

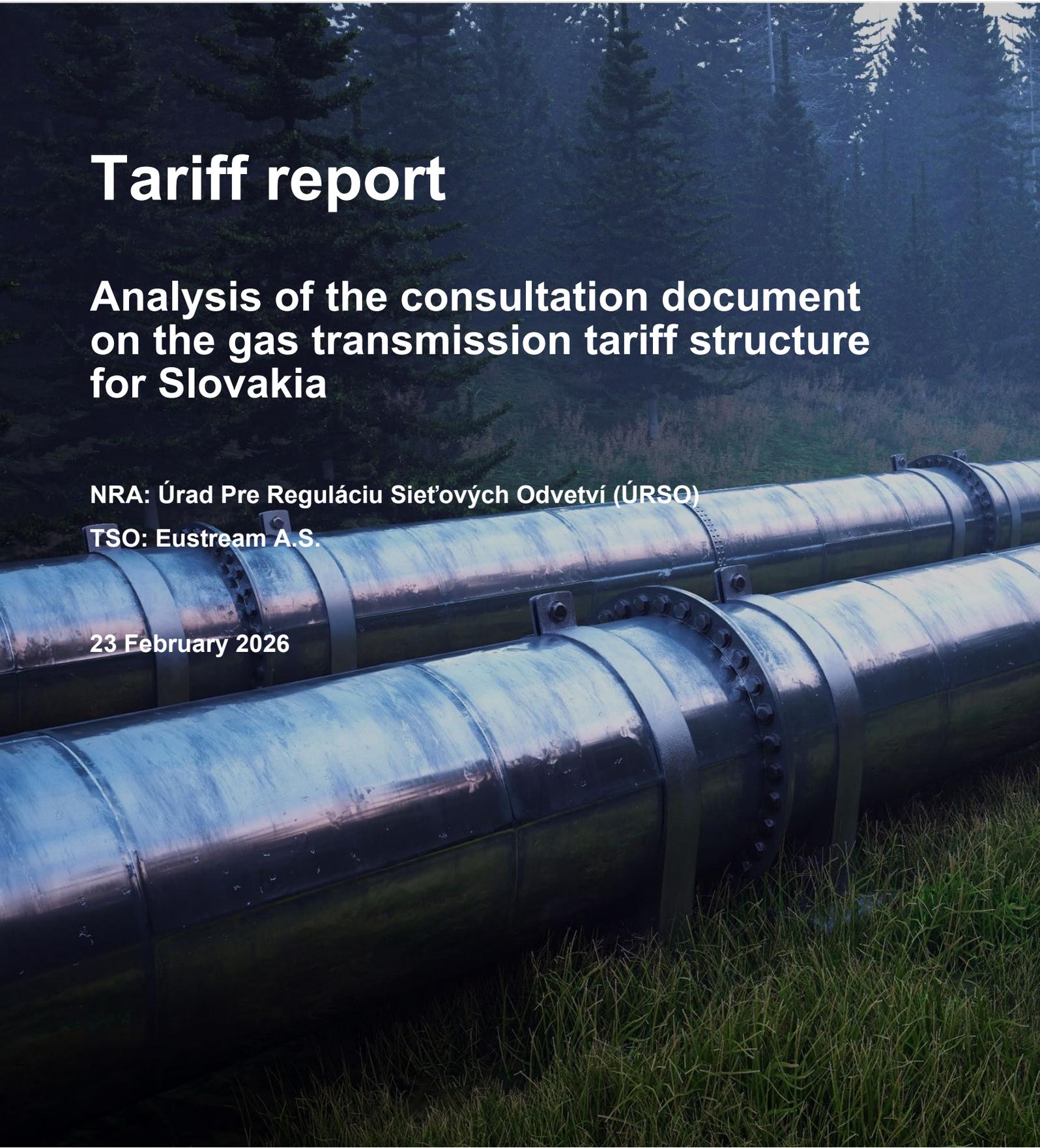
Tariff report

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

NRA: Úrad Pre Reguláciu Siet'ových Odvetví (ÚRSO)

TSO: Eustream A.S.

23 February 2026



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Find us at:

ACER

E press@acer.europa.eu

Trg republike 3

1000 Ljubljana

Slovenia

www.acer.europa.eu



Table of contents

1.	ACER conclusion	4
2.	Introduction	7
3.	Completeness	8
3.1.	Has all the information referred to in Article 26(1) been published?	8
4.	Assessment of the proposed reference price methodology	10
4.1.	Timeline for the application of tariffs.....	10
4.2.	Description of the network	10
4.3.	Scope of application of the reference price methodology	11
4.4.	The proposed RPM.....	12
4.4.1.	Contracted capacity forecast.....	12
4.4.2.	Discounts to storage.....	13
4.4.3.	Benchmarking.....	13
4.4.3.1.	Benchmark applied to IPs and entry and exit points with third countries	14
4.4.3.2.	Benchmark applied to domestic entry and exit points	17
4.4.3.3.	ACER view on the proposed application of benchmarking	17
4.5.	Comparison with the CWD methodology.....	18
4.6.	Cost allocation assessment.....	18
5.	Compliance	20
5.1.	Does the RPM comply with the requirements set out in Article 7?	20
5.1.1.	Transparency.....	20
5.1.2.	Cost-reflectivity	20
5.1.3.	Cross-subsidisation and non-discrimination.....	21
5.1.4.	Volume risk.....	21
5.1.5.	Cross-border trade	22
5.2.	Are the criteria for setting commodity-based transmission tariffs as set out in Article 4(3) met?	22
5.2.1.	Flow-based charge.....	22
5.2.2.	Complementary revenue recovery charge	22
5.3.	Are the criteria for setting non-transmission tariffs as set out in Article 4(4) met?	23
	Annex 1: Legal framework	24
	Annex 2: List of abbreviations	28

1. ACER conclusion

1 The Slovak natural gas transmission system operator ('TSO'), Eustream has carried out a consultation on the reference price methodology ('RPM') for the Slovak transmission network. This is Eustream's third consultation on the reference price methodology since Commission Regulation (EU) 2017/460 ('NC TAR') came into force.

The proposed RPM is a postage stamp methodology complemented by the application of a benchmarking adjustment to both interconnection points (IPs) and domestic points. The proposed methodology is used to calculate tariffs for all system points with a 50-50% ex-ante entry-exit split.

2 The reviewed RPM was proposed to apply from 1 January 2026¹ to 31 December 2027 and indicative tariffs are calculated for this period. The proposed RPM was consulted invoking exceptional circumstances based on Article 12(3)(b) of the NC TAR, the exceptional circumstance being the cessation of Russian gas transit through Ukraine. The previous tariff methodology and the tariff based on it was set to apply from 1 January 2025 to 31 December 2027. The application of the proposed methodology would result in a tariff increase exceeding 70% at all points.

3 For storage facilities connected to the system, Eustream does not propose to apply any discounts, as these points are connected to distribution networks and to neighbouring Member States and can be used to compete with interconnection points.

4 The RPM proposes to apply benchmarking as secondary adjustment. The TSO proposes to benchmark tariffs both at IPs and at domestic exit points, bringing them to a lower level. This intervention is motivated by the goal of keeping tariffs competitive, partially countering the increase of tariffs caused by the end of Russian gas injections transiting from Ukraine. The flows have decreased from 57 bcm to 17.8 bcm between 2020 and 2024, and from 1 January 2025 the transmission of Russian gas injected to the Slovak system from the direction of Ukraine completely halted. The application of the benchmarking can potentially lead to the under-recovery of EUR 248 million, 57% of the (total) TSO's target revenue in 2027. Slovakia applies a price cap regulatory regime, therefore under- or over-recoveries of the target revenue are not reconciliated. In the discussions during the preparation of this report, Eustream stated that the under-recovery only affects the cost of equity (the profit of the TSO) and does not endanger the operation of the system.

5 Eustream proposes two commodity-based transmission tariffs:

- a flow-based charge expressed in-kind, complemented with a shorthaul discount for domestic points, resulting in different effective tariffs for domestic and non-domestic network points,
- and a complementary revenue recovery charge (CRR) applied at domestic entry-exit points contributing the recovery of the costs of the PL-SK interconnector.

6 Eustream does not propose non-transmission tariffs.

7 In line with the provisions of the NC TAR, Eustream carried out a cost allocation assessment ('CAA'), analysing potential cross-subsidisation between domestic and cross-system network users. The assessment resulted in the CAA index reaching a value of 2.99%. The Agency notes that the result is within the 10% threshold laid out under Article 5(6) of the NC TAR and does not need additional justification. Eustream also calculated tariffs in accordance with the capacity-weighted distance ('CWD') methodology. The calculated tariffs significantly differ from the tariffs resulting from the proposed RPM, however in the absence of stable flow patterns and with no bookings forecast for the majority of networks points, the CWD methodology is not a suitable methodology to replace the proposed postage stamp methodology.

¹ As the consultation was started on 7 October 2025, the indicative 1 January 2026 date was not in line with the timeline foreseen by Article 27 of the NC TAR for the Agency's review of RPM proposals. The RPM will be applied following the Slovak NRA's final decision.

8 The Agency appreciates the willingness of both Eustream and the Slovak NRA, Úrad Pre Reguláciu Sieťových Odvetví (ÚRSO) 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.
- The RPM is compliant with the requirement on non-discrimination listed under Article 7 of the NC TAR.
- The Agency, however, cannot conclude that the proposed RPM is compliant with the requirements on transparency, cost-reflectivity, prevention of undue cross-subsidisation, volume-risk and non-distortion to cross-border trade, mainly due to reasons related to the application of benchmarking adjustment.
- The criteria for setting the commodity charge are not met.
 - The flow-based charge is not the same at all exit points, as Eustream proposes a shorthaul discount to the tariffs applied at domestic exit points.
 - The complementary revenue recovery charge is not set for the purpose of managing revenue under- and over-recoveries but to finance the security of supply of the network associated with the Polish-Slovak interconnection.

10 The criteria for setting the non-transmission tariffs are not applicable.

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

- First, the Agency recognises that current transmission capacities largely exceed transported volumes and acknowledges the challenges posed by this mismatch, but believes solutions extend beyond the tariff methodology. Without an effective long-term strategy to address the issue, ad-hoc interventions cannot meaningfully deliver lasting stability; they will perpetuate regulatory uncertainty and tariff swings, making it harder for all stakeholders in the Slovak gas sector to mitigate the negative consequences from the diminished flows.

The Agency recognises that the NC TAR does not provide for non-discriminatory discounts to all network users financed from a TSO's unrecovered profit. It also notes that full recovery of the TSO's target revenue, while in line with the cost-reflectivity required by the TAR NC, would result in prohibitively high tariffs. The Agency therefore recommends exploring measures to mitigate non-compliance with the TAR NC where possible, even if those measures would not fully eliminate it. For example, rather than the proposed benchmarking, which reduces transparency, the TSO could recover only a reduced share of the target revenue through the use of an otherwise compliant tariff methodology. This approach would also result in lower tariffs, while significantly improving transparency, reducing the risk of cross-subsidisation and being less distortive to cross-border trade.

- Second, apply benchmarking in line with the provisions of the NC TAR, only at points with proven pipeline-to-pipeline competition, and in a way that respects the network users' rights to reproduce and forecast the tariffs. The benchmarking adjustment, as proposed by Eustream, would be applied at all network points, including domestic points with no pipeline-to-pipeline competition, would replace all tariffs derived through the postage stamp methodology, and would act as a black box, preventing network users from meaningfully understanding the way tariffs are derived, decreasing cost-reflectivity, distorting cross-border trade and - by setting the tariffs of domestic and non-domestic points differently -, potentially creating undue cross-subsidisation.. The Agency recommends that the NRA follows the steps the Agency recommends described in Sections 4.1.1.5 and 4.1.1.6 of the 2019 ACER Tariff Report on Slovakia².

² [ACER 2019 report on gas tariffs for Slovakia.](#)

- Third, provide more details on how the under-recovery of the target revenue affects the financing of the TSO's costs. Article 19(1) of Regulation 2024/1789 requires that from 5 August 2025 the transparency of the methodologies, parameters and values used to determine allowed or target revenue of transmission system operators shall be ensured by the NRAs through the publication of the information under the scope of Annex I.1. of the same regulation. The data published on Eustream's website has limited granularity and detail, missing required elements such as the RAB per asset type detailed per year until its full depreciation and the cost of capital including the cost of equity and the cost of debt expressed in euro³. Absent the fulfilment of these requirements, network users cannot understand and verify how the under-recovery affects the sustainability of the network's operations. The Agency also stresses the importance of setting the target revenue at a level that reflects the efficiently incurred costs of the TSO, and points to its analysis in paragraphs (82-95) of the 2024 ACER Tariff Report on Slovakia⁴.
- Fourth, consider the temporary adoption of a yearly tariff period and recalculate tariffs yearly. Eustream currently proposes a tariff period lasting between 2026 and 2027. With the high level of uncertainty regarding future gas flows, setting a multi-year tariff period may create false expectations for the network users. To avoid exceptional regulatory interventions in the future, it would be advisable to fall back on the issuance of yearly tariffs to assert greater control over the tariffication of the Slovak system, while working on a long-term strategy for mitigating the effects of the lost flows.
- Fifth, to cease the application of the shorthaul discount for flow-based charges, as it does not comply with Article 4(3)(a)(ii) of the NC TAR requiring that these charges are set at the same level for all entry and exit points, and therefore leads to discrimination between network users. The NC TAR does not allow for the setting or adjustment of commodity-based transmission tariffs outside the methodology adopted in line with the NC TAR.
- Sixth, to calculate the reserve price for yearly capacity products at all points with the RPM. While the TSO proposes to apply the RPM to all points, it states in the consultation document that the reference prices set by the RPM may not serve as reserve prices for standard yearly capacity products at domestic points and points with third countries, as these prices are subject to a methodology based on national legislation. The Agency remarks that Article 3(1) of the NC TAR which defines the reference price as *the price for a capacity product for firm capacity with a duration of one year* is applicable for all network points, including domestic points, therefore the reserve prices for yearly products should not be set outside the RPM.

³ Regulation 2024/1789 – Annex I, 1.4(a) & 1.4.(b).

⁴ [ACER 2024 report on gas tariffs for Slovakia](#).

2. Introduction

- 12 Commission Regulation (EU) 2017/460 of 16 March 2017 establishes a network code on harmonised transmission tariff structures for gas ('NC TAR').
- 13 Article 27 of the NC TAR requires the Agency to analyse the consultation documents on the reference price methodologies for all entry-exit systems⁵. This report presents the analysis of the Agency for the transmission system of Slovakia.
- 14 On 8 October 2025 Eustream forwarded the consultation documents to the Agency. The consultation was launched on 7 October 2025 and remained open until 7 December 2025. On 15 December 2025, the 15 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, ÚRSO, the Slovak NRA, shall take and publish a motivated decision on all the items set out in Article 26(1).

Reading guide

- 15 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 Slovakia. 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.

⁵ With the exception of 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?

- 16 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.
- 17 Article 26(1) of the NC TAR requires that the consultation document should be published in the English language, to the extent possible. In line with this requirement, Eustream also published the document in English simultaneously with the Slovak version.
- 18 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, but the benchmarking methodology is not adequately detailed
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: <ul style="list-style-type: none"> 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 	Mostly published, but the assumptions used for the application of benchmarking are not properly justified.
26(1)(a)(ii)	the value of the proposed adjustments for capacity-based transmission tariffs pursuant to Article 9	Partially. The proposed benchmarking adjustment is not adequately justified.
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
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 <ul style="list-style-type: none"> 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

<p>26(1)(c)(ii) 26(1)(c)(ii)(1) 26(1)(c)(ii)(2) 26(1)(c)(ii)(3) 26(1)(c)(ii)(4)</p>	<p>where non-transmission services provided to network users are proposed:</p> <ul style="list-style-type: none"> • 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 	<p>Not applicable.</p>
<p>26(1)(d)</p>	<p>the indicative information set out in Article 30(2);</p>	<p>Yes</p>
<p>26(1)(e) 26(1)(e)(i) 26(1)(e)(ii) 26(1)(e)(iii) 26(1)(e)(iv)</p>	<p>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:</p> <ul style="list-style-type: none"> • 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 	<p>Not applicable.</p>

4. Assessment of the proposed reference price methodology

19 The present chapter assesses the proposed RPM taking into account the input parameters of the methodology and the cost allocation assessment.

4.1. Timeline for the application of tariffs

20 The consultation document proposes the application of the reference price methodology for two years, from the start of the 1 January 2026 gas-day to end of the 31 December 2037 gas-day, using a single tariff period for the two years.

4.2. Description of the network

21 The Slovak transmission network has a total length of 2,376 km and is based on four to five parallel pipelines between 1200-1400 mm operating at a pressure of 7.35 MPa. The pressure differential needed for the operation of the network is provided by four compressor stations with an aggregated power of almost 422 MW. The most important station is located at Veľké Kapušany at the Slovak-Ukrainian border. Technical capacity at entry points from Ukraine and Poland represent 2,090 GWh or 201 mcm/d. The aggregated transmission capacity of all entry points to the transmission system is approximately 3,838 GWh, or 369 mcm/d. The network additionally provides connections to storage facilities. The network was dimensioned for large transit flows exceeding 90 bcm/year⁶. Figure 1 below provides a representation of the Slovak transmission network.

Figure 1: Representation of the Slovak transmission network from Eustream’s consultation document.

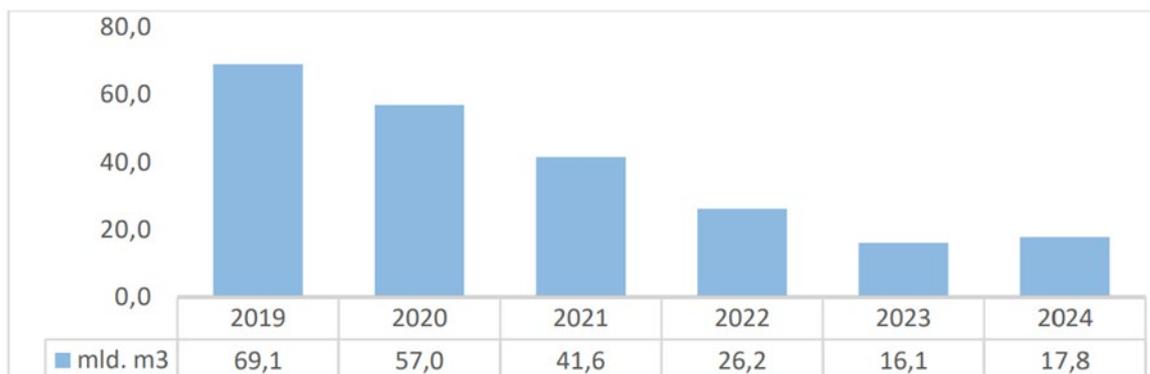


22 The transit flows have decreased over time. In particular, cross-system flows have decreased from 69.1 bcm to 17.8 bcm between 2019 and 2024. This decline is represented in Figure 2

⁶ https://www.eustream.sk/files/en/investors/financial-information/annual-reports/EUS_AR2006.pdf.

below (as the chart shows the changes between 2019 and 2024, it does not include the effects of the end of transit flows in 2025). Domestic consumption was estimated 4.4 bcm in 2024.

Figure 2: Total flows in the Slovak transmission system.



Source: Eustream TYNDP 2026-2035⁷

4.3. Scope of application of the reference price methodology

- 23 The application of the proposed RPM is subject to the use of the option, foreseen under national legislation, for the NRA to set tariffs for domestic exit points and for points with third countries calculated independently from the RPM.
- 24 The TSO proposes in the consultation document to derive tariffs for all points of the network using the proposed RPM, calculating the reference prices and then adjusting them with benchmarking for all points. Despite this, the consultation document indicates that the reserve prices for the firm yearly product for the domestic points and for points with third countries might be different from the derived reference prices.
- 25 The consultation document states on page 25 that *“indicative reference prices for entry/exit point domestic point may not serve as the reserve prices for the standard yearly capacity products. The reserve prices for entry/exit point domestic point are subject to methodology based on the national legislation, which will be valid and applicable in respect to this point.”* Furthermore, on page 21 the consultation document also states that *“Final reference prices for the non-EU interconnection points (entry/exit point domestic point, entry/exit point Veľké Kapušany and entry/exit point Budince), pursuant to the Article 2(1) of TAR NC, may not serve as the reserve prices for the standard yearly capacity products for these points.”*
- 26 The Agency remarks that while Article 2(1) of the NC TAR exempts domestic points and points with third countries from the application of Chapter III of the NC TAR, which governs the determination of reserve prices, multipliers, seasonal factors and discounts, both Chapter II on the reference price methodology and Article 3(1) which defines the reference price as the price for a capacity product for firm capacity with a duration of one year are applicable without such limits for all network points. Therefore, while multipliers, seasonal factors and interruptible discounts may differ for non-IP network points, the reference price shall act as the price of the firm yearly product for these points too. On a separate note, the Agency also reminds the TSO and the NRA that Article 70(2)(d) of Regulation (EU) 2024/1789 extended the scope of all network codes to entry points from and exit points to third countries from 5 August 2026.
- 27 In this context, the possibility foreseen under national legislation for the NRA to set the reserve prices for yearly firm products for domestic exit points and for points with third countries outside the consulted RPM, is not compliant with the NC TAR.

⁷ https://www.eustream.sk/files/sk/transparency/rozvoj-siete/plany-rozvoja-siete/eus_tyndp_2026_2035.pdf.

4.4. The proposed RPM

- 28 The TSO proposes to apply a postage stamp RPM based on an ex-ante 50%/50% entry-exit split, with a benchmarking adjustment applied to all tariffs.
- 29 The TSO proposed to change the tariff methodology with the change coming into effect during the ongoing tariff period, which was set to last from 2025 to 2027, citing exceptional circumstances, invoking Article 12(3)(b) of the NC TAR. This clause indeed allows for the recalculation of the reference price within the tariff period under exceptional circumstances if the non-adjustment of tariff would jeopardise the operation of the TSO. The TSO considers the cessation of transit flows from the direction of Ukraine to be such a circumstance. Eustream did not include in the consultation documents a proof of its claim, however during the preparation of this report submitted some confidential documents supporting that.
- 30 While the transit contract through Ukraine ended with 1 January 2025, the consultation on the proposal for the modification of the reference price methodology only began months after the annual yearly auction, on 7 October 2025, which provided very little lead time for network users to prepare for the changes and adjust their bookings and portfolios accordingly. During the preparation of this report Eustream argued that the late start of the consultation was justified by continuous attempts during the year to resolve the question of the lost Ukraine transit with a more positive outcome.

4.4.1. Contracted capacity forecast

- 31 In the consultation document, the TSO provides the contracted capacity forecast for each remaining year of the regulatory period. The resulting values are provided in Table 2 below.

Table 1: Forecasted contracted capacity for the Slovak transmission network, 2026-27.

Entry and exit points		2026	2027	AVG
Entries	Lanžhot	56,384	56,384	56,384
	Baumgarten	14,384	14,384	14,384
	Domestic point	0	0	0
	Velké Zlievce	86,301	86,301	86,301
	Velké Kapušany	0	0	0
	Budince	0	0	0
	Výrava	0	0	0
	Total entry	157,068	157,068	157,068
Exits	Total exit	157,068	157,068	157,068
	Lanžhot	0	0	0
	Baumgarten	0	0	0
	Domestic point	128,301	128,301	128,301
	Velké Zlievce	0	0	0
	Velké Kapušany	0	0	0
	Budince	28,767	28,767	28,767
	Výrava	0	0	0

- 32 Compared to the forecasts published in the previous consultation, the decrease of exit IP bookings is clearly visible, however it is almost completely counterbalanced by the increase of the entry IP bookings. In the previous consultation the total of entry and exit bookings forecasted for 2026 was 328,485 MWh/d/y, while the current forecast for 2026 is 314,136 MWh/d/y, which is less than a 10% decrease in the level of the total bookings.
- 33 The Agency also notes that the contracted capacity forecast does not vary over the years, as opposed to the reality. This is particularly relevant as the TSO proposes a single tariff period which is calculated based on the proposed forecasted contracted capacity.
- 34 The Agency recommends that the NRA review the contracted capacity forecast. In the absence of an accurate capacity forecast, the Agency recommends that the NRA adopt a yearly tariff period to recalculate tariffs on a yearly basis. The Agency notes that the current multi-year tariff period already saw a methodology change in 2024, and the current review leads to a second review of the same. Therefore and considering the level of uncertainties surrounding the Slovak gas market, the Agency considers that a more prudent approach would be to apply a single year tariff period, until a long-term strategy is developed to manage today's uncertainties.

4.4.2. Discounts to storage

- 35 Article 9(1) of the NC TAR requires that “a discount of at least 50 % shall be applied to capacity-based transmission tariffs at entry points from and exit points to storage facilities, unless and to the extent a storage facility which is connected to more than one transmission or distribution network is used to compete with an interconnection point”. Eustream clarifies that the storage facilities connected to the transmission network are also connected to distribution networks and to the Austrian transmission network and can be used to compete with the Austrian interconnection point. Based on this, Eustream proposes not to apply discounts to entry points from and exit points to storage facilities.

4.4.3. Benchmarking

- 36 In the consultation document, Eustream proposes to apply a benchmarking adjustment to the reference prices derived using the proposed RPM at both IPs and domestic exit points. Eustream explains the use of this adjustment as a measure to ensure the competitiveness of the Slovak transmission network in view of the increases in tariffs resulting from the decreased transportation of natural gas volumes. The resulting benchmarked tariffs are summarised in [Table 3](#) below.
- 37 The reference prices resulting from the proposed RPM are also in [Table 3](#) below. For the year 2026, the reference price resulting from the proposed RPM is 1,395.1 EUR/MWh/d/y (a 138% increase from the previous value of 584.9 EUR/MWh/d/y). In order to make these prices more competitive, Eustream proposed to benchmark tariffs at IPs down to a level of 620.5 EUR/MWh/d/y (a 70% increase from the previous benchmarked value of 365 EUR/MWh/d/y) and at domestic exit points down to a level of 584.0 EUR/MWh/d/y (a 78% increase from the previous value of 328.5 EUR/MWh/d/y).

Table 3: Reference prices prior and after benchmarking

		Reference prices prior to benchmarking [€/ (MWh/d)/y]	Reference prices after benchmarking [€/ (MWh/d)/y]
Entries	Lanžhot	1,395.1	620.5
	Baumgarten	1,395.1	620.5
	Domestic point	1,395.1	584.0
	Veľké Zlievce	1,395.1	620.5
	Veľké Kapušany	1,395.1	620.5
	Budince	1,395.1	620.5
	Výrava	1,395.1	620.5
Exits	Lanžhot	1,395.1	620.5
	Baumgarten	1,395.1	620.5
	Domestic point	1,395.1	584.0
	Veľké Zlievce	1,395.1	620.5
	Veľké Kapušany	1,395.1	620.5
	Budince	1,395.1	620.5
	Výrava	1,395.1	620.5

4.4.3.1. Benchmark applied to IPs and entry and exit points with third countries

- 38 Article 6(4)(a) defines benchmarking as one of the three allowed adjustments of reference prices, whereby reference prices at a given entry or exit point are adjusted so that the resulting values meet the competitive level of reference prices. The Agency analysed the approaches and practices in Member States regarding benchmarking in its 2020 Implementation monitoring report on the Tariff network code⁸, and concluded in its paragraph (240) that based on the NC TAR and the EC Staff Working Document on Tariffs for Access to the Natural Gas Transmission Networks the Agency supports the application of benchmarking as the adjustment of specific IP tariffs in order to allow the IP to compete with alternative transit routes. The Agency provided detailed guidance in paragraphs (264-269) of the implementation monitoring report, proposing the identification of proven and effective pipeline-to-pipeline competition as the first step, assessing the tariffs as the second step, determining the non-benchmarked tariffs as the third steps, and as the final step, applying the benchmarking only to the relevant IPs affected by pipeline-to-pipeline competition. The methodology proposed by Eustream is not in line with the Agency’s guidelines.
- 39 Eustream proposes the application of benchmarking for all points. The benchmarking methodology applied makes a general reference that Eustream faces competition from other TSOs (like the ones transporting gas to Ukraine), at the same time actual competing routes and relevant TSOs are not identified by the proposed benchmarking and the presence of competition between the routes is not assessed.
- 40 Eustream defines the applicable benchmarking methodology in multiple steps:
- first the selected TSOs entry and exit tariffs are collected for at least two routes for each TSO;
 - those collected tariffs that are not set for 2026 are escalated to a 2026 level by using EU HICP inflation forecasts to provide comparability;
 - for each route the costs of transporting 1 MWh gas for 100 kilometres are calculated, using several sample contracts (a one-year contract and ten-year contracts with different volumes), and minimum and maximum values for each operator are determined. It is not specified in the methodology how the distances for the compared routes are calculated;
 - the average, minimum and maximum of the values are calculated from the average values of all operators;

⁸ [ACER 2020 report on the internal gas market in Europe: The role of transmission tariffs.](#)

- the transmission costs based on the RPM tariffs are compared with these values;
- the RPM-based tariffs may be adjusted so the value falls between the average and the maximum of all operators.

41 This proposed methodology has several flaws which prevent it from being fit for unambiguously and clearly calculating the tariffs. The methodology used makes the understanding, reproduction and forecast of the tariffs impossible for network users and other stakeholders.

- First, it is unclear what TSOs were selected as a comparison group and on what basis. E.g. the consultation document only refers to some of the “German TSOs”, without specifying which TSO were chosen and based on what criteria were they chosen as benchmarks.
- Second, it is unclear how the relevant points of the TSOs are selected and which points were selected.
- Third, it is unclear how the distances between the entry and exit points were calculated, as pipeline segment lengths are generally not publicly available. The methodology does not specify whether it uses straight line distances, shortest pipeline distances, pipeline distances taking into account flow hydraulics, or other.
- Fourth, the methodology does not require the automatic application of benchmarking for any points. According to the phrasing of the methodology, benchmarking “may” be applied, but whether it is actually applied or not is not triggered by some clearly set criteria, it is a discretionary decision by the TSO.
- Fifth, the actual level of the benchmarked tariff is not derived in a clear, deterministic, function-like way. According to the methodology a value is chosen from the interval between the average and the maximum values calculated from the benchmarking group seemingly arbitrarily, without adhering to any objective, publicly known criteria.

42 In the consultation document Eustream reveals the following table listing the TSOs that are part of this benchmarking methodology and the average values derived from this methodology:

Table 4: Supporting information provided by Eustream in the consultation document on the application of the benchmarking adjustment.

2026	
EURcent / 1 MWh transported / 100km	average of the min-max (1y a 10y contract)
SK TSO - after benchmark adjustment	100,0
CZ TSO	25,5
BE TSO	27,4
DK TSO	123,2
NL TSO	158,7
HU TSO	28,0
DE TSO	121,4
DE TSO	53,2
DE TSO	78,8
DE TSO	83,1
DE TSO	47,5
PL TSO	77,8
AT TSO	56,1
IT TSO	49,3
BG TSO	46,3
FR TSO	149,3
SI TSO	115,1
RO TSO	57,2
average, without EUS	76,4
minimum, without EUS	25,5
maximum, without EUS	158,7
SK TSO - before benchmark adjustment	206,1
interval for benchmark	
average	76,4
max	158,7

43 The Agency notes that the TSOs taken into account include such TSOs as Belgium or France that could hardly be considered to be in a direct pipeline-to-pipeline competition with Slovakia, regardless of the criteria one may use to analyse pipeline-to-pipeline competition. The Agency also notes as no further data on the benchmarking is published in the consultation document, it is impossible for stakeholders to validate the methodology.

44 Based on the above arguments, the Agency concludes that the information provided by Eustream does not adequately justify the application of the benchmarking adjustment to IPs and instead the methodology should consider:

- First, to identify the pipelines and network points used for West to East gas transport from Central Europe to Ukraine (both through Slovakia and through competing routes in the region such as Poland or Hungary), as it would be hard to justify that points like the entry point from Ukraine or the exit point to Poland or Austria are affected by any significant pipeline-to-pipeline competition.
- Second, Eustream should justify how the identified networks are relevant for this assessment, and where relevancy is determined, the benchmark values should be related to the cost of transporting gas across specific routes, not the minimum and maximum tariffs across a wide basket of EU networks.
- Third, Eustream should reconsider its approach of lowering the reference prices of all entries and exits, and should take into account the role that different entries and exits

play in supplying different customers and the different extents that they are affected by competition.

4.4.3.2. Benchmark applied to domestic entry and exit points

- 45 Regarding the application of the proposed benchmark to domestic entry and exit points, Eustream proposes to decrease tariffs to an even lower level than other network points. Eustream gives no explanation why the tariff for the domestic entry and exit points are benchmarked to a different level than the tariffs at other points.
- 46 The Agency remarks that the benchmarking adjustment is intended for routes that are in competition. The Agency notes that the Slovak transmission network is not in competition with other networks when supplying domestic end-users. As a result, the Agency does not consider the proposed application of the benchmarking adjustment to domestic entry and exit points compliant with the NC TAR.

4.4.3.3. ACER view on the proposed application of benchmarking

- 47 Overall, the Agency acknowledges the challenge of keeping tariffs competitive in view of the large decreases in flows in the last years in a network that was responsible for very large transit flows. The Agency nevertheless recommends finding means to bring the Slovak tariffication in closer compliance with the NC TAR, reviewing the proposed benchmarking approach and using also additional means to create greater tariff stability.
- 48 The Agency remarks that the proposed application of benchmarking to all points of the network decouples the resulting reference prices at all points of the network from the underlying target revenue of the TSO. In addition, the application of the benchmarking adjustment can potentially lead to revenue under-recovery, potentially amounting to EUR 248 million, based the Agency's calculations. The consultation document does not explain how this potentially missing revenue will be treated.
- 49 The Agency refers to Sections 4.1.1.5 and 4.1.1.6 of the 2019 ACER Report⁹, which proposed four consecutive steps for Eustream to consider when proposing a benchmarking adjustment. The Agency recommends that the NRA follows these steps and/or based on these steps evaluates whether the benchmarking is the most appropriate instrument to be applied.
- 50 As a result of the proposed benchmarking adjustment, benchmarked reference prices at IPs and points with third countries are 55.5% lower than the unadjusted tariffs, while benchmarked reference prices at domestic exit points are 58% lower compared to the reference prices resulting from the postage stamp methodology. This results in a systemic under-recovery of the target revenue.
- 51 The Agency acknowledges that the decrease of cross-system flows in Slovakia results in a situation where unadjusted tariffs could reach a prohibitively high level due to the low utilisation of the system. Based on the discussion with the Slovak TSO the Agency is aware that Eustream intends to decrease the tariffs to a level that only affects the recovery of the costs of equity, and does not endanger the operation of the system. The Agency also recognises that the NC TAR provides no clear solutions for granting universally applied, non-discriminatory discounts to networks users, financed through the under-recovery of the TSO's cost of equity, with the aim of keeping the system's utilisation at a sustainable level.
- 52 Nonetheless, the Agency is of the view that the proposed methodology of applying the benchmarking is not in line with the provisions of the NC TAR. The Agency notes that the development of a long-term strategy for the mitigation of the effects of the mismatch between the now oversized network's capacities and the reduced cross-system flows is needed in order to reduce the pressure to apply benchmarking.

⁹ ACER 2019 report on gas tariffs for Slovakia.

4.5. Comparison with the CWD methodology

53 In the consultation document, Eustream compares the proposed reference prices with those resulting from the CWD methodology. Table 5 below summarises the reference prices resulting from both methodologies.

Table 5: Comparison between the reference prices resulting from the proposed RPM and the CWD methodology.

		Reference prices prior to benchmarking [EUR/(MWh/d)/y]	Reference prices after benchmarking [EUR/(MWh/d)/y]	CWD results [EUR/(MWh/d)/y]	Difference [EUR/(MWh/d)/y]
Entries	Lanžhot	1,395.1	620.5	2,459.8	-1,839.3
	Baumgarten	1,395.1	620.5	2,519.6	-1,899.1
	Domestic point	1,395.1	584.0	N/A	N/A
	Veľké Zlievce	1,395.1	620.5	512.2	108.3
	Veľké Kapušany	1,395.1	620.5	N/A	N/A
	Budince	1,395.1	620.5	N/A	N/A
	Výrava	1,395.1	620.5	N/A	N/A
Exits	Lanžhot	1,395.1	620.5	N/A	N/A
	Baumgarten	1,395.1	620.5	N/A	N/A
	Domestic point	1,395.1	584.0	1,071.7	-487.7
	Veľké Zlievce	1,395.1	620.5	N/A	N/A
	Veľké Kapušany	1,395.1	620.5	N/A	N/A
	Budince	1,395.1	620.5	2,837.5	-2,217.0
	Výrava	1,395.1	620.5	N/A	N/A

Source: Eustream consultation.

54 The Agency notes that there is significant difference between the resulting reference prices of both methodologies. As the CWD tariffs aim for the full recovery of the target revenue, they are generally at a much higher level than the benchmarked tariffs. Due to the absence of forecasted capacity bookings at most network points, Eustream could calculate CWD tariffs only for the minority of its network points. The Agency acknowledges that in the absence of stable flow patterns and capacity booking practices, the CWD methodology is anyways not a suitable methodology to replace the proposed postage stamp methodology.

55 Given the linear topology of the Slovak transmission network, however, the Agency recommends that the NRA or the TSO assess the CWD as a possible methodology to be adopted, once flows across the Slovak transmission network become more stable either in the current or a resized system.

4.6. Cost allocation assessment

56 In the consultation document, Eustream provides the results of the CAA calculation. For this calculation Eustream takes into account the proposed benchmarking adjustment. The result of the CAA is summarised in Table below.

Table 6: CAA results for the proposed reference prices for the period 2026-27.

Assessment	2026	2027
Capacity-based revenues	2.99%	2.99%
Commodity-based revenues	0.00%	0.00%

Source: Eustream consultation document.

- 57 The Agency notes that the result of the CAA for capacity tariffs is within the 10% threshold laid out under Article 5(6) of the NC TAR and does not need additional justification. At the same time, the Agency notes that this calculation for commodity-based revenues does not take into account neither the revenues from the complementary revenue recovery charge, nor the effects of the shorthaul discount for domestic exit points and hence the resulting value does not give a complete picture of the allocation of commodity-based revenues.

5. Compliance

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

58 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 a number of 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

59 **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 without the benchmarking adjustment and the forecasting of reference prices without the benchmarking adjustment.

60 At the same time, the Agency notes that the reference prices at all points of the network are replaced by benchmarked tariffs which are decoupled from the input parameters of the RPM (i.e. target revenue and forecasted contracted capacity). According to the proposed benchmarking methodology the tariffs may be adjusted so that their value would fall within the interval between the average and the maximum of the benchmarked tariffs. This discretionary step in the benchmarking prevents network users both from the reproduction and the forecast of reference prices. The Agency therefore cannot conclude that the proposed reference price methodology fulfils the criteria set out in Article 7(a) of the NC TAR.

5.1.2. Cost-reflectivity

61 **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.

62 The Agency notes that the application of benchmarking to all points of the network, as described in Section 4.4.3.1, ultimately replaces the reference prices derived using the RPM. The final reference prices are not an output of the RPM, but a result of the application of benchmarking. Any link between the target revenue of the TSO which is set based on its regulated costs and the applied tariffs is severed.

63 The Agency notes that the proposed benchmarked tariffs are set at a level lower than they would be if they would have been set based on the target revenue of the TSO. While drafting this report the Agency discussed with Eustream and ÚRSO the proposed methodology. During these discussions Eustream assured the Agency that the under-recovery due to the discounts only affects the recovery of cost of equity, and does not endanger the financing of the operating costs or the repayment of debt. The Agency acknowledges that tariffs set below the cost-reflective level have no short-term negative effects for network users as opposed to tariffs set above the cost-reflective level, and that discounting the tariffs might incentivise the higher utilisation of the network. Nonetheless, Article 17(1) of Regulation 2024/1789 clearly states that tariffs shall correspond to actual costs incurred, provided these costs are at an efficient level, whilst including an appropriate return on investments. Setting the tariffs below cost level, while beneficial for the utilisation of the system and helpful in decreasing the risk of a tariff death spiral, does not fulfil this criterion.

64 Based on these arguments, the Agency cannot conclude that the proposed reference price methodology and the resulting reference prices are compliant with the requirement on cost reflectivity.

5.1.3. Cross-subsidisation and non-discrimination

65 **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). The result for the cost allocation comparison index is 2.99%, which does not need additional justification.

66 As discussed in the section on cost-reflectivity, the proposed benchmarking adjustment effectively replaces the reference prices derived using the proposed RPM.

67 At the same time the Agency notes that the benchmarking adjustment is not exclusively applied for the purpose of incentivising tariffs for points that are in competition with alternative routes. The proposed benchmark reduces the transmission costs across all users of the network. The proposed benchmark also results in lower tariffs for domestic points than for other network points, with no explanation for this difference. Based on the information provided in the consultation document, the Agency cannot assess the impact on cross-subsidisation. The Agency therefore cannot conclude that the proposed reference price methodology and the resulting reference prices are compliant with the requirement on preventing undue cross-subsidisation.

68 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'.

5.1.4. Volume risk

69 **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.

70 The consultation document proposes three instruments to attract flows and limit the costs allocated to domestic exit points:

- First, Eustream proposes the application of a benchmarking adjustment. The Agency notes that the way the benchmarking adjustment is applied is not compliant with the NC TAR.
- Second, Eustream refers to domestic legislation enabling the NRA to set reference prices to domestic exit points outside the RPM. The Agency notes that this approach is not compliant with the NC TAR.
- Third, Eustream proposes to apply a discount on the flow-based charge applicable to domestic exit points. As discussed on Section 5.2.1 below, this approach is not compliant with the NC TAR.

71 Based on the points above, the Agency cannot conclude that the RPM is compliant with the requirement on volume risk.

72 In the view of the Agency, the end of the Ukrainian transit contract created such a realised volume risk for domestic consumers that cannot be meaningfully and sustainably mitigated by ad hoc interventions to the tariff methodology. Any sustainable solution would require a long-term strategy, involving the assessment of potential decommissioning and regional coordination.

5.1.5. Cross-border trade

- 73 **Article 7(e)** of the NC TAR requires that the RPM ensures that the resulting reference prices do not distort cross-border trade.
- 74 The Agency notes that the proposed RPM is complemented by the application of a benchmarking adjustment. This instrument is used to decrease reference prices to levels that are competitive compared to alternative routes. The instrument ensures that the costs allocated to the cross-system use of the network are lower than those resulting from the RPM.
- 75 Based on the conclusion on the requirement on cost-reflectivity, the Agency cannot conclude on the compliance 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?

- 76 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.
- 77 Eustream proposes to apply a flow-based charge and a complementary revenue recovery charge.

5.2.1. Flow-based charge

- 78 Eustream proposes to apply a flow-based charge to entries and exits of the network. The flow-based charge is proposed to be set on the level of 1.7% of transmitted volume (expressed in kind), using a 50/50 entry-exit split, which results in an in-kind flow-based charge of 0.85% at entry points and 0.85% at exit points.
- 79 Eustream proposes an element in the tariff methodology¹⁰ named 'Shorthaul – Domestic', which offers a discount for the flow-based charge set at domestic exit points. The Agency notes that such discount is not compliant with Article 4(3)(a)(ii) of the NC TAR, which requires that the flow-based charge is the same at all entry points and the same at all exit points. Table below summarises the compliance requirements applicable to the proposed flow-based charge.

Table 7: 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.	No
expressed in monetary terms or in kind	Yes

5.2.2. Complementary revenue recovery charge

- 80 The CRRC has been set based on the decision of ÚRSO No. 0001/2016/P-ST of 7 November 2016, for the provision of regulatory incentives for the project of the Polish-Slovak Interconnection. According to the approved methodology and based on the price decision of ÚRSO No. 0100/2017/P of 17 August 2017, the CRRC is used as a tariff set to domestic exit points, at the level of 0.08 EUR/MWh, for the purpose of increasing the level of security of supply of the Slovak transmission network. The fee was set in 2016 and through the harmonised index

¹⁰ In the consultation document Eustream refers to the Shorthaul – Domestic as a service, however it is not classified in the tariff methodology either as a transmission service, nor as a non-transmission service.

of consumer prices (HICP) inflation index of EU countries published by Eurostat is escalated on a yearly basis.

- 81 The amount of the provided incentives is determined yearly, as the difference between the average of total yearly planned revenues of the project and the actual yearly incomes coming from the sale of the transmission capacities at the planned IP Vyrava at the Polish-Slovak border.
- 82 The proposed CRRC does not meet the criteria set in Article 4(3) of the NC TAR. The Agency understands that the CRRC is to be applied at domestic points if capacity bookings at the Vyrava IP (the one related to the Polish-Slovak interconnector) and the associated revenue fall below a certain threshold¹¹. The TSO is concerned, as it will not recover the cost of this pipeline if insufficient capacity is booked. The Agency understands Eustream’s concerns and does not question the importance of the project nor the need for incentives to cover it.
- 83 The proposed CRRC is not compliant with the NC TAR. Should the costs of the incentives for the project of the Polish-Slovak Interconnection be caused by capacity and distance, these should be allocated using the RPM, as required by Article 4(1) of the NC TAR. The application of a CRRC requires meeting the criteria under Article 4(3)(b) of the NC TAR, summarised in [Table 8](#) below.

Table 8: Criteria Article 4(3)(b) of the NC TAR

Criteria	Yes/No?
levied for the purpose of managing revenue under- and over-recovery	No, it is stated that the revenue recovery charge is used as the fee for increasing security of supply
calculated on the basis of forecasted or historical capacity allocations and flows, or both	Yes.
applied at points other than interconnection points	Yes
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	Unable to assess based on the ÚRSO decision.

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

- 84 The consultation document does not propose the use of non-transmission tariffs.

¹¹ Decision of ÚRSO No. 0001/2016/P-ST from 7th November 2016.

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
Eustream	Eustream A.S.
ÚRSO	Úrad Pre Reguláciu Sieťových Odvetví