

Milan, December 12th, 2019
Prot. n. 516/19

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Subject: Anigas comments on consultation document “Implementation of the network code on harmonised transmission tariff structures (COMMISSION REGULATION (EU) 2017/460)”

Following ANIGAS comments sent to the initial consultation regarding the implementation of the Commission Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas (TAR NC) in Austria, we hereby highlight as follows.

In accordance with Article 26 and 28 of the TAR NC E-Control consults on the proposed reference price methodology and the resulting indicative reference prices as well as on the proposed discounts, multipliers and seasonal factors.

Anigas welcomes this new consultation process (Final Consultation), but given the possible relevance of the Austrian transit for importing gas in Italy, it is of particular concern noting that **the Final Consultation is still missing of providing full transparency and rationale on the proposed criteria and full compliance with TAR NC requirements.**

In particular, we note that the following required information are missing:

- a) the components and the details of technical characteristics of the system used for the cost allocation assessments set out in Article 5;
- b) the indicative information set out in Article 30(1)(b)(i), (iv) and (v), regarding allowed or target revenue, or both, of the transmission system operator: since the official decisions V MET G 01/17 and V MET G 02/17 to set the TSOs' allowed cost and the methodology for calculating the cost have not yet been handed down, the calculations in the Final Consultation use **indicative figures, subject to further adjustment.**
- c) The indicative information set out in Article 30(2)(b) stating “A *simplified tariff model enabling network users to calculate the transmission tariffs applicable for the prevailing tariff period and to estimate their possible evolution beyond such tariff period*”. In fact, the tariff model does not allow users:

- i. to identify separately operational costs (e.g. fuel gas): we would have appreciated more transparency on the assumed cost of gas for covering fuel gas costs, to ensure reflectivity;
- ii. to calculate how tariff would have changed without the 10% cap for tariff increase: while the measure might in theory protect from excessive tariff increase, its application does not allow market participants to understand how tariffs would have changed had the cap not been applied, limiting the transparency of the overall proposal;
- iii. to reproduce the calculation of reference prices and their accurate forecast.

In particular, we would have appreciated more transparency and explanation on the rationale for choosing input data such as:

- forecasted capacity bookings: we do not understand the rationale of the considerable reduction in the Baumgarten entry forecasted capacity and in the Arnoldstein exit forecasted capacity;
- multipliers, seasonal factors, clustering of system points, interruptible capacity: we do not share E-Control choice of establishing different and higher short-term multipliers for the exit Arnoldstein; the reasons given to justify this choice seems to us to be rather weak;
- further breaking down of cost components, in particular with respect to the cost imputed for fuel gas.

Considering the relevance of the Austrian route for importing gas to Italy and the possible impact of Austrian tariffs on Italian gas prices, we highlight the importance of a very high level of transparency and compliance with the TAR NC in the regulatory choices for the new regulatory period starting on the 1st January 2021 in Austria, in particular taking into account the fact that Austrian legislation, differently from the legislation of other Member States, prevents network users from participating to discussions around the rules to set TSOs' allowed revenues.

We therefore take the chance to highlight that **we would much appreciate if E-Control would publish an "update" of the running Final Consultation, with a higher level of transparency and utilising allowed revenue values aligned to final tariffs to be published by May 2020.** As a consequence, **stakeholders should then be granted an additional period of time to respond to the consultation**, this also considering the Christmas seasonal break.

Yours faithfully,

Marta Bucci
General Manager

