



FG Tariff Structures for Gas

- GIE position -

Madrid Forum XXIV, 16 October 2013



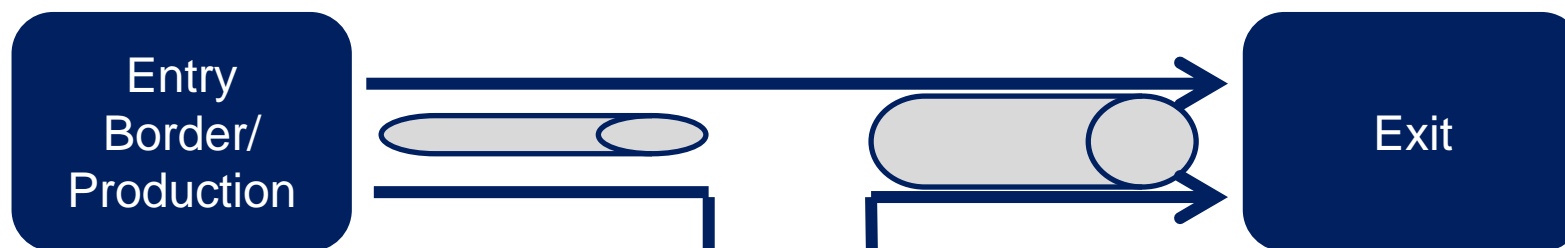
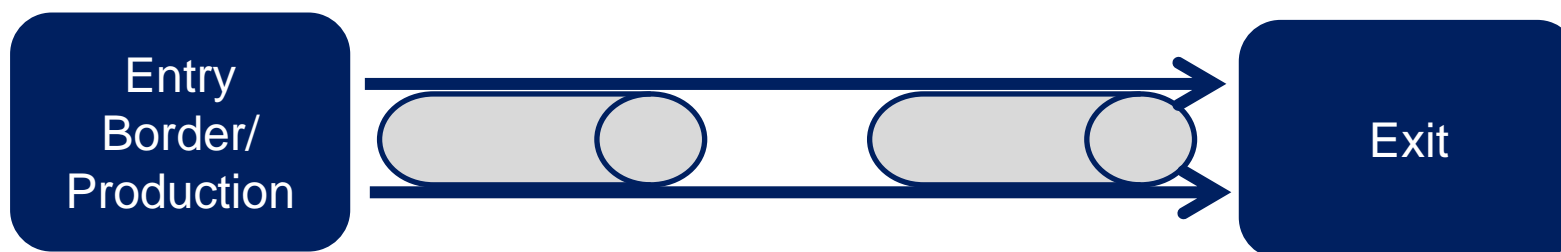
Remarks on cost allocation

- GIE appreciates that the current FG gives more freedom to NRAs to determine the Entry/Exit split
- GIE agrees with the different cost allocation methodologies which are proposed by the current FG
- But detailed guidance on the use of specific cost allocation method should be removed (not sufficiently flexible, and in the case of postage stamp methodology, not appropriate)
- Secondary adjustments might be needed, but
 - Methodology used should be clear
 - General principles of Regulation (EC) No 715/2009 should be respected
- Mitigating measures should be applied by NRAs on a case-by-case basis

- Advantage given to the short term is still a concern for TSOs
 - Problem of revenue recovery
 - Threat on investments

- No need for further transparency and information requirements in Tariff FG
 - There are a lot of existing or upcoming obligations for TSOs
 - Commercial interests and the sensitive data of the TSO and the network users should be protected
 - Regulatory control of TSOs protecting the consumers

Networks without Storage vs. Networks with Storage



Storage users have paid entry fee to transmission network and will pay upon exit therefrom

Storage can contribute to overall system efficiency via saved investments and lower OPEX



Incremental Capacity

- GIE is in favour of an economic test
- But GIE sees huge uncertainty for all market participants
- Infrastructure operators will invest only if there is sufficient demand and predictable regulation
- Concerns relating to the “f” factor :
 - Who shall bear the part of investments not covered by users’ commitments (1-f)? Non viable projects with positive externalities should be tackled in the Infrastructure package
 - The “f” factor should be high enough to avoid economically non-viable investments and should be set in accordance with CAM
- Allocation of capacity should be a transparent process and not a complex process



Thank you for your attention.

GIE - Gas Infrastructure Europe
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