
Summary of responses to the consultation according to Articles 26 and 28 TAR NC – implementation of the network code on harmonised transmission tariff structures

Interim status of the determination of the reference price methodology

The current regulatory period of the Austrian gas transmission system operators ends on 31 December 2024. For this reason, E-Control conducted a [consultation on the proposed reference price methodology](#) (capacity weighted distance methodology - CWD) from 21 December 2023 to 21 February 2024. The responses to this consultation were published on the E-Control website.

The majority of respondents pointed out the negative effects on the Austrian gas market of implementing the reference price methodology (RPM) of the capacity-weighted distance (CWD) in the proposed form, as this would lead to extreme tariff changes in some cases, in particular to a sharp increase in tariffs at the Oberkappel (+206%) and Arnoldstein (+330%) entry points. This makes the diversification of gas sources more difficult and leads to a foreclosure of the Austrian gas market.

For this reason, many respondents called for the retention of the currently applied reference price method (distance to the virtual reference point) in order to avoid an excessive increase in tariffs at the Oberkappel and Arnoldstein entry points and to achieve a more even change in tariffs across all points.

Furthermore, the majority of respondents stated that the sharp increase in exits to the distribution area (+163%) and storage facilities (+463%) would lead to an excessive burden on Austrian end consumers and storage facilities. From the perspective of the market participants, this, in combination with the lower exit tariffs, represents a considerable shift in the distribution of costs and thus a cross-subsidization of cross-system network use at the expense of intra-system network use. The fulfilment of storage obligations is also seen as being at risk.

According to the respondents, high multipliers make short-term bookings unattractive and can subsequently trigger a price spiral (forecasted short-term capacity bookings may not be achieved and the resulting lower revenues increase tariffs in the following year). In the view of market participants, this poses a high risk to the liquidity of the trading hub, domestic gas prices and therefore competitiveness. Some respondents warn of a competitive disadvantage for the Austrian market.

The forecasted capacity bookings are being questioned as too optimistic and, in turn, warned of a general price spiral at the entry points. Market participants are therefore arguing in favor of a more conservative scenario.

The majority of respondents suggest a re-evaluation at the latest in the middle of the regulatory period or a shortening of the period in order to be able to better evaluate the sustainability of the changes in international gas flows.

In addition, market participants emphasize that the costs of the transmission system operators are decisive for the tariffs and that the authority and the system operators themselves must exploit all opportunities to increase efficiency and reduce costs.

On the basis of the comments received, E-Control is considering in particular the following adjustments to the consulted reference price methodology (see also Table 1). However, the switch to the RPM of the capacity-weighted distance will be maintained due to the changed gas flows. According to the [Tariff Network Code](#), the RPM of the capacity-weighted distance is the standard method and ensures robust and cost-oriented tariffs despite uncertainties regarding future gas flows.

This document is intended to provide information on the planned adjustments and thus supplements the [original consultation](#). In the course of the amendment to the Gas System Charges Ordinance (GSNE-VO), which is to be reviewed before its adoption in May 2024, the planned adjustments to the RPM will be defined and used to determine the tariffs. Stakeholders will also have the opportunity to comment on the adjustments as part of the amendment to the Gas System Charges Ordinance. The

final tariffs for the period from 1 October 2024 will be published at the beginning of June 2024, ahead of the annual capacity auction.

Change of the entry-exit split

In the [consultation on the proposed reference price methodology](#), a 50:50 entry-exit split was proposed. In light of the comments received, consideration is now being given to reducing the entry share to 25%. The entry-exit split in the currently applied reference price methodology of the distance to the virtual point (regulatory period 2021-2024) is 20.6:79.4. A lower entry share therefore also reflects the current distribution of revenues between entries and exits and thus helps to ensure that the tariff changes at the individual points do not diverge too much.

Equalization of entry tariffs

Based on the comments received, the entry tariffs are to be equalized with the aim of creating fair competition on the Austrian gas market and enabling the diversification of gas imports. This basically corresponds to the system that is currently being applied (regulatory period 2021-2024): the entry tariffs in Baumgarten, Oberkappel, Überackern and Arnoldstein are currently roughly the same. The start of the Russian war of aggression against Ukraine led to a fundamental change in European gas flows. In future, the Market Area East will no longer be supplied predominantly via the Baumgarten entry point, but will be diversified across all entry points. The equalization of entry tariffs supports this objective.

Cap of exits to the distribution area to ensure fair cost allocation

In order to minimize cross-subsidization between intra-system and cross-system network use, the exit tariffs to the distribution area should be limited in such a way that the cost allocation assessment is roughly balanced, i.e. <10%. The application of the CWD methodology with an entry share of 25% without such limitation would lead to strong cross-subsidization at the expense of intra-system network use according to the cost allocation assessment. The limitation of exit tariffs to the distribution area is intended to minimize this cross-subsidization and help avoid excessive tariff increases.

Introduction of a discount of 50% at exit points to storages

In the [consultation on the proposed reference price methodology](#), a discount of 100% was envisaged for entries at storage points and no discount for exits to storage facilities. Based on the comments received and against the background of the current discounts at storage points, a discount of 50% is to be applied to exits to storage facilities in future.

Table 1: Comparison of the tariffs of the current regulatory period (RP4) with the indicative tariffs of the consultation (consultation CWD) and those of the adjustments envisaged on the basis of the comments (entry-exit split 25/75, equalization of entries, cap of exits to the distribution area of 150%, discount on storage exits of 50%)

Tariffs in €/kWh/h/a		consultation (CWD)				planned adjustments CWD			
	RP4	2025	2026	2027	2028	2025	2026	2027	2028
BMGT E (FZK)	0,85	1,11 +31,1%	1,06 -4,1%	1,06 -0,1%	0,96 -10,2%	1,24 +46,4%	1,27 +2,2%	1,32 +4,3%	1,72 +30,0%
BMGT X (FZK)	1,23	1,25 +1,5%	1,33 +6,7%	1,44 +8,0%	1,82 +26,5%	2,05 +66,4%	2,21 +7,7%	2,39 +8,3%	3,37 +40,8%
OKAP E (FZK)	0,97	2,97 +206,4%	2,90 -2,6%	3,02 +4,4%	3,26 +8,0%	1,24 +27,8%	1,27 +2,2%	1,32 +4,3%	1,72 +30,0%
OKAP X (FZK)	3,26	2,48 -24,0%	2,57 +3,6%	2,68 +4,5%	3,14 +17,0%	4,06 +24,6%	4,25 +4,6%	4,45 +4,8%	5,80 +30,2%
UACK E (FZK)	0,97	2,97 +206,4%	2,90 -2,6%	3,02 +4,4%	3,26 +8,0%	1,24 +27,8%	1,27 +2,2%	1,32 +4,3%	1,72 +30,0%
UACK E (DZK)	0,88	2,67 +204,0%	2,61 -2,6%	2,72 +4,4%	2,94 +8,0%	1,12 +26,8%	1,14 +2,2%	1,19 +4,3%	1,55 +30,0%
UACK X (FZK)	3,26	2,48 -24,0%	2,57 +3,6%	2,68 +4,5%	3,14 +17,0%	4,06 +24,6%	4,25 +4,6%	4,45 +4,8%	5,80 +30,2%
UACK X (DZK)	2,93	2,23 -23,9%	2,31 +3,6%	2,42 +4,5%	2,83 +17,0%	3,65 +24,7%	3,82 +4,6%	4,01 +4,8%	5,22 +30,2%
ARNO E (FZK)	0,97	4,18 +330,2%	4,03 -3,7%	4,11 +2,0%	4,22 +2,6%	1,24 +27,5%	1,27 +2,2%	1,32 +4,3%	1,72 +30,0%
ARNO E (DZK)	0,68	3,77 +453,9%	3,63 -3,7%	3,70 +2,0%	3,80 +2,6%	1,12 +64,1%	1,14 +2,2%	1,19 +4,3%	1,55 +30,0%
ARNO X (FZK)	4,35	3,47 -20,0%	3,71 +6,7%	3,98 +7,5%	4,44 +11,4%	5,69 +31,0%	6,13 +7,7%	6,61 +7,8%	8,19 +23,9%
MOSO X (FZK)	1,23	1,25 +1,8%	1,39 +11,2%	1,51 +8,4%	1,94 +28,3%	2,05 +66,9%	2,30 +12,2%	2,51 +8,7%	3,58 +42,8%
MURF X (FZK)	1,90	2,18 +14,6%	2,35 +7,7%	2,54 +8,2%	2,73 +7,6%	3,57 +87,9%	3,88 +8,7%	4,21 +8,5%	5,04 +19,7%
VG X (FZK)	0,42	1,11 +163,2%	1,23 +11,2%	1,33 +8,4%	1,72 +29,4%	1,05 +150,0%	1,21 +15,0%	1,39 +15,0%	1,60 +15,0%
VG X (DZK)	0,38	0,99 +161,8%	1,11 +11,2%	1,20 +8,4%	1,55 +29,4%	0,95 +148,7%	1,09 +15,0%	1,25 +15,0%	1,44 +15,0%
VGK X (FZK)	3,85	2,70 -30,0%	2,88 +6,8%	3,11 +8,0%	3,21 +3,3%	4,42 +14,8%	4,76 +7,8%	5,17 +8,5%	5,48 +6,0%
SPW X (FZK)	0,44	2,48 +463,0%	2,57 +3,6%	2,68 +4,5%	3,14 +17,0%	2,03 +361,4%	2,12 +4,6%	2,23 +4,8%	2,90 +30,2%
SMAB X (FZK)	0,44	1,25 +184,3%	1,33 +6,7%	1,44 +8,0%	1,82 +26,5%	1,03 +133,0%	1,10 +7,7%	1,20 +8,3%	1,68 +40,8%

Table 2: Abbreviations

Abbreviation	Meaning
BMGT E	Baumgarten Entry
BMGT X	Baumgarten Exit
OKAP E	Oberkappel Entry
OKAP X	Oberkappel Exit
UACK E	Überackern Entry
UACK X	Überackern Exit
ARNO E	Arnoldstein Entry
ARNO X	Arnoldstein Exit
MOSO X	Mosonmagyaróvár Exit
MURF X	Murfeld Exit
VG X	Distribution Area Exit
VGK X	Distribution Area Carinthia Exit
SPW X	Storage Penta West Exit
SMAB X	Storage MAB Exit
FZK	Freely allocable capacity
DZK	Dynamically allocable capacity