



E-Control Austria Consultation paper
Supplement to the Gas System Charges Ordinance 2013, annex 3
Eni's statement

Main comments:

- This revised proposal is a significant change to the current tariff methodology and should not be introduced in the middle of an ongoing regulatory period.
- The proposed commodity charge should only recover variable, not exceptional costs. A more in-depth reform of the tariff methodology should be reflected upon to continue improving predictability.

Eni would like to use this second consultation opportunity to emphasize its comments, made in the first consultation round on the Austrian transmission tariff methodology. Although, we agree that the current market dynamics might determine a larger cost than previously anticipated, we are nevertheless surprised that this cost, respectively this newly-established commodity charge, has duplicated from the proposal in the first consultation and additionally, is supposed to come into effect three months earlier, i.e. on 01st June 2022, than originally anticipated. As this commodity charge is a novelty in the current tariff methodology, this should not be considered as an adaptation of the present structure. On the contrary, in our opinion this constitutes a substantial material change and as such should not be implemented during the ongoing regulatory period and – even more – during the tariff year with barely any advance notification.

We still agree that a purely capacity based tariff may fail to accurately capture the level of operational costs as and when they originate as the proposed amendment states.

As stated before, we still consider it important that, in order to avoid this situation repeating itself, E-Control should take the time to develop an appropriate and permanent mechanism that would ensure an efficient management of all operational costs.

Still, as an intermediary step in this direction and to give the TSOs a one-off chance to recover the exceptionally incurred costs, amending the level of allowed revenues seems appropriate but, as costs to be recovered are material, a longer time horizon should be considered for such recovery.

We believe, as a general rule, and even more given the current market dynamics, that such a “new” commodity charge must limit as much as possible impacts and distortions on cross-border trade and, consequently, on market spreads. Thus, we propose again an amendment to the entry/exit split currently foreseen for the new commodity charge: apply a 50/50 split, which would rebalance the amount of costs (entry + exit) allocated to the domestic and transit flows.

Additionally, we believe that the decisions should also give complete transparency over methods and the timing for the revision of the commodity charge, considering that a yearly adjustment with a publication together with all other tariff components would be ideal.

San Donato Milanese, 14/04/2022

Eni SpA