



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 additional 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

Hungary

Organisation responsible for the consultation on the RPM.

Hungarian Energy and Public Utility Regulatory Authority

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

[REDACTED]

Timeline for the final consultation: launch and closing dates.

Launch date: 31 October 2018, closing date (the latest planned): 15 January 2019

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.

The current final consultation is carried out during the regulatory period of 2017–2020, so the methodological guidelines which form the basis of the consultation documents (Methodological Guide I. on the cost and asset review, and Methodological Guide II. on the annual review of tariffs) have already been published for stakeholder consultation.

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)

Postage stamp methodology

Provide description.

The Authority determines system usage capacity tariffs within the regulatory period once a year, for a tariff period of one gas year, with the effective date of October 1. During the tariff setting process HEA quantifies the cost base to be taken into consideration for the given gas year. HEA split the allowed revenue that forms the basis of capacity tariffs between entry and exit points with a 40%-60% ratio, thus forming the allowed revenue to be obtained at entry points and exit points.

HEA determines separate capacity tariffs for the group of entry points (containing all entry points) and for the group of exit points (containing all exit points)

The capacity tariffs for the given gas year are the results of the division of the allowed revenue to be obtained from capacity tariffs and the quantified non-financial parameter used (forecasted capacity). Capacity tariffs are set in: Ft/(kWh/h)/year.

HEA applies the adjustment method according to Art. 6 (4) c): rescaling. Reference prices are adjusted at both entry and exit points by multiplying them with a constant.

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

Description of the RPM: Chapter B of Annex 1 to the Consultation Document. (Tariff setting is described in Chapter B IV.)

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 and 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).

Used input parameter: forecasted contracted capacity (in accordance with Art. 30 (1) a) ii.).

Description: Chapter B. III. of Annex 1 to the Consultation Document. Information to be published according to Art. 30 (1) a) iv-v. of TAR NC is available on work sheet 26. (1) a) i. (30. (1) a)) of Annex 2 to the Consultation Document.

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).

The capacity values used for the calculation of indicative tariffs are available in the excel file Annex 2 to the Consultation Document on worksheet 26. (1) a) i. (30. (1) a))., under the subsection „forecasted contracted capacity at entry and exit points and associated assumptions; (Art. 30. (1) a) ii.)”

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).

As described in Chapter B. III. of Annex 1 to the Consultation Document for the determination of forecasted contracted capacity to be taken into consideration during periodic tariff setting, HEA examines the annualized, cumulated value of contracted capacities in the last concluded 12 months before the date of the calculation of the tariff and takes this value as a basis. During the calculation of the annualized capacity values the Authority takes into consideration the multipliers, seasonal factors and the discounts due to interruptibility.

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).

Description available in Annex 2 to the consultation document, worksheet „26. (1) a) i. (30. (1) a) „ under section ” Additional technical information about the transmission network, such as the length and the diameter of pipelines and the power of compressor stations. Art. 30 (1) a) v.)”

Associated assumptions and criteria used for the structural representations (e.g.: clustering, average distances, etc).

Provide reference to consultation document(s):

In order to ease the comprehensibility and usability of the Hungarian tariff structure, in accordance with Chapters B III-IV. of Annex 1 to the Consultation Document HEA determines separate capacity tariffs for the group of entry points (containing all entry points) and for the group of exit points (containing all exit points).

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

Indicate discount (%) at entry points from storage facilities compared to the initial result of the RPM.

Indicate discount (%) at exit points to storage facilities compared to the initial result of the RPM.

Other file or reference (e.g. different discounts for different products at the same storage facilities).

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).

Indicative reference prices: Annex 2 to the consultation document, worksheet „26. (1) a) iii

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 (%)

8.73

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).

Components of the calculation: Annex 2 to the consultation document, worksheet „26. (1) a) iv.” Section „a cost allocation assessment relating to the transmission services revenue to be recovered by capacity-based transmission tariffs (results, components, details)”

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).

Details of the calculation: Annex 2 to the consultation document, worksheet „26. (1) a) iv.“ Section „a cost allocation assessment relating to the transmission services revenue to be recovered by capacity-based transmission tariffs (results, components, details)“

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).

Components of the calculation: Annex 2 to the consultation document, worksheet „26. (1) a) iv.“ Section „a cost allocation assessment relating to the transmission services revenue to be recovered by commodity-based transmission tariffs (results, components, details)“

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).

Details of the calculation: Annex 2 to the consultation document, worksheet „26. (1) a) iv.” Section „a cost allocation assessment relating to the transmission services revenue to be recovered by commodity-based transmission tariffs (results, components, details)”

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).

The methodology (mainly the periodic tariff setting) is easily understandable and reproducible. The reference prices according to the methodology can be easily calculated and forecasted based on the users modelled inputs.

Detailed background:

Annex 2 to the consultation document, worksheets „26. (1) d) (30. (2) a) i.)” and „ 26. (1) d) (30. (2) a) ii.)” and Annex 3 to the Consultation Document (Simplified Tarif Model).

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).

The methodology is based on the justified part of the actual costs of transmission services, therefore it takes them into account. During the determination of the level of costs - mainly the initial costs - the methodology takes into consideration the complexity of the transmission system, but the tariff structure according to the methodology does not reflect the complexity of the system.

Detailed background:

Chapters B. I-II.. of Annex 1 to the Consultation Document and Annex 2 to the consultation document, worksheets „26. (1) a) iii.”

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).

By using aggregated group of points for the calculation the methodology ensures non-discrimination and prevents undue cross-subsidisation.

Detailed background:

Chapters B. III-IV. of Annex 1 to the Consultation Document and Annex 2 to the consultation document, worksheets „26. (1) a) i. (30. (1) a))” „26. (1) a) iii.” „26. (1) a) iv.”

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).

By using aggregated group of points for the calculation the methodology handles volume risk for all entry/exit points combined, therefore it does not assign significant risk to the users of any entry/exit system.

Detailed background:

Chapters B. III-IV. of Annex 1 to the Consultation Document and Annex 2 to the consultation document, worksheets „26. (1) a) i. (30. (1) a))” „26. (1) a) iii.” „26. (1) a) iv.”

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).

By using aggregated group of points for the calculation the reference prices are uniform for all entry/exit points and therefore it is ensured the the resulting prices do not distort cross-border trade and the choice of the entry/exit split would not affect crossborder trade.

Detailed background:

Chapters B. III-IV. of Annex 1 to the Consultation Document and Annex 2 to the consultation document, worksheets „26. (1) a) i. (30. (1) a))” „26. (1) a) iii.” „26. (1) a) iv.”

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 application of the CWD based RPM and the comparison of its results with the proposed RPM: available at Annex 2 to the consultation document, on worksheet „26. (1) a) vi.”

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 of the indicative tariffs of the proposed RPM and the CWD based RPM: available at Annex 2 to the consultation document, on worksheet „26. (1) a) vi.”

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 allowed revenue of transmission system operators for the gas year 2019 /20 is:: 65 011 MFt/year.

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

Details available at Annex 2 to the consultation document, on worksheet 26. (1) b) (30. (1) b) i,iv under the section „The allowed or target revenue, or both, of the transmission system operator (Art. 30 (1) b) i.)”

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

Description (Units: currency/year)

The allowed transmission services revenue of transmission system operators for the gas year 2019/20 is: 64 195 MFt/year.

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

Details available at Annex 2 to the consultation document, on worksheet 26. (1) b) (30. (1) b) i,iv under the section „The transmission services revenue (Art. 30 (1) b) iv.)”

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, %:

85.12

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

14.88

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

Details available at Annex 2 to the consultation document, on worksheet 26. (1) b) (30. (1) b) i,iv under the section „the following ratios for the

total transmission services revenue referred to in point (iv): Art. 30 (1) b) v.)"

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, %:

40

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

60

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

Details available at Annex 2 to the consultation document, on worksheet 26. (1) b) (30. (1) b) i,iv under the section „the following ratios for the total transmission services revenue referred to in point (iv): Art. 30 (1) b) v.)"

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, %:

71.75

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

28.25

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

Details available at Annex 2 to the consultation document, on worksheet 26. (1) b) (30. (1) b) i,iv under the section „the following ratios for the total transmission services revenue referred to in point (iv): Art. 30 (1) b) v.)"

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

C.8.A. The manner in which they are set [Articles 26(1)(c)(i)(1), 4(3)(a)].

Provide the following information:

- Description, rationale and extent to which the flow based charge is used.
- Formula with cost drivers for monetary terms / in kind.
- Reference used for the calculation (historical flows, forecasted flows or both).
- Confirm that the flow based charge is set in such a way that it is the same at all entry points and the same at all exit points.

Description:

In the Hungarian transmission tariff regime a part of the allowed revenue of transmission services is to be obtained through a volume-based tariff, which mainly covers costs driven by the quantity of gas flows. The following groups of costs belong here: pressure regulation, own gas use, other operational costs, and settlement difference (shrinkage). This volume-based tariff is the transmission capacity charge, with the dimension Ft/MWh, is to be paid after flows at exit points and has a uniform level at all exit points. It is calculated by dividing the sum of allowed revenues to be obtained from volume-based transmission tariffs with the transmitted volumes taken into consideration during tariff setting. Az engedélyesenként meghatározott összesen szállítási forgalmi díjra eső indokolt árbevétel-igénynek (engedélyezett bevételének) és a figyelembe vett szállított mennyiségnek a hányadosa képezi a szállítási forgalmi díjat. As the basis the volume data to be taken into consideration for periodic tariff setting HEA uses the data for transported gas volumes (measured at exit points) available for the last 12 months.

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

Description: Chapter C of Annex 1 to the Consultation Document

C.8.B. The share of the allowed or target revenue forecasted to be recovered from such tariffs [Articles 26(1)(c)(i)(2), 4(3)(a)].

Share of transmission service revenue (allowed or target revenue) to be recovered by flow based charges (%)

14.88

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

Details are available in Annex 2 to the consultation document, on worksheet 26. (1) b) (30. (1) b) i,iv

C.8.C. The indicative flow-based charge [Articles 26(1)(c)(i)(3), 4(3)(a)].

Description:

The indicative flow-based charge for the gas year 2019/20 (commodity charge) is: 42,19 Ft/MWh.

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

The data for the indicative flow-based charge is available in Annex 2 to the consultation document, on worksheet 26. (1) c) i.

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

Comments, if relevant.

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:

Non-transmission services are odorization, connection to the transmission network, title transfer services, data provision services exceeding data provision provided as part of core service and balancing services provided for system users not being members of the Trading Platform, but having a balancing contract with the TSO. (No reconciliation mechanism is applied for the reconciliation of non-transmission revenues by HEA.) The affected system users and tariff setting methodologies are the following for the respective non-transmission services:

Odorization

For licensees performing odorization activity, the justified cost, depreciation and asset value of odorization were determined. The cost base and allowed revenue for odorization services is determined by taking into consideration the cost of the odorant at a per unit cost, and determining the odorized volume. The cost of odorization is adjusted at the time of the periodic traffic setting with regard to the change to the purchase price of the odorizing substance, the odorization standard and the volume of natural gas odorized. Other operating costs related to odorization are indexed. The odorization fee is calculated by dividing the adjusted costs used during the setting of initial tariff by the volumes odorized.

Title-transfer

Title transfer is defined as a non-transmission service during which the transmission system operator transcribes the right of disposition over a given amount of natural gas at a physical or virtual point defined by the system user from the system user to its named partner. The Authority - in line with the recommendation of a consultant - determined the value of the title transfer service based on a benchmark.

The service was benchmarked by the consultant with similar products found on the domestic market and on the relevant Austrian market. The level of the title transfer fee may be changed during the regulatory period in accordance

with the system usage tariffs.

Data services exceeding basic data provided as part of the core services

In case of data provision services exceeding data provision provided by the TSOs as part of their core service this service consist mainly of data updates more frequent than the legally prescribed frequency.. For this non-transmission services the Authority determined the fee based on the main cost items presented during the cost review (e.g. IT services, cost of labor) in a cost-reflective manner The level of the fee for data provision services exceeding data provision provided as part of core service may be changed during the regulatory period in accordance with the system usage tariffs.

Balancing services provided for system users not being members of the Trading Platform, but having a balancing contract with the TSO

Those system users who are not members of the Trading Platform may currently only use the balancing services provided by the TSO. Given that the cost of the service shall be paid by the system users, and taking into consideration the need to incentivize the system users to use the organized market, the Authority determined the cost of the balancing services provided for system users not being members of the Trading Platform, but having a balancing contract with the TSO based on the data from the previous years. The level of the fee for balancing services provided for system users not being members of the Trading Platform, but having a balancing contract with the TSO may be changed during the regulatory period in accordance with the system usage tariffs.

Connection to the transmission system

Connection charges shall be determined so that they would aid the realization of the principle of cost minimization through the influencing of demands, and that they would take into consideration the positive effects of later connections to the system by system users. Connection charges shall not exceed the direct cost of the network investments by the transmission system operator undertaken in order to make possible the connection to the system.

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

Description for each non transmission service: Chapter D of Annex 1 to the Consultation Document.

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.

For non-transmission services HEA forecasts an allowed revenue of 0 M Ft, with the exception of odorization, in case of which the allowed revenue is 816 M Ft.

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

The details and values of the allowed revenues for the individual non-transmission services are available in Annex 2 of the Consultation Document, on worksheet 26. (1) c) ii.

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.

As detailed in Chapter D of Annex 1 to the Consultation Document, HEA does not apply a reconciliation mechanism for non-transmission services.

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

Reconciliation method for non-transmission services: available in Chapter D of Annex 1 to the Consultation Document.

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

Formula and description:

HEA set indicative tariffs for non-transmission services as fixed amounts with the exception of the non-transmission service: connection to the transmission network, where the tariff was set with the application of a formula. Due to the complexity of non-transmission services the indicative tariffs can be found in Annex 2 to the Consultation Document, on the worksheet „26. (1) c) ii.“, published separately for the individual non-transmission services.

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

Indicative tariffs for non-transmission services are available in Annex 2 to the Consultation Document, on the worksheet „26. (1) c) ii.“

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).

Comparison of indicative tariffs with the tariffs of the previous tariff period: available in Annex 2 to the Consultation Document, on the worksheet „26. (1) d) (30. (2) a) i.)”.

Link to information on TSO/NRA website.

<http://www.mekh.hu/fulfilment-of-the-consultation-requirement-set-by-article-26-of-tar-nc>

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).

Comparison of indicative tariffs with the tariffs of upcoming tariff periods: available in Annex 2 to the Consultation Document, on the worksheet „26. (1) d) (30. (2) a) ii.)”.

Link to information on TSO/NRA website.

<http://www.mekh.hu/fulfilment-of-the-consultation-requirement-set-by-article-26-of-tar-nc>

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 Tariff model: available in Annex 3 to the Consultation Document.

Link to information on TSO/NRA website.

<http://www.mekh.hu/fulfilment-of-the-consultation-requirement-set-by-article-26-of-tar-nc>

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).

Explanation of the use of the tariff model: available in Annex 3 to the Consultation Document.

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 th 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.

Upload consultation documentation

2cc83e1b-b503-4350-bd4f-95e7d865afec/annex_1_consultation_document_art_26_en.zip
a8795d14-a06b-4b2e-baea-eb6671b4d1dd/annex_2_consultation_document_art_26_en.xlsx
f786c640-84d8-41cb-ad2b-7388822d439f/annex_3_consultation_document_art_26_en.xlsx
9cb5d7ef-af5a-42d7-8707-7d27ceaf23ae/consultation_document_art_26_en.pdf

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

The Consultation Document contains a short introduction of the consultation process for the stakeholders, while its annexes contain the details of the consulted topic:

- Annex 1 - Description of the tariff setting methodology contains:
 - o Methodology for setting hungarian transmission tariffs, description of the flow based charge, description of the non-transmission services
- Annex 2 - an excel format file that contains:
 - o the detailed data, calculations, and assessments (CAA, CWD) required by Art. 26
- Annex 3 - Tariff model for the indicative transmission tariffs that contains:
 - o a simplified tariff model

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

HEA published the abovementioned documents for the public, therefore they do not contain any confidential data or information.

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 th 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 \(NC TAR\) \(http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0460&from=EN\)](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0460&from=EN)

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

Contact

tariff@acer.europa.eu
