



European Union Agency for the Cooperation
of Energy Regulators

Tariff report

Analysis of the consultation document on the gas transmission tariff structure for Ireland

NRA: Commission for Regulation of Utilities (CRU)

TSO: Gas Networks Ireland

16 September 2026



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Find us at:

ACER

E press@acer.europa.eu

Trg republike 3

1000 Ljubljana

Slovenia

www.acer.europa.eu



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1. ACER conclusion

- 1 The Irish national regulatory authority ('NRA'), the Commission for Regulation of Utilities ('the CRU') has carried out a consultation on the reference price methodology ('RPM') for the Irish transmission network. This is the CRU's second consultation on the reference price methodology since Commission Regulation (EU) 2017/460 ('NC TAR') came into force.

The proposed RPM is a forward-looking matrix methodology, based on expansion constants representing the marginal unit costs of expanding the network, complemented by the equalisation of the tariffs for domestic exit points. The proposed methodology is used to calculate tariffs for all system points with a 33-67% ex-ante entry-exit split. The CRU proposes the use of an allowed revenue regime, with the exception of the Corrib Linkline non-transmission service which operates under a target revenue approach. (The Corrib Linkline is a 150 km pipeline connecting the Corrib gas production facility with the main gas transmission network.)

- 2 The reviewed RPM is proposed to apply from 1 October 2027 to 30 September 2032, and indicative tariffs are calculated for all tariff periods. The reviewed RPM proposes only very limited changes to the currently applied methodology, reflecting the limited changes that took place in the Irish system.
- 3 Currently neither storage or LNG facilities, nor renewable gas producers are connected to the transmission system, however both LNG and renewable production is foreseen in the coming years. The CRU's future-proofed approach includes rules on storage and LNG discounts by considering the application of such future discounts, while for renewables the CRU is continuing with the application of an entry tariff calculated based on a single notional entry point regardless of the exact geographical location of the connection¹.
- 4 The CRU proposes to use rescaling, through the addition of a constant to the primary tariffs calculated by the tariff methodology, in order to ensure the recovery of the allowed revenue while preserving the level of tariff differences between the network points.
- 5 The CRU proposes the use of a flow-based charge with a commodity tariff set at the same level for all entry points and separate commodity tariffs set at the same level for all exit points.
- 6 The CRU proposes the use of a separate additional tariff called the 'Corrib Linkline Element' to be paid in addition to the entry tariff by network users booking capacity at the Bellanaboy entry point to cover the cost of the Corrib Linkline.
- 7 Certain sections of the Irish network lie outside the EU, including the Moffat entry point in Scotland which provides pivotal supply from the UK. The pipeline segment between the Moffat entry point and Twynholm, also located in Scotland, is subject to the Transportation Agreement between GNI(UK), a subsidiary of the Irish TSO, Gas Networks Ireland ('GNI'), and Premier Transmission Limited ('PTL'), the Northern Irish TSO operating the Scotland-Northern Ireland Pipeline, with capacities not subjected to the NC TAR, for the purpose of supplying Northern Ireland, based on an Intergovernmental Agreement between the UK and Ireland.
- 8 The Agency appreciates the willingness of the CRU and GNI to discuss the RPM and its provisions and to offer additional information in a timely manner.
- 9 The Agency, after having completed the analysis of the consultation document pursuant to Article 27(2) of the NC TAR concludes that:
 - The information referred to in Article 26(1) of the NC TAR has mostly been published, however the information on the Corrib Linkline non-transmission service should be clarified.

¹ The CRU proposes to provide a discount of at least 50% for storage facilities, to apply discounts for LNG facilities on a project-by-project basis, and to derogate from the application of mandatory entry point discounts for renewable producers introduced by Article 18(1) of Regulation (EU) 2024/1789.

- The RPM is compliant with the requirement on transparency, cost-reflectivity, non-discrimination, prevention of undue cross-subsidisation, volume-risk, and non-distortion to cross-border trade listed under Article 7 of the NC TAR.
- The criteria for setting the commodity charge are met.
- The categorisation of the Corrib Linkline service and the associated revenues require corrections, despite that the underlying services themselves are mostly in line with the provisions. The Agency concludes, in this case, that the criteria for setting the non-transmission tariffs are not fully met. A proper categorisation of the services is also key for ensuring the transparency criteria related to the non-transmission services are met.

10 The Agency provides the following recommendations to the CRU when publishing its motivated decision pursuant to Article 27(4) of the NC TAR:

- First, to provide more transparency and clarity on the assumptions used for the calculation of the expansion constants, especially on how the Transportation Agreement affects these calculations. The Agency also recommends the CRU to ensure, to the extent possible, considering the multilateral context of the Transportation Agreement, that the ‘fair commercial terms’ foreseen in the Intergovernmental Agreement and implemented by the Transportation Agreement lead in practice to the non-distortion of cost-reflectivity with regards to the capacities operated under EU rules. While the Agency acknowledges that the review process of the Transportation Agreement, which includes the formal approval by both the British regulator, Ofgem and the Northern Irish regulator, the Utility Regulator, together with the non-mandatory notification of the CRU about its content, provides reasonable safeguards, the Agency encourages the CRU to monitor closely that the application of the UK legal standards for the capacities not operated under EU rules align smoothly with the principles of the NC TAR for the capacities operated under EU rules.
- Second, to assess in the CRU’s upcoming comprehensive review of the tariff methodologies, whether a methodology based on forward-looking marginal expansion costs is still suitable in the context of the energy transition and of decreasing total annual gas demand, while having increasing peak demand (e.g. due to Large Energy Users, such as data centers, and power generation). The future suitability of the methodology should be assessed relying on robust – and to the extent possible, granular – demand forecasts.
- Third, to update the capacity forecasts used as inputs, which are based on GNI’s 2024 Network Development Plan, with more recent ones, and if the updated capacity forecasts indicate the existence of expected cross-system flows, recalculate both the cost allocation assessment and the capacity-weighted distance methodology-based tariffs, and assess the new results.
- Fourth, to reassess the suitability of the notional point of the RPM, following the actual connection of biomethane producers to the transmission system, and consider the benefits and drawbacks of taking into account actual locational values, either as unique points or equalised after these biomethane production entry points become active.
- Fifth, the Agency recognises the value to prepare for the connection of future storage and LNG facilities in the methodology, and recommends the CRU to take into account during the future LNG discount decisions, including the decision on the future FSRU strategic reserve facility approved by the government in March 2025, the Agency’s recommendations on how to assess and justify LNG discounts².
- Sixth, to reassess the categorisation of the services related to the Corrib Linkline, and to consider categorising its use as a non-transmission service, as well as consider the additional Corrib Linkline Element paid by network users booking capacity at the Bellanaboy exit point

² Paragraph 14 of the 2024 Agency Report on the Dutch Tariff Methodology

acer.europa.eu/sites/default/files/documents/Publications/2024_ACER_Tariff_analysis_report_Netherlands.pdf

as a non-transmission tariff and the target revenue used for the calculation of this tariff as non-transmission revenue. The Agency also recommends categorising all revenues recovered through transmission tariffs set through the matrix methodology as transmission revenues, including the costs associated with supplying gas to exit points connected to the Corrib Linkline, which are currently presented as non-transmission revenues. The Agency recommends the CRU to provide an improved description about the services, tariffs and costs associated with the Corrib Linkline, detailing both the non-transmission target revenue and the calculation and evolution of the non-transmission tariffs.

- Finally, the Agency remarks that the CRU considered in the consultation the phase out of short-term products at domestic exit points. The Agency recognises that multipliers for short-term products are outside the scope of this review. The Agency also recognises that domestic exit points are neither within the scope of the NC CAM, nor part of Chapter III of the NC TAR, and NRAs have greater flexibility in determining both the applied short-term products and the methodology used for setting their prices. Nonetheless, the Agency reminds the CRU that in accordance with Article 6(1) of Regulation (EU) 2024/1789, TSOs shall offer to network users both long and short-term capacity products, therefore the Agency recommends to keep short-term capacity products aligned with the requirements foreseen in this Regulation.

2. Introduction

- 11 Commission Regulation (EU) 2017/460 of 16 March 2017 establishes a network code on harmonised transmission tariff structures for gas ('NC TAR').
- 12 Article 27 of the NC TAR requires the Agency to analyse the consultation documents on the reference price methodologies for all entry-exit systems³. This report presents the analysis of the Agency for the transmission system of Ireland.
- 13 On 15 May 2026 the CRU forwarded the consultation documents to the Agency. The consultation was launched on 15 May 2026 and remained open until 15 July 2026. On 14 August 2026, the 8 consultation responses and their English summary were published. The Agency has taken these into consideration for this analysis. Within five months following the end of the final consultation, and pursuant to Article 27(4) of the NC TAR, the CRU shall take and publish a motivated decision on all the items set out in Article 26(1).

Reading guide

- 14 Chapter 3 of this document presents an analysis on the completeness, namely if all the information in Article 26(1) has been published. Chapter 4 assesses the proposed reference price methodology ('RPM') for Ireland. Chapter 5 focuses on the compliance, namely if the RPM complies with the requirements set out in Article 7 of the code, if the criteria for setting commodity-based transmission tariffs as set out in Article 4(3) are met, and if the criteria for setting non-transmission tariffs as set out in Article 4(4) are met. This document contains two annexes, respectively the legal framework and a list of abbreviations.

³ Except for Article 10(2)(b), when different RPMs may be applied by the TSOs within an entry-exit zone.

3. Completeness

3.1. Has all the information referred to in Article 26(1) been published?

- 15 Article 27(2)(a) of the NC TAR requires the Agency to analyse whether all the information referred to in Article 26(1) of the NC TAR has been published.
- 16 Article 26(1) of the NC TAR requires that the consultation document should be published in the English language, to the extent possible. The consultation document was published in English.
- 17 Overall, almost all information in Article 26(1) of the NC TAR has been properly published, as detailed in the following table. The Agency recommends the inclusion of the missing information in the final decision.

Table 1: Checklist information Article 26(1)

Article	Information	Published: Y/N/NA
26(1)(a)	the description of the proposed reference price methodology	Yes
26(1)(a)(i) 26(1)(a)(i)(1) 26(1)(a)(i)(2)	the indicative information set out in Article 30(1)(a), including: - the justification of the parameters used that are related to the technical characteristics of the system, - the corresponding information on the respective values of such parameters and the assumptions applied	Yes, however more details on some of the assumptions (e.g. the effects of the Transportation Agreement) would improve transparency
26(1)(a)(ii)	the value of the proposed adjustments for capacity-based transmission tariffs pursuant to Article 9	Yes
26(1)(a)(iii)	the indicative reference prices subject to consultation	Yes
26(1)(a)(iv)	the results, the components and the details of these components for the cost allocation assessments set out in Article 5	Yes
26(1)(a)(v)	the assessment of the proposed reference price methodology in accordance with Article 7	Yes
26(1)(a)(vi)	where the proposed reference price methodology is other than the capacity weighted distance reference price methodology detailed in Article 8, its comparison against the latter accompanied by the information set out in point (iii)	Yes
26(1)(b)	the indicative information set out in Article 30(1)(b)(i), (iv), (v)	Yes, however without including the data on the target revenue of the non-transmission service, the revenue published in the Consultation Document does not completely fulfil the requirement set forth in Article 30(1)(b)(i)

26(1)(c)(i) 26(1)(c)(i)(1) 26(1)(c)(i)(2) 26(1)(c)(i)(3)	where commodity-based transmission tariffs referred to in Article 4(3) are proposed - the manner in which they are set - the share of the allowed or target revenue forecasted to be recovered from such tariffs - the indicative commodity-based transmission tariffs	Yes
26(1)(c)(ii) 26(1)(c)(ii)(1) 26(1)(c)(ii)(2) 26(1)(c)(ii)(3) 26(1)(c)(ii)(4)	where non-transmission services provided to network users are proposed: - the non-transmission service tariff methodology therefore - the share of the allowed or target revenue forecasted to be recovered from such tariffs - the manner in which the associated non-transmission services revenue is reconciled as referred to in Article 17(3) - the indicative non-transmission tariffs for non-transmission services provided to network users	Partially. The content of the non-transmission service should be clarified, and the related data and the detailed methodology shall be included.
26(1)(d)	the indicative information set out in Article 30(2);	Yes
26(1)(e) 26(1)(e)(i) 26(1)(e)(ii) 26(1)(e)(iii) 26(1)(e)(iv)	where the fixed payable price approach referred to in Article 24(b) is considered to be offered under a price cap regime for existing capacity: - the proposed index; - the proposed calculation and how the revenue derived from the risk premium is used - at which interconnection point(s) and for which tariff period(s) such approach is proposed - the process of offering capacity at an interconnection point where both fixed and floating payable price approaches referred to in Article 24 are proposed	Not applicable.

4. Assessment of the proposed reference price methodology

- 18 The present chapter assesses the proposed RPM considering the input parameters of the methodology and the cost allocation assessment.

4.1. Timeline for the application of tariffs

- 19 The consultation document proposes the application of the reference price methodology from 1 October 2027 to 30 September 2032, using tariff periods coinciding with the gas year, lasting from October to September each year.

4.2. Description of the network

- 20 The Irish transmission network has a total length of 2,488 km including both offshore and onshore pipelines.
- 21 The network has two physical entry points, Moffat (IE-UK) and Bellanaboy, and the Gormanston exit point (IE-NI). The network has 100 exit points: 18 of them supply power generators and data centres; 80 of them serve non-power demand; the Gormanston exit point connects the Irish system with the Northern Irish one. The Moffat entry point and the Gormanston exit point also offer virtual reverse flows.
- 22 The Moffat entry point resides in Scotland and is connected to the mainland Irish network through underwater gas pipelines. 78% of the Irish gas demand was supplied through this point in 2023/24.
- 23 Domestic production from the Corrib offshore gas fields is injected into the network only at the Bellanaboy entry point. The other formerly used entry point for domestic production, the Inch entry point, which allowed for the injection of gas from the Kinsale gas fields, has been decommissioned since the previous consultation. The pipeline segment between the Bellanaboy entry point and Cappagh South (the connection to the main gas network ring) is known as Corrib Linkline, and it is not a part of GNI's regulated asset base.
- 24 No storage or LNG facilities are connected to the network, however in March 2025 the Irish government approved the development of a State-led strategic gas emergency reserve in the form of a Floating Storage and Regassification Unit (FSRU).
- 25 No biomethane production facilities are connected directly to the transmission network, however at least two are under development.
- 26 The interconnector pipelines between the Moffat entry point and the Irish mainland are also used to supply Northern Ireland and the Isle of Man based on an Intergovernmental Agreement between the UK and Ireland and a Transportation Agreement concluded between the relevant TSOs. The activities based on this agreement are carried out outside the EU regulatory framework.
- 27 The pipeline between the Gormanston IP exit point and the Northern Irish border is considered to be a part of the Northern Irish transmission system.⁴

⁴ As the Gormanston IP constitutes the border of the entry-exit zone for which the currently reviewed reference price methodology is proposed, the compliance of the regulatory status of the pipeline between Gormanston and the Northern Irish border is outside the scope of the current review.

28 According to forecasts by the Irish gas TSO, GNI, gas demand in Ireland is expected to decline in the coming years, however peak-day demand is forecasted to increase. Domestic natural gas production in the Corrib Field, which currently satisfies 22% of the annual domestic demand is expected to decline, accounting for 8% of the annual demand by 2032/33, while biomethane production is forecasted to grow, meeting 17.7% of the demand by 2032/33⁵.

29 Figure 1 below provides a representation of the Irish transmission network.

Figure 1: Representation of the Irish transmission network from the CRU's consultation document.



⁵ See Chapter 7 of GNI's Network Development Plan: <https://www.gasnetworks.ie/sites/default/files/2025-10/Network-Development-Plan-2024.pdf>

4.2.1. The effects of the Transportation Agreement on the Irish gas transmission network

- 30 On 30 April 1993 the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Ireland concluded an agreement on the transmission of natural gas by pipeline between the United Kingdom and Northern Ireland and the Republic of Ireland ('Intergovernmental Agreement').⁶ Article 10 of the Intergovernmental Agreement sets out an option for the UK to use a portion of the capacity of the pipeline between Moffat and the point of connection in Scotland of the connecting pipe to Northern Ireland (Twynholm). The agreement states that the capacity is used on 'fair commercial terms'. Similar conditions were agreed upon for the supply of the Isle of Man.
- 31 Based on the Intergovernmental Agreement GNI (UK) and the relevant Northern Irish TSO, in 1996 PTL entered into a Transportation Agreement for 25 years. Following the first period, a new Transportation Agreement with a 15-year term was concluded in 2021 and was amended in 2025. The agreement and its modification were reviewed and approved by both the British NRA, Ofgem⁷, and the Northern Irish NRA, the Utility Regulator⁸. The Agency notes that while formal approval by the CRU was not part of the procedure, the Utility Regulator did engage with the CRU on the approval and the implementation of the new Transportation Agreement.
- 32 The capacities under the Transportation Agreement are handled outside the EU regulatory framework: hence the Twynholm point is not considered a bookable exit point for the purposes of the NC TAR and for the RPM. The use of the pipeline segment between Moffat and Northern Ireland, including the use of the Scotland-Northern Ireland Pipeline, makes capacity available as a seamless service with no booking or explicit payment at Twynholm.
- 33 The relevant infrastructure and the Transportation Agreement are outside the scope of this analysis, except insofar as the implementation of the Agreement affects the application of the NC TAR to the Irish entry-exit system and, in particular, the cost-reflectivity of the tariffs determined on that basis. During the preparations of this report, the Agency was not able to independently review the contents of the Transportation Agreement and validate whether the within contained 'fair commercial terms' correspond to the criteria of cost-reflectivity set out in EU law. The Agency however takes note that, before concluding the 2021 Transportation Agreement, PNL and GNI (UK) referred the issue of fair commercial terms to an independent expert and accepted the independent expert's determination as correct and binding. The Agency acknowledges this process, alongside with the review process and formal approval by both Ofgem and the Utility Regulator, together with the (non-mandatory) notification of the CRU about the content of the Transportation Agreement, and that the process provides reasonable safeguards in terms of the application of this principle. The Agency encourages the CRU to monitor closely that the application of the UK legal standards for the capacities not operated under EU rules aligns smoothly with the principles of the NC TAR for the capacities operated under EU rules.
- 34 The Agency welcomes that the revenues that were paid for the use of the pipeline segment under the Transportation Agreement by PTL to GNI were deduced from the allowed revenue of GNI in the CRU's Price Control 5 decision⁹. This ensures that the contributions received do not lead to a double recovery of the affected costs. The Agency notes that during the preparation of this report the CRU confirmed to the Agency that the assumptions related to the infrastructure elements affected by the Transportation Agreement are excluded from the calculation of the Expansion Constant. The Agency, however, also notes that it is not clarified in the published

⁶ Agreement between the government of the United Kingdom of Great Britain and Northern Ireland and the government of the Republic of Ireland relating to the transmission of natural gas by pipeline between the United Kingdom of Great Britain and Northern Ireland and the Republic of Ireland with exchange of notes CM 2377

⁷ Approval of the proposed Transportation Agreement between GNI (UK) and PTL at the Moffat Interconnection Point

⁸ 2021-09-13-ta-version-after-expert-determination-13-august-2021-final.pdf

⁹ Decision_on_October_2022_to_September_2027_Transmission_Revenue_for_Gas_Networks_Irela.PDF

methodology how this exclusion is carried out. The Agency recommends providing more transparency on this in the final motivated decision in this respect.

4.3. The proposed RPM

- 35 The CRU proposes to continue applying a forward-looking matrix methodology based on an ex-ante 33%/67% entry-exit split, with a rescaling adjustment applied to all tariffs and an equalisation adjustment applied to domestic exit tariffs, operating under an allowed revenue regime.
- 36 The matrix methodology is using a multi-step procedure to set tariffs in a way that both ensures the recovery of the allowed revenue and reflects the differences between the marginal expansion costs of the pipeline paths.
- 37 First, the so-called expansion constants are calculated: unit-costs for expanding capacity by one unit (1GWh/d) over one unit of distance (1 km). Two expansion constants ('dry' and 'wet') are determined, representing the costs of onshore and offshore capacity expansion.
- 38 Following this, with the use of pipeline distances between all possible pairs of points and the use of the relevant expansion constants, the cost of the expansion of all possible paths between entry-exit point combinations is quantified. (E.g. if the onshore expansion constant is 1 EUR/GWh/d/km and the distance between point A and point B is 100 km onshore, then the expansion cost of this path would be 100 EUR.) Through the use of annuitisation factors, the total expansion costs of the different paths are converted into values representing the part of the total expansion costs to recover annually.
- 39 After the annuitised expansion costs of the different possible paths are calculated, a minimisation exercise is carried out through the use of Solver in Excel. Primary tariffs are set at the level that minimises the sum of squared differences between the annuitised expansion costs and the sum of the entry and exit tariffs of the given paths.
- 40 At this point in the procedure, the application of the thus calculated tariffs (referred to in the proposal as 'primary tariffs') would not ensure the full recovery of the allowed revenue. To ensure full revenue recovery, each tariff is rescaled through the addition of a constant to the primary tariff. The rescaling constant is calculated in such a way that its level ensures the exact recovery of the allowed revenue, taking into account the effects of discounts.
- 41 Article 6(4) of the NC TAR allows rescaling either through multiplication with a constant or the addition of a constant. Choosing to add a constant preserves the exact level of differences between the different tariffs, while at the same time it loses the proportion of the differences.¹⁰
- 42 While no LNG or storage facilities are connected to the network, the RPM proposes for any future infrastructure the application of at least the legally mandatory 50% discount to storage point capacity tariffs and a case-by-case evaluation for tariff discounts at entry points from LNG regasification facilities.
- 43 Exit tariffs at domestic exit points are equalised.
- 44 A single, uniform tariff is set for all future renewable gas production entry points, based on a modelled, notional point derived from the average of three geographically distant locations (Gormanston, Corracunna and Cappagh South) of the mainland network.

¹⁰ E.g. if the tariff of point A is 1 and the tariff of point B is 2 then adding a constant of 10 to both tariffs would mean that the absolute difference between the two tariffs remains unchanged, however while previously point B was twice as expensive as point A, after the rescaling it is only slightly more expensive in proportional terms, as the relative difference decreases significantly.

- 45 Though the expansion constants and the topology of the network are updated, with the exclusion of the decommissioned Inch entry point being the most significant change, the methodology applied by the CRU is largely unchanged since its introduction in 2015.

4.3.1. Cost drivers

- 46 The CRU proposes the use of forecasted contracted capacity and distance in the matrix methodology. The capacity values used in the calculations are based on forecasts provided by GNI.
- 47 Due to the time gap between the preparation of the consulted methodology and the date of the consultation, some of the forecasts seem obsolete or less reliable. The used capacity forecasts include biogas bookings for the gas year 2025/26 despite no biomethane producers being connected to the gas transmission network by the time of the drafting of this report (August 2026).
- 48 In the calculations no capacity bookings or gas flows towards the direction of Northern Ireland at the Gormanston IP are foreseen. During the consultation some Northern Irish TSOs remarked that, according to the 2025/26 Gas Transmission Outlook published by Northern Irish TSOs, modelled future peak demand in Northern Ireland will exceed the capacity available at Moffat/Twynholm under the Transportation Agreement, and excess demand will have to be satisfied through Gormanston.
- 49 The Agency recommends that before concluding its final decision on the RPM, the CRU updates its calculations based on updated capacity forecasts, which consider all available information.

4.3.2. Entry-exit split

- 50 The CRU proposes to continue applying an ex-ante entry-exit split. The entry-exit split is 33%-67%.
- 51 The entry-exit split is applied to both the capacity-based tariffs and the commodity-based charges.

4.3.3. Secondary adjustments

- 52 The reference price methodology states that two secondary adjustments are applied to the primary reference prices: rescaling and equalisation.
- 53 Article 6(4)(b) of the NC TAR allows the rescaling of tariffs by adjusting the reference prices at all entry or all exit points or both by multiplying their values by a constant or by adding to or subtracting from their values a constant. The CRU proposes to apply rescaling by addition. The applied constant is 267.94 EUR/MWh/y in the case of entry tariffs and 422.90 EUR/MWh/y in the case of exit tariffs.
- 54 After the primary tariffs are calculated based on the marginal expansion costs of the pipeline paths, the resulting values are adjusted through the addition of a constant to all entry point and the addition of a constant to all exit points in order to ensure the full recovery of the tariffs, including the neutralisation of any possible under-recovery due to the application of discounts¹¹.

¹¹ Currently no discounts are applied with the exception of the discount for the interruptible virtual reverse flow capacity. While the interruptible discount is outside the scope of the RPM, the revenue under-recovery resulting from its application is neutralised through the use of equalisation. It is to be noted, however, that this is only theoretical, as currently no actual virtual reverse flow usage is forecasted.

- 55 Article 6(4)(b) of the NC TAR allows the equalisation of tariffs by applying the same reference price to some or all points within a homogeneous group of points. The CRU proposes the equalisation of all domestic exit points. As domestic exit points are a homogeneous group of points, this adjustment fulfils the criteria.
- 56 While there are no storage and LNG facilities connected to the Irish gas network, the proposed RPM includes provisions on the handling the future additions of such facilities. For storage facilities, in line with Article 9(1) of the NC TAR, the CRU proposed the application of a discount to capacity tariffs of at least 50%. For future LNG facilities, including the future strategic gas emergency reserve in the form of a Floating Storage LNG Regasification Unit, which was approved by the government in March 2025, the CRU proposes to decide on the application of discounts on a case-by-case basis, taking into account the potential advantages and disadvantages of the application of discounts.
- 57 The Agency welcomes that the CRU intends to future-proof the proposed methodology by preparing for all future eventualities and recommends the CRU to take into account during the future LNG discount decisions the Agency's recommendations on the assessment of the justification of LNG discounts, available in paragraph 14 of the 2024 Agency Report on the Dutch Tariff Methodology¹².

4.4. Cost allocation assessment

- 58 As the used capacity bookings do not forecast any cross-system network use, the cost allocation assessment that the CRU has carried out in line with Article 5 of the NC TAR does not provide meaningful results.
- 59 The Agency notes that the future peak demand indicated by Northern Irish TSOs would result in cross-system network use, with exit flows at Gormanston. Having non-zero cross-system bookings and flows would make the carrying out of CAA calculations possible, as it would produce meaningful results. The Agency therefore recommends that the CRU carries out the cost allocation assessment based on updated capacity forecasts.

4.5. Comparison with the CWD methodology

- 60 In the consultation document, the CRU compared the proposed reference prices with those resulting from the CWD methodology. Table 2 below summarises the reference prices resulting from both methodologies.

Table 2: Comparison between the reference prices resulting from the proposed RPM and the CWD methodology.

¹² acer.europa.eu/sites/default/files/documents/Publications/2024_ACER_Tariff_analysis_report_Netherlands.pdf

		Matrix methodology [EUR/(MWh/d)/y]	CWD (50/50 entry-exit split) [EUR/(MWh/d)/y]	CWD (33/67 entry-exit split) [EUR/(MWh/d)/y]	Difference [EUR/(MWh/d)/y]	Difference from CWD 33/67 [EUR/(MWh/d)/y]
Entries	Bellanaboy	218	324	214	-106	4
	Bellanaboy + Corrib Linkline	779	885	775	-106	4
	Moffat	433	657	434	-224	-1
	Biomethane	187	260	172	-73	15
	Gormanston VRF	141	244	161	-103	-20
Exits	Equalised domestic exit	650	484	649	166	1
	Gormanston	599	323	433	276	166
	Moffat VRF	382	73	97	309	285

- 61 The Agency notes that most of the differences between the resulting reference prices of both methodologies are caused by the different entry-exit splits. When using the same entry-exit split, most of the differences disappear, except at the two points with virtual reverse flows and at the Gormanston exit point. These three points have zero capacity bookings forecasted¹³. Therefore, the differences at these points are more likely to be an artifact of the methodology than the indicators of actual cross-subsidisation.
- 62 Nonetheless, in line with the earlier recommendations related to the request to update the capacity booking forecasts, the Agency recommends the CRU to recalculate the CWD tariffs considering updated, non-zero capacity bookings at Gormanston and assess the resulting differences in its motivated decision.

¹³ Because the CWD methodology cannot generate tariffs for points with zero bookings, the excel calculation uses a near-zero dummy value for forecasted bookings, instead of zero.

5. Compliance

5.1. Does the RPM comply with the requirements set out in Article 7?

63 Article 27(2)(b)(1) of the NC TAR requires the Agency to analyse whether the proposed reference price methodology complies with the requirements set out in Article 7 of the NC TAR. This article refers to by Article 13 of Regulation (EC) 715/2009, which corresponds to Article 17(1)-(3) of Regulation (EU) 2024/1789, and lists several requirements to take into account when setting the RPM. As these overlap, in the remainder of this chapter, the Agency will focus on the requirements set by Article 7 of the NC TAR.

5.1.1. Transparency

64 **Article 7(a)** of the NC TAR requires that the RPM aims at ensuring that network users can reproduce the calculation of reference prices and their accurate forecast. The Agency finds that the simplified tariff model, as required by Article 30(2)(b) of the NC TAR, allows reproducing the calculation of reference prices and partially allows the forecasting of reference prices.¹⁴

65 At the same time, the Agency notes that the way the Corrib non-transmission service is presented in the consultation document requires substantial clarification. The clarification shall cover the categorisation of the related services, tariffs and revenues as detailed in Section 5.3 of this report. The calculation of the additional fee for the Corrib Linkline is mostly handled outside the current consultation. While the CRU references its earlier decision on the Corrib Linkline methodology, neither the target revenue for this service, nor the proposed calculation of its tariff for the years under the current RPM are included in the current document. The Agency acknowledges that the consultation questions include a request for comments on the continued application of the Corrib Linkline methodology, however it also notes that the consultation document is not a standalone document on the non-transmission services methodology. Nonetheless, the Agency also recognises that the respondents to the consultation considered the existing Corrib Linkline methodology to be transparent and proposed no changes to it.

66 The Agency concludes that the proposed methodology is mostly compliant with the requirements on transparency for the tariffs of the transmission services, however it recommends that the CRU publishes clarifications highlighted in paragraph 101 on the non-transmission services.

5.1.2. Cost-reflectivity

67 **Article 7(b)** of the NC TAR requires the RPM to take into account the actual costs incurred for the provision of transmission services, considering the level of complexity of the transmission network.

68 The proposed matrix methodology is based on forward-looking marginal costs. While this approach supports cost-reflectivity in a forward-looking sense and is suitable for providing locational signals in the context of an expanding network, its fitness in the context of the energy transition and decreasing overall demand is highly debatable.

69 In the consultation document the CRU shared the view that “a comprehensive and timely review may be required by 2030 to assess the suitability of the RPM to the evolving gas supply and demand in Ireland”. The Agency welcomes this initiative and recommends the CRU to assess

¹⁴ While the simplified tariff model accounts for the forecasted year on year changes in bookings and flows, it foresees the same level of allowed revenue for the whole period.

whether a methodology based on forward-looking marginal expansion costs is still suitable in the context of the energy transition and demand evolution.

- 70 There are some additional elements in the methodology that warrant closer scrutiny regarding its cost-reflectivity.
- 71 The matrix calculation determines the primary, non-rescaled tariffs based on the expansion factor and the length of the pathways between the possible entry-exit point combinations. The costs of the Corrib Linkline are recovered through non-transmission tariffs. The length of the Corrib Pipeline is excluded from the calculation of costs related to entry-exit combinations involving the Bellanaboy entry point. For these combinations only the distance between Cappagh South and the other point of the entry-exit pair is considered, this way ensuring that there are no distortions in the tariff levels caused by overestimating the marginal cost associated with Bellanaboy.
- 72 The contributions received under the Transportation Agreement are excluded from the allowed revenue. It is, however, unclear whether the criteria of “fair commercial terms” under which these contributions are calculated, and which is approved by Ofgem and the Utility Regulator, fully corresponds to the criteria of cost-reflectivity as it is required by EU law. While it is not clear from the published methodology how the infrastructure elements used under the Transportation Agreement are considered during the calculation of the expansion constant, during the preparation of this report the CRU confirmed that these are excluded from the calculations.
- 73 The Agency recommends providing more clarity on the assumptions used for the calculation of the expansion constants, especially with regards to the way the effects of the Transportation Agreement are considered. The Agency also recommends that the CRU ensures and monitors, to the extent possible, considering the international context of the Transportation Agreement, that the ‘fair commercial terms’ also fulfill the requirement of cost-reflectivity for the capacities operated under EU rules.
- 74 Nonetheless, the Agency considers that the proposed reference price methodology and the resulting reference prices are closely if not fully compliant with the requirement on cost-reflectivity.

5.1.3. Cross-subsidisation and non-discrimination

- 75 **Article 7(c)** of the NC TAR requires the RPM to ensure non-discrimination and prevent undue cross-subsidisation. One instrument to evaluate this is the cost allocation assessment (‘CAA’). Given that no cross-system network use is forecasted, this instrument does not fit assessing cross-subsidisation.
- 76 There are certain other elements of the reviewed RPM that might result in cross-subsidisation, such as the equalisation of the domestic exit points or the use of a uniform tariff based on a notional point for future renewable gas producers, however neither the comparison with the tariffs based on the CWD methodology, nor the review of the proposed methodology seem to indicate a significant level of cross-subsidisation that would be classified as undue.
- 77 Nonetheless, the Agency recommends to the CRU to reassess, following the actual connection of biomethane producers to the transmission system, the suitability of the notional point approach, and consider the benefits and drawbacks of taking into account actual values, either as unique points or equalised.
- 78 Regarding the requirement of ensuring non-discrimination, the Agency has not identified any form of discrimination related to the proposed RPM or the proposed reference prices. This analysis is based on the definition of ‘discrimination’ as ‘charging different prices to different network users for the identical gas transmission service’. The use of Moffat entry point is handled differently for the network users depending whether they follow the rules set based on the EU regulatory framework or the rules based on the Transportation Agreement concluded on the basis of the intergovernmental agreement between the UK and Ireland. However, since all network users that follow the rules set on the basis of the EU regulatory framework are charged same tariffs under the same conditions, the solution aligns with the requirements of the NC TAR on non-discrimination.

- 79 Therefore, the Agency concludes that the proposed reference price methodology and the resulting reference prices are compliant with the requirements on cross-subsidisation and non-discrimination.

5.1.4. Volume risk

- 80 **Article 7(d)** of the NC TAR requires that the RPM ensures that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system.
- 81 In the consulted RPM proposal, no cross-system transports under the RPM are forecasted. While the used forecasts might underestimate the level of cross-system network use, as discussed earlier, still even with updating the forecasts, no such magnitude of cross-system network use can be expected that would create significant volume risk. As the transport between Moffat and Twynholm, carried out under the Transportation Agreement does not affect the forecasted capacity bookings or the level of the allowed revenue to be recovered through the tariffs, its changes are not assigning risk to the final customers of the Irish entry-exit system.
- 82 The Agency concludes that, based on the current zero or insignificant levels of cross-border flows, volume risks are unlikely to have a significant effect on final consumers, and thus the RPM is compliant with the requirement on volume risk.

5.1.5. Cross-border trade

- 83 **Article 7(e)** of the NC TAR requires that the RPM ensures that the resulting reference prices do not distort cross-border trade.
- 84 The Agency notes that the Irish natural gas network is not connected directly to the gas networks of any other Member State, therefore the possibility that the reference price methodology can adversely affect the well-functioning and interconnected nature internal energy market by distorting cross-border trade is strongly limited. The Agency also notes that no explicit distortion of cross-border trade could be identified in the proposed methodology.
- 85 Based on the above, the Agency concludes that the proposed methodology is compliant with the requirement on non-distortion of cross-border trade.

5.2. Are the criteria for setting commodity-based transmission tariffs as set out in Article 4(3) met?

- 86 Article 27(2)(b)(2) of the NC TAR requires the Agency to analyse whether the criteria for setting commodity-based transmission tariffs as set out in Article 4(3) are met.

5.2.1. Flow-based charge

- 87 The CRU proposes to apply a flow-based charge to entries and exits of the network. The flow-based charge is proposed to cover variable costs that are mainly driven by the volume of transported gas. The most significant ones of these costs are shrinkage which consists of own gas use (compression gas and other uses) and unaccounted for gas, and the CO₂ emission costs associated with shrinkage.
- 88 In line with Article 4(3) of the NC TAR, the same commodity charge is applied to all entry points, and the same commodity charge is applied to all exit points. While in the responses submitted to the public consultation, it was raised that different network points have different compression needs and therefore suggested lower commodity charges for points with lower compression

costs, the NC TAR does not allow deviations from the uniform nature of the commodity charge at entry points (nor at exit points).

89 The CRU proposes to continue the application of a 90:10 capacity-commodity split, which is in line with the historic and forecasted share of the volume-driven variable costs (10.5% in 2024/25 and 9.5% in 2025/26).

90 Table 3 below summarises the compliance requirements applicable to the proposed flow-based charge.

Table 3: Criteria Article 4(3)(a) of the NC TAR.

Criteria	Yes/No?
levied for the purpose of covering the costs mainly driven by the quantity of the gas flow	Yes
calculated on the basis of forecasted or historical flows, or both.	Yes
set in such a way that it is the same at all entry points and the same at all exit points.	Yes
expressed in monetary terms or in kind	Yes

5.3. Are the criteria for setting non-transmission tariffs as set out in Article 4(4) met?

91 Article 27(2)(b)(3) of the NC TAR requires the Agency to analyse whether the criteria for setting non-transmission tariffs as set out in Article 4(4) are met.

92 The costs of the following service are recovered via a non-transmission tariff: Corrib Linkline service. The fee for the Corrib Linkline service, called the Corrib Linkline element, is paid after the use of a 150 km transmission pipeline connecting the Corrib gas field to the main ring of the gas network at Cappagh South. As the pipeline was funded by Corrib Partners, not GNI, it is not part of GNI's regulated asset base. The Corrib Linkline element is paid on top of the transmission entry tariff by all shippers that book entry capacity at the Bellanaboy entry point of GNI's network. No other users use this entry point, only those that ship domestic gas production from the Corrib gas field.

93 This service can qualify as a non-transmission service under Article 4(1)(b) of the NC TAR as the costs of this services are related to investment in and operation of infrastructure that is not part of the regulated asset base for the provision of transmission services.

94 The revenues from the Corrib Linkline service are handled under a target revenue regime, with GNI collecting the tariffs from network users booking capacity at the Bellanaboy entry point and passing through the revenues to the funder of the Corrib Pipeline: Corrib Partners¹⁵. As the Corrib Linkline tariff is determined based on a target revenue, no reconciliation of under- or over-recovery is carried out. The consultation document did not include the value of the target revenue which was set based on the capital and operational costs of the Corrib Linkline, however the earlier CRU decision on the Corrib Linkline element¹⁶ and the annually updated supporting model¹⁷ provide detailed information on its derivation. The expected revenue from the Corrib Linkline element is around EUR 14-15

¹⁵ In exchange for the operation of the Corrib Linkline, Corrib Partners pay a fee to GNI agreed upon in a bilateral contract.

¹⁶ [Gas Networks Ireland Price Control 5 | CRU.ie](#)

¹⁷ [Gas Networks Ireland Allowed Revenues and Tariffs for Transmission and Distribution | CRU.ie](#)

million¹⁸, which is approximately 5% of the combined allowed and target revenues of the Irish gas transmission system.

- 95 A small part of the costs associated with the use of the Corrib Linkline for the purpose of supplying gas to exit points on the Linkline are allocated to the allowed revenue of the TSO. These costs correspond to the part of the OPEX of the Corrib Linkline that is proportional to the share of offtakes between Bellanaboy and Cappagh South compared to the total injections at Bellanaboy. The consultation document states that the allowed revenue of the TSO from this service 2025/26 equals EUR 202,960, whereas the total transmission services revenue for the same period equals EUR 289.68 million. This means that the revenue associated with the transmission of gas to exit points on the Corrib Linkline corresponds to 0.1% of the total allowed revenue of the TSO. GNI recovers these costs through transmission tariffs. The fee Corrib Partners pay to GNI for the operation of the Linkline is reduced by this amount.
- 96 Article 4(4) of the NC TAR requires that non-transmission tariffs shall be cost-reflective, non-discriminatory, objective and transparent and shall be charged to the beneficiaries of the non-transmission service.
- 97 The costs of the Corrib Linkline service are decided following a methodology for the Corrib Linkline element tariff setting, using a building blocks calculation, setting the target revenue to cover depreciation, cost of capital, operating expenditure and replacement capital expenditure. The tariff is set based on the annual target revenue and the peak-day capacity bookings. Both the methodology and the calculations are published on the CRU's website, and the methodology was consulted upon both at its introduction in 2015¹⁹ and during the subsequent price control decisions. This fulfils the criteria for cost-reflectivity, objectivity and, with caveats, the criteria of transparency.
- 98 As the costs of the service are allocated solely to the users of the Bellanaboy entry point, no users that are not benefitting from this service are required to pay for it. All users of the Bellanaboy entry point pay the same per unit tariff based on their capacity bookings.
- 99 Those users that are connected to the Corrib Linkline (between Bellanaboy and Cappagh South) and are not supplied from Corrib production can use the pipeline segment without paying the Corrib Linkline element on top of the normal transmission tariff. While this might result in some cross-subsidisation, it is limited by the very low share of affected consumption²⁰ and by the way the methodology mitigates these effects by the allocation of the related operating costs. Therefore, both the criteria for non-discrimination and for the tariff being charged to the beneficiaries of the non-transmission service are fulfilled to a large degree.
- 100 During the analysis of the consultation document, however, the Agency found that the proposal lacks clarity concerning the categorisations related to non-transmission services and their tariffs. While the underlying services and the fees that system users are charged for them largely comply with the criteria set out in Article 4(4), the way they are presented in the consultation document is not in line with the terminology and the requirements provided in the NC TAR. The consultation document does not classify the use of the Corrib Linkline and its fee, the Corrib Linkline element as a non-transmission service and a non-transmission tariff, respectively, despite them being set outside the transmission service and tariff framework. On the other hand, the consultation document considers the revenue associated with supplying gas to exit points on the Corrib Linkline as non-transmission revenue despite this revenue originating from transmission tariffs set based on the matrix

¹⁸ The uncertainty in the level of the revenues is caused by differing forecasted bookings due to the time gap between the publication of the Corrib Linkline model and the RPM consultation.

¹⁹ [Gas Entry Exit Tariff Methodology | CRU.ie](#)

²⁰ Mayo county accounts for only 1.5% of the total Irish gas consumption. [Networked Gas Consumption 2024 - Central Statistics Office](#)

methodology. Overall, these aspects prevent the Agency from concluding that the non-transmission service, as presented in the consultation document, is compliant with the criteria set out in Article 4(4), despite the underlying service and its fee conforming to the requirements.

- 101 The Agency recommends that in its final decision the CRU reviews its categorisation of the Corrib Linkline element and the revenue structure related to the Corrib Linkline, properly categorise the Corrib Linkline element as a non-transmission tariff, and provide a clearer description of it, detailing both the non-transmission target revenue and the calculation and evolution of the non-transmission tariff.

Annex 1: Legal framework

Article 27 of the NC TAR reads:

1. Upon launching the final consultation pursuant to Article 26 prior to the decision referred to in Article 27(4), the national regulatory authority or the transmission system operator(s), as decided by the national regulatory authority, shall forward the consultation documents to the Agency.
2. The Agency shall analyse the following aspects of the consultation document:
 - (a) whether all the information referred to in Article 26(1) has been published;
 - (b) whether the elements consulted on in accordance with Article 26 comply with the following requirements:
 - (1) whether the proposed reference price methodology complies with the requirements set out in Article 7;
 - (2) whether the criteria for setting commodity-based transmission tariffs as set out in Article 4(3) are met;
 - (3) whether the criteria for setting non-transmission tariffs as set out in Article 4(4) are met.
3. Within two months following the end of the consultation referred to in paragraph 1, the Agency shall publish and send to the national regulatory authority or transmission system operator, depending on which entity published the consultation document, and the Commission the conclusion of its analysis in accordance with paragraph 2 in English.

The Agency shall preserve the confidentiality of any commercially sensitive information.

4. Within five months following the end of the final consultation, the national regulatory authority, acting in accordance with Article 41(6)(a) of Directive 2009/73/EC, shall take and publish a motivated decision on all items set out in Article 26(1). Upon publication, the national regulatory authority shall send to the Agency and the Commission its decision.
5. The procedure consisting of the final consultation on the reference price methodology in accordance with Article 26, the decision by the national regulatory authority in accordance with paragraph 4, the calculation of tariffs on the basis of this decision, and the publication of the tariffs in accordance with Chapter VIII may be initiated as from the entry into force of this Regulation and shall be concluded no later than 31 May 2019. The requirements set out in Chapters II, III and IV shall be taken into account in this procedure. The tariffs applicable for the prevailing tariff period at 31 May 2019 will be applicable until the end thereof. This procedure shall be repeated at least every five years starting from 31 May 2019.

Article 26(1) of the NC TAR reads:

1. One or more consultations shall be carried out by the national regulatory authority or the transmission system operator(s), as decided by the national regulatory authority. To the extent possible and in order to render more effective the consultation process, the consultation document should be published in the English language. The final consultation prior to the decision referred to in Article 27(4) shall comply with the requirements set out in this Article and Article 27, and shall include the following information:
 - (a) the description of the proposed reference price methodology as well as the following items:
 - (i) the indicative information set out in Article 30(1)(a), including:
 - (1) the justification of the parameters used that are related to the technical characteristics of the system;
 - (2) the corresponding information on the respective values of such parameters and the assumptions applied.

- (ii) the value of the proposed adjustments for capacity-based transmission tariffs pursuant to Article 9;
 - (iii) the indicative reference prices subject to consultation;
 - (iv) the results, the components and the details of these components for the cost allocation assessments set out in Article 5;
 - (v) the assessment of the proposed reference price methodology in accordance with Article 7;
 - (vi) where the proposed reference price methodology is other than the capacity weighted distance reference price methodology detailed in Article 8, its comparison against the latter accompanied by the information set out in point (iii);
- (b) the indicative information set out in Article 30(1)(b)(i), (iv), (v);
- (c) the following information on transmission and non-transmission tariffs:
- (i) where commodity-based transmission tariffs referred to in Article 4(3) are proposed:
 - (1) the manner in which they are set;
 - (2) the share of the allowed or target revenue forecasted to be recovered from such tariffs;
 - (3) the indicative commodity-based transmission tariffs;
 - (ii) where non-transmission services provided to network users are proposed:
 - (1) the non-transmission service tariff methodology therefor;
 - (2) the share of the allowed or target revenue forecasted to be recovered from such tariffs;
 - (3) the manner in which the associated non-transmission services revenue is reconciled as referred to in Article 17(3);
 - (4) the indicative non-transmission tariffs for non-transmission services provided to network users;
- (d) the indicative information set out in Article 30(2);
- (e) where the fixed payable price approach referred to in Article 24(b) is considered to be offered under a price cap regime for existing capacity:
- (i) the proposed index;
 - (ii) the proposed calculation and how the revenue derived from the risk premium is used;
 - (iii) at which interconnection point(s) and for which tariff period(s) such approach is proposed;
 - (iv) the process of offering capacity at an interconnection point where both fixed and floating payable price approaches referred to in Article 24 are proposed.

Article 7 of the NC TAR reads:

The reference price methodology shall comply with Article 13 of Regulation (EC) No 715/2009 and with the following requirements. It shall aim at:

- (a) enabling network users to reproduce the calculation of reference prices and their accurate forecast;
- (b) taking into account the actual costs incurred for the provision of transmission services considering the level of complexity of the transmission network;
- (c) ensuring non-discrimination and prevent undue cross-subsidisation including by taking into account the cost allocation assessments set out in Article 5;
- (d) ensuring that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system;
- (e) ensuring that the resulting reference prices do not distort cross-border trade.

Article 17 of Regulation (EU) 2024/1789 reads:

1. Tariffs, or the methodologies used to calculate them, applied by the transmission system operators and approved by the regulatory authorities pursuant to Article 78(7) of Directive (EU) 2024/1788, as well as tariffs published pursuant to Article 31(1) of that Directive, shall be transparent, take into account the need for system integrity and its improvement and reflect the actual costs incurred, insofar as such costs correspond to those of an efficient and structurally comparable network operator and are transparent, whilst including an appropriate return on investments. Tariffs, or the methodologies used to calculate them, shall be applied in a non-discriminatory manner.

Tariffs may also be determined through market-based arrangements, such as auctions, provided that such arrangements and the revenue arising therefrom are approved by the regulatory authority.

Tariffs, or the methodologies used to calculate them, shall facilitate efficient natural gas trade and competition, while at the same time avoiding cross-subsidies between network users and providing incentives for investment and maintaining or creating interoperability for transmission networks.

Tariffs for network users shall be non-discriminatory and shall be set separately for every entry point into or exit point out of the transmission system. Cost-allocation mechanisms and rate setting methodology regarding entry points and exit points shall be approved by the regulatory authorities. Regulatory authorities shall ensure that network tariffs shall not be calculated on the basis of contract paths.

2. Tariffs for network access shall neither restrict market liquidity nor distort trade across borders of different transmission systems. Where, notwithstanding Article 78(7) of Directive (EU) 2024/1788, differences in tariff structures would hamper trade across transmission systems, transmission system operators shall, in close cooperation with the relevant national authorities, actively pursue convergence of tariff structures and charging principles.
3. Until 31 December 2025, the regulatory authority may apply a discount of up to 100 % to capacity-based transmission and distribution tariffs at entry points from, and exit points to, underground natural gas storage facilities and at entry points from LNG facilities, unless and to the extent that such a storage facility which is connected to more than one transmission or distribution network is used to compete with an interconnection point.

From 1 January 2026, the regulatory authority may apply a discount of up to 100 % to capacity-based transmission and distribution tariffs at entry points from, and exit points to, underground natural gas storage facilities and at entry points from LNG facilities for the purpose of increasing security of supply. The regulatory authority shall re-examine that tariff discount and its contribution to the security of supply during every regulatory period, in the framework of the periodic consultation carried out pursuant to the network code adopted pursuant to Article 71(2), first subparagraph, point (d).

4. Regulatory authorities may merge adjacent entry-exit systems with a view to enabling full or partial regional integration where tariffs may be abolished at the interconnection points between the entry-exit systems concerned. Following the public consultations conducted by the regulatory authorities or by the transmission system operators, the regulatory authorities may approve a common tariff and an effective compensation mechanism between transmission system operators for the redistribution of costs arising from the abolition of interconnection points.
5. Member States with more than one interconnected entry-exit system, or more than one network operator within one entry-exit system, may implement a uniform network tariff with the aim of creating a level playing field for network users, provided that a network plan has been approved and a compensation mechanism between the network operators is implemented.

Article 4(3) of the NC TAR reads:

3. The transmission services revenue shall be recovered by capacity-based transmission tariffs.

As an exception, subject to the approval of the national regulatory authority, a part of the transmission services revenue may be recovered only by the following commodity-based transmission tariffs which are set separately from each other:

- (a) a flow-based charge, which shall comply with all of the following criteria:
 - (i) levied for the purpose of covering the costs mainly driven by the quantity of the gas flow;
 - (ii) calculated on the basis of forecasted or historical flows, or both, and set in such a way that it is the same at all entry points and the same at all exit points;
 - (iii) expressed in monetary terms or in kind.
- (b) a complementary revenue recovery charge, which shall comply with all of the following criteria:
 - (i) levied for the purpose of managing revenue under- and over-recovery;
 - (ii) calculated on the basis of forecasted or historical capacity allocations and flows, or both;
 - (iii) applied at points other than interconnection points;
 - (iv) applied after the national regulatory authority has made an assessment of its cost-reflectivity and its impact on cross-subsidisation between interconnection points and points other than interconnection points.

Article 4(4) of the NC TAR reads:

- 4. The non-transmission services revenue shall be recovered by non-transmission tariffs applicable for a given non transmission service. Such tariffs shall be as follows:
 - (a) cost-reflective, non-discriminatory, objective and transparent;
 - (b) charged to the beneficiaries of a given non-transmission service with the aim of minimising cross-subsidisation between network users within or outside a Member State, or both.

Where according to the national regulatory authority a given non-transmission service benefits all network users, the costs for such service shall be recovered from all network users.

Annex 2: List of abbreviations

Acronym	Definition
ACER	European Union Agency for the Cooperation of Energy Regulators
ENTSOG	European Network of Transmission System Operators for Gas
NRA	National Regulatory Authority
TSO	Transmission System Operator
EC	European Commission
EU	European Union
MS	Member State
NC TAR	Network code on harmonised transmission tariff structures for gas
IP	Interconnection Point
VIP	Virtual Interconnection Point
RPM	Reference Price Methodology
CWD	Capacity Weighted Distance
CAA	Cost Allocation Assessment
RAB	Regulated Asset Base
OPEX	Operational Expenditures
CAPEX	Capital Expenditures
GNI	Gas Networks Ireland
CRU	Commission for Regulation of Utilities