD are presented below:

Sidirokastro Entry Point: -20%
N. Mesimvria Entry Point: +8%
Ag. Triada Entry Point: +29%
Kipi Entry Point & FSRU Entry Gastrade: -37%

Sidirokastro IP – exit: -29%
N. Mesimvria IP – exit: +4%
IGB – exit: +533%
Domestic exits N. Zone: -19%
Domestic exits S. Zone: -4%

In 2022 the flow pattern in the NNGTS changed dramatically. The flow was reversed (from south to north), which was the case for less than 1% of the time before. This creates an uncertainty regarding flows in 2024. This is the main reason why the postage stamp method has been proposed.

CWD leads to an extremely low tariff for the IGB exit, although significant investments have been spent for its operation. This is due to the fact that firm flow is not feasible from any other entry point than the Gastrade (Alexandroupolis) FSRU which is in its close vicinity. This is the main reason why the postage stamp method is preferable. The great variability of the entry tariffs under CWD does not give equal access to all entry points, thus distorting competition. In order to assure equal treatment of the entry/exit points, a significant number of adjustments would have to be made to the pure CWD (art. 6 par. 4 of TAR), including clustering, benchmarking and equalization.

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 concept of Allowed Revenue (AR) and Required Revenue (RR) is used. The duration of the Regulatory Period (RP) is set at four years.

According to Article 9, RAE Decision 98/2023 (Tariff Regulation), TSO's AR is defined as the sum of: i) AR of the Regulated Services of the National Natural Gas Transmission System (NNGTS) and ii) AR of the Revythoussa LNG terminal.

A. The AR of the Regulated Services of NNGTS is defined as the sum of transmission service AR and non-transmission services AR (Article 10). The AR of transmission service is the sum of AR at all entry points and AR at all exit points.

A.1 The AR at all entry points, is the $\pi E\%$ of the sum of: i) the forecasted reasonable and efficient annual controllable (OT) and non-controllable (UT) OPEX, ii) the estimated annual depreciation of the fixed assets (DT), iii) the allowed return on capital employed (RT), iv) minus the estimated revenues from other Regulated and non-Regulated Activities (YT) related to the Transmission Service for year i of the Regulatory Period.

A.2 The AR at all exit points, is the sum of:

1. $(1 - \pi E\%)$ of: i) the sum of the forecasted reasonable and efficient annual controllable (OT) and non-controllable (UT) OPEX, ii) the estimated annual depreciation of the fixed assets (DT), iii) the allowed return on capital employed (RT), iv) minus the estimated revenues from other Regulated and non-Regulated Activities (YT) related to the Transmission Service for year i of the Regulatory Period.
2. The product of the LNG Facility Dispersion Percentage (SocLNG) and Total Allowed Revenue for the Revythoussa LNG terminal (see below).
3. The old Recoverable Difference for the years 2006-2016 (Article 21, RAE Decision 98/2023).
4. The AR of the Regulated Services of LNG refers to the provision of the service by the Revythoussa LNG terminal and other ancillary LNG services.

B. The Total Allowed Revenue of the Revythoussa LNG terminal (Article 10) is the sum of: i) the forecasted reasonable and efficient annual controllable (OL) and non-controllable (UL) OPEX, ii) the estimated annual depreciation of the fixed assets (DL), iii) the allowed return on capital employed (RL), iv) minus the estimated revenues from other Regulated and non-Regulated Activities (YL) related to the service provided by the Revythoussa LNG terminal for year i of the Regulatory Period.

The AR of the Revythoussa LNG terminal is the product of $(1 - \text{SocLNG})$ and Total AR for the Revythoussa LNG terminal.

C. According to Article 22, RAE Decision 98/2023 (Tariff Regulation), the Required Revenue (RR) of the Transmission Service is the sum of the RR at all entry points and the RR at all exit points.

C.1 The RR at all entry points for the year i, to be recovered from capacity-based transmission tariffs, is the sum of the AR at all entry points for the year i (as described above) adding settlement amounts of year i-2 as described in Article 22.

C.2 The RR at all exit points for the year i, to be recovered from capacity-based transmission tariffs, is the sum of the AR at all entry points for the year i (as described above) adding: i) settlement amounts of year i-2 as described in Article 22 and ii) the settlement amount of the Old Recoverable Difference due to difference between estimated and actual inflation.

D. The RR of the Revythoussa LNG terminal, to be recovered from capacity-based tariffs for the use of Revythoussa LNG Terminal (Article 23), is the sum of the AR of the Revythoussa LNG terminal for the year i (as described above), adding settlement amounts of year i-2 as described in Article 23.

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

- Articles 9, 10, 22 and 23 of Tariff Regulation (RAE Decision 98/2023).
- Simplified Model DESFA: "Tariff Calcs" worksheet.

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

Description (Units: currency/year)

€ / 2024

Total Required Revenue recovered from Transmission Tariffs for 2024 is 174.847.807 €:

- Required Revenue from Transmission Entries 60.510.164 €

- Required Revenue from Transmission Exits 114.337.644 € (from which 21.488.769 € correspond to the socialization of the Revythoussa LNG Terminal and 11.538.049 € to the Old Recoverable Difference)

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

-Article 22 of Tariff Regulation (RAE Decision 98/2023).

-Simplified Model DESFA: "Tariff Calcs" worksheet.

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, %:

93.4

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

6.6

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

-Articles 25 and 29 of Tariff Regulation (RAE Decision 98/2023).

-Simplified Model DESFA: "Tariff Calcs" worksheet.

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, %:

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

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

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, %:

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

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

- Articles 22 and 28 of Tariff Regulation (RAE Decision 98/2023).
- Simplified Model DESFA: "Tariff Calcs" worksheet.
- DESFA Proposal to RAE (page 6)
- DESFA Proposed Tariffs (presentation page 6)

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.

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

C.9.A. The manner in which they are set [Articles 26(1)(c)(i)(1), 4(3)(b)].

Provide description, rationale and the extent to which the complementary revenue recovery charge is used.

The complementary revenue recovery charge refers to the old under-recovery for the period 2006-2016 due to the reduced demand in natural gas consumption in comparison to forecasted values. This is the so-called Old Recoverable Difference (Article 21, RAE Decision 98/2023). As it is related to final demand, the Old Recoverable Difference is solely recovered through commodity charges upon the NNGTS domestic exits.

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

- Article 21 and 29 of Tariff Regulation (RAE Decision 98/2023).

C.9.B. The share of the allowed forecasted to be recovered from such tariffs or target revenue [Articles 26(1)(c)(i)(2), 4(3)(b)].

Share of transmission service revenue (allowed or target revenue) to be recovered by complementary revenue recovery charges.

For 2024, the part of the Old Recoverable Difference to be recovered from 2024 tariffs was set at 11.538.046 € (6.6%)

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

-Article 21 and 29 of Tariff Regulation (RAE Decision 98/2023).
-Simplified Model DESFA: "Tariff Calcs" worksheet.

C.9.C. The indicative complementary revenue recovery charge [Articles 26(1)(c)(i)(3), 4(3)(b)].

Description:

The complementary revenue recovery charge (commodity tariff) is calculated at 0,0001810 (€/kWh) for 2024.

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

Simplified Model DESFA: "Tariff Calcs" worksheet.

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

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

- ☒ Yes
☐ No

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

Provide:

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

Description:

Indicative non-transmission services (Annex B of Tariff Regulation, Decision 98/2023):

- Metrology
- Odorization

According to Article 26 of Tariff Regulation, the revenue for non-transmission services is recovered through discrete tariffs, calculated for each non-transmission service based on the provisions of Article 26.

Transitionally, the revenues from non-transmission activities are calculated based on high level principles described in "Non-Transmission Pricing Methodology high level principles.doc" and subtracted from RR of the Transmission Service.

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

-Article 26 and Annex B of RAE Decision 98/2023.
-Non-Transmission Pricing Methodology high level principles.doc

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

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

0,248%

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

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

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

According to accounting unbundling rules approved by RAE (RAE Decision 332/2016), Transmission Services, Non-Transmission Services, LNG Services and Ancillary LNG Services costs (direct and indirect) are allocated based on specific ratios.
According to article 89 of the LAW 4001/2011, these unbounded accounts should be audited by certified Auditors.

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

-Article 89, RAE Decision 98/2023

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

Formula and description:

DESFA has set a hybrid approach of cost based and market based approach in order to set tariffs for these non-transmission services.

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

Please refer to the document " Non-Transmission Pricing Methodology high level principles.doc".

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).

Simplified Model DESFA: "Comparisons" worksheet.

Link to information on TSO/NRA website.

<https://www.desfa.gr/regulated-services/transmission/tariffs>

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).

-Simplified Model DESFA: "Tariff Calcs" worksheet.
-DESFA Proposed Tariffs (presentation pages 20 and 21)

Link to information on TSO/NRA website.

<https://www.rae.gr/diavoulefsis/62938/>

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).

-Simplified Model DESFA: "Tariff Calcs" and "Comparisons" worksheets.

Link to information on TSO/NRA website.

<https://www.rae.gr/diavoulefsis/62938/>

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 included in the Consultation Document Pack (see file Simplified Model_DESFA.xls) allows interested parties to better understand the reference price methodology as outlined in Articles 9, 10, 22, 23, 27, 28, 29, 43 and 44 of RAE Decision 98/2021 and estimate final tariffs according to their assumptions.

Users increase/decrease forecasted contracted capacity, modify the required revenue and automatically calculate the new reference prices (i.e., the capacity charges) and also the commodity charges. The first S/S of the Simplified Tariff Model gives some basic instructions on how to use the model. A comparison with the existing tariffs is also included.

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.

bce18c11-cd85-4a4d-8a40-b38363c77d02/DESFA_Proposal_to_RAE.pdf
1c95cdc4-1f66-423a-b280-7e95c292c579/DESFA_Proposed_Tariffs.zip
dbc818b3-8b0f-4881-94d6-513f48865d45/Non-Transmission_Pricing_Methodology.docx
95b3501d-d3b6-4815-8c09-1a8af5243669/Simplified_Model_DESFA.xlsx

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

1. The Operator's Proposal on the Allowed Revenue of the NNGS for the Regulatory Period 2024-2027 and proposed Tariffs for the year 2024 (DESFA Proposal to RAE).
2. An accompanying presentation on the Allowed Revenue of the NNGS for the Regulatory Period 2024-2027 and proposed Tariffs for the year 2024 (DESFA Proposed Tariffs).
3. A simplified Allowed Revenue and Tariff model for Regulatory Period 2024-2027 (Simplified Model DESFA).
5. Non-Transmission Pricing Methodology.

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

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 the 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>)

ACER Tariff Template website (http://www.acer.europa.eu/en/Gas/Framework%20guidelines_and_network%20codes/TAR_IMP/Pages/default.aspx)

Contact

tariff@acer.europa.eu

