

E-Control
Rudolfsplatz 13a
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EFET¹ preliminary comments on the 2020 reference price methodology currently under consultation by E-Control

EFET welcomes the recent publication and consultation on the *Implementation of the network code on harmonised transmission tariff structures for gas* in Austria. In particular, we appreciate that the consultation document was provided in English. While we are considering a possible response to the full consultation by the closing date of 8 January 2020, we wish to make some preliminary remarks, that you may consider whether it is possible to provide additional clarification before the end of the consultation period.

First, our members have expressed concern over the reliability of the indicative tariff levels prior to any decision on the allowed revenue. This is also taken in the light of the previous tariff consultation which was withdrawn as it was based on outdated values. The ability to predict with some accuracy the expected levels of the tariffs is of key importance, and it is more difficult to comment on methodologies in abstract only. It is therefore of great importance that revised values are published as soon as the decision on TSO revenues is taken, that there may be greater confidence in the indicative numbers.

On a broader point, we note that the terms of the tariff methodology are not yet as transparent as we would wish and have not improved significantly since the original consultation. As an example, the fuel gas price used for calculations is still withheld as being confidential, even though E-Control has signalled previously that this price contributes significantly to the envisaged tariff levels.

EFET believes that the new tariff methodology should be explained in more detail, especially to improve understanding of why the new transmission costs are not significantly lower than those originally proposed in February. The methodology could elaborate further on the booking level forecasts and the calculated multipliers. Ultimately, a central aim of NC TAR is to allow system users to replicate the tariff calculations and use the model to anticipate changes in the future. The consulted document and the tariff model made available do not provide the necessary information to do that.

We further note that despite that E-Control had nearly a year to readjust the consultation document, most of our comments from the previous consultation round have not been implemented and remain relevant², though it is not clear whether E-Control has rejected our suggestions or are still considering them for future implementation. While we understand the importance of early publication of a new tariff so that it can be approved

¹ The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and a competitive economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.

² Please refer back to our [consultation response](#) from 26th March 2019

ahead of the yearly capacity auctions, we encourage E-Control to provide information that helps network users better to understand the methodology behind the tariffs that they must pay.

On the basis of the above we question the compatibility of the Austrian rules on setting tariffs and TSOs' allowed revenues with article 13 of Regulation 715/2009 which states that *tariffs, or the methodologies used to calculate them, applied by the transmission system operators and approved by the regulatory authorities [...] 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, and, where appropriate, taking account of the benchmarking of tariffs by the regulatory authorities.*

We remain at your disposal should you wish to discuss these matters further.

Kind Regards,
On behalf of EFET TF CSEE-G



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Chairman of EFET TF CSEE-G