

Subject: Comments on the proposed 2017 amendment to the Gas System Charges Ordinance 2013

1. The Austrian system charges determination process

We note favorably that E-Control decided to voluntarily calculate the new system charges in line with the standards in the NC TAR. However in general, we regret a certain lack of transparency in the system charges determination process for the transmission network.

Tariff levels are of utmost importance for market participants and we believe that their determination as well as the underlying cost elements should be transparent for the concerned market participants. Therefore, we would appreciate more information on:

- The influence of specific infrastructure investments on system charges;
- Which cost components increased significantly since the last amendment;
- How (and which) costs were allocated to specific E/E points – especially to storage points;
- The application of adjustment measures and their impact on fees at specific E/E points.

2. Proposed tariff increase at Speicher MAB

As a result of abovementioned limited access to information we are unable to fully understand the reasoning behind the proposed tariff increase for firm capacity (FZK) at Speicher MAB (§ 4 (2) Z 2), especially taking into consideration the following:

- The **essential input factors (TSO costs, WACC) for the system charges are lower** than in the previous regulatory period, which is reflected in the generally reduced tariffs at interconnection points.
- Tariff calculation depends on the capacity-weighted distance from the VTP (Baumgarten) and the **distance between the VTP and Speicher MAB is minimal**.
- POZAGAS is not aware of **any new investments, made by the TSOs, to improve the connection of Speicher MAB** to the Austrian grid. In fact, POZAGAS now provides technical support to enable the provision of firm capacity (FZK) at Speicher MAB point.

We can only assume that the application of a new methodology resulted in the proposed tariff increase. However given the limited information available, we are unable to review any new methodology or verify its correct application. **Nevertheless based on all abovementioned facts reduction of the tariff rather than an increase would be more assumable outcome.**