



## **FG Tariffs - GLE remarks -**

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## Pricing and revenue recovery (I)

### **Too many risks for TSOs at cross border points:**

- Too much support given to short term booking (<1year), with multipliers equal or lower than 1
- Substantial economic risk shifted to TSOs: problem of revenue recovery
  - Huge risk that network users pay too little or even nothing, risk of free riders attitude (see UK, GER)
  - Costs not covered in year n will have to be re-covered in year n+1
  - Necessary price increases to recover revenues will pile up from year to year
  - Huge difficulties for TSOs to recover their costs
  - Huge risks that costs not earned cross border will ultimately be borne downstream



## Pricing and revenue recovery (II)

**The effects are detrimental**

- TSOs have just one way to reduce their risks:

**AVOIDING INVESTING!**

**• Potential consequences:**

- Degradation in security of supply,
- Less market integration, IEM objective unattained



## Pricing and revenue recovery (III)

**GIE requests the following:**

- Multipliers to be always over 1
- Maximum multiplier to be above 1.5
- Multipliers reflecting the risk: the shorter the booking, the higher the multiplier
- Multipliers to be flexible from one year to another, in order to adapt to the changing environment



## Storage

### **GIE encourages ACER to continue the chosen path**

- Methodology should be developed with the involvement of storage operators and should be based on the principle of cost reflectivity
- Methodology should take into account the fact that storage users have already entered the market area
- The tariff methodology should be based on the costs resulting from the transmission service rendered at the transmission-storage point
- The role of gas storages in the functioning of the internal market should be taken into account