

# Decision

(B)656G/40  
7 May 2019

Decision on the amended tariff proposal of Fluxys Belgium SA for transmission tariffs for 2020-2023, as well as on the discounts, multipliers and seasonal factors applicable to the tariffs of the natural gas transmission network of Fluxys Belgium SA for the period 2020-2023

Articles 15/5bis, § 7 and 15/14, § 2, paragraph 2, 9°bis, of the law of 12 April 1965 on the transport of gaseous and other products by pipeline, *in conjunction with* Articles 27, §4 and 28, §1, *in fine*, of Regulation (EU) 2017/460 of the European Commission of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas

Non-confidential version

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# INTRODUCTION

The COMMISSION FOR THE REGULATION OF ELECTRICITY AND GAS (CREG) examines below the amended tariff proposal of 16 April 2019 of Fluxys Belgium SA relating to transmission tariffs for 2020-2023 (hereinafter: "the amended tariff proposal"). The CREG also follows on from its draft decision of 4 October 2018 on discounts, multipliers and seasonal factors applicable to the tariffs of the natural gas transmission network of Fluxys Belgium SA for the period 2020-2023.

In addition to the introduction and glossary, the present decision is divided into five parts. The legal framework is presented in the first part. In the second part, the background, including the procedures for consultation, are presented. The third part contains an analysis of the amended tariff proposal. A general reservation is formulated in the fourth part. The fifth part contains the actual decision.

The Executive Committee of the CREG approved the present decision at its meeting of 7 May 2019.

## GLOSSARY

'**CREG**': the Commission for the Regulation of Electricity and Gas as laid down in Article 23 of the Law of 29 April 1999 on the organisation of the electricity market.

'**Directive 2009/73**': Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.

'**Fluxys Belgium**': the public limited company (SA) Fluxys Belgium, which was appointed as natural gas transmission system operator and natural gas storage facility operator by ministerial decrees of 23 February 2010.

'**Gas Law**': the law of 12 April 1965 on the transport of gaseous and other products by pipeline, as last amended by the law of 31 July 2017.

'**Tariff methodology**': Decision (Z)1110/11 laying down the tariff methodology for the natural gas transmission network, natural gas storage facility and LNG facility for the 2020-2023 regulatory period, as adopted by the Executive Committee of the CREG on 28 June 2018.

'**Regulation 715/2009**': Regulation 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005.

'**Regulation 2017/460**': Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas.

# 1. LEGAL FRAMEWORK

1. Article 15/5 of the Gas Law provides that access to the natural gas transmission network is based on the tariffs approved by the CREG.

2. Article 15/5bis, § 2, of the Gas Law provides that the CREG shall set out the tariff methodology to be applied by the operators for establishing their amended tariff proposal, in consultation with these operators, and following a procedure determined by mutual agreement, failing which the Gas Law sets out a minimum consultation procedure to be respected.

3. Inter alia, Article 15/5bis, § 8, of the Gas Law provides that (translation):

*"The procedure for submitting tariff proposals and having them approved shall be agreed between the Commission and the natural gas transmission system operator, the natural gas storage facility operator and the LNG facility operator."*

4. For these two purposes, on 24 January 2018, the CREG and Fluxys Belgium concluded an agreement on the procedures for adopting the tariff methodology for the management of the natural gas transmission network, the management of natural gas storage facilities and the management of LNG facilities, and for approving tariff proposals and amending tariffs.

5. Finally, on 28 June 2018, the CREG adopted its tariff methodology, which came into force on 30 June 2018 (art. 45) (see glossary).

6. Article 15/14, § 2, 9°bis, of the Gas Law provides that the CREG exercises the pricing powers referred to in Articles 15/5 to 15/5quinquies and monitors the application of tariffs by transmission companies with regard to their respective networks.

7. Article 15/5bis, § 7, of the Gas Law provides that (translation):

*"The Commission shall examine the tariff proposal, decide whether to approve it and communicate the reasoned decision to the operator in accordance with the procedure for submitting tariffs and having them approved".*

8. Alternatively, it should be noted that Regulation 715/2009 contains certain provisions regarding tariffs. Firstly, Article 13 of this Regulation contains substantive rules on tariffs for access to the transmission system; in particular, it specifies that they must reflect the actual costs incurred, insofar as they correspond to those of an efficient system operator. Secondly, Article 24 of the same Regulation provides that the regulatory authorities shall ensure compliance with this Regulation when exercising their responsibilities.

9. Said Regulation therefore constitutes an alternative basis enabling the CREG to rule on the request of Fluxys Belgium.

10. In addition, Article 27, §4, of Regulation 2017/460 provides that the CREG shall take and publish a reasoned decision on all the elements set out in Article 26, §1, of said Regulation. Pursuant to Article 28, §1, of this Regulation, the CREG must also take a reasoned decision on the following elements:

- a) the level of multipliers;
- b) if applicable, the level of seasonal factors and the calculations set out in Article 15;
- c) the levels of discounts set out in Articles 9(2) and 16.

11. The above-mentioned articles of the Gas Law and Regulation 2017/460 therefore constitute the legal basis for the present decision.

## 2. BACKGROUND

### 2.1. GENERALITIES

12. On 21 December 2018, the CREG received a letter from Fluxys Belgium containing a tariff proposal for the tariffs to use the natural gas transmission network for the regulatory period covering the years 2020 to 2023. Regulation 2017/460 only sets out the timetable for transmission tariffs; however, the storage tariffs in Loenhout and those for LNG terminalling in Zeebrugge follow the timetable of Belgian law.

13. On 4 February 2019, the CREG requested additional information by letter.

14. Fluxys Belgium replied to this request by letter dated 18 February 2019.

15. In addition, various e-mails were exchanged between staff of the CREG and Fluxys Belgium regarding ad hoc issues.

16. On 28 March 2019, the CREG rejected Fluxys Belgium's tariff proposal, inviting it to submit an adapted proposal, incorporating the corrections and remarks imposed by the CREG in its draft decision (hereinafter: 'the draft decision of 28 March 2019').

17. On 16 April 2019, the CREG received a letter from Fluxys Belgium containing an amended tariff proposal for the tariffs to use the natural gas transmission network for the regulatory period covering the years 2020 to 2023.

### 2.2. CONSULTATION

18. Regarding the amended tariff proposal, the Executive Committee of the CREG decided, pursuant to Article 23, §1 of its Procedural Rules, not to organise a consultation pursuant to Article 33, §4 of its Procedural Rules, for the following reasons:

- a) between 8 October 2018 and 7 December 2018, Fluxys Belgium organised a public consultation<sup>1</sup> pursuant to Article 26 of Regulation 2017/460, the report of which is attached;
- b) on 21 December 2018 Fluxys Belgium submitted its tariff proposal to the CREG, to which the *stakeholders'* reactions to the consultation and its consultation report were attached (see Annex 1 to the present decision).

19. With regard to the discounts, multipliers and seasonal factors applicable to the tariffs of Fluxys Belgium's natural gas transmission network for the period 2020-2023, the CREG committee decided, pursuant to Article 23 §1 of its Procedural Rules, to organise a public consultation on the basis of a draft decision published on its website, from 8 October 2018 to 7 December 2018. As required by

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<sup>1</sup> <https://www.fluxys.com/en/products-services/empowering-you/customer-interactions/fluxys-belgium-market-consultation-30>

Article 28, §1, of Regulation 2017/460, at the same time the CREG consulted the national regulatory authorities of all directly connected Member States.

20. The CREG received a reaction from the British regulator Ofgem, as well as three reactions from affected parties, including FEBEG, Febeliec and ENI (see Annex 2 to the present decision).

21. Ofgem and Febeliec replied that they had no specific remarks. Nevertheless, the latter invited the CREG to analyse the impact on market access and market functioning during and after the regulatory period.

22. FEBEG proposed adjusting the *ex ante* discount applicable to the reserve price of interruptible capacity products, which the CREG had proposed to set at 10% in accordance with the formula ( $D_{i,ex\ ante} = Pro \times A \times 100\%$ ) set out in Article 16(2) of Regulation 2017/460, on the basis of a probability of interruption of 10% and an adjustment factor equal to 1 to reflect the estimated economic value of the type of interruptible capacity product.

23. FEBEG argued that Belgian capacity is generally used for arbitrage. This means that these capacities are generally interrupted when their value is at its highest: when the price difference between hubs is high, all competing fixed capacities in a certain direction will be fully used, leaving little room for interruptible capacities. This means that shippers must cover themselves or plan alternative routes to handle sudden interruptions. As a result, the loss of value due to a risk of interruption is higher than the probability of interruption. This is precisely the reason why the adjustment factor was incorporated. As such, FEBEG proposed reviewing the adaptation factor (A), and to set it at a level higher than 1.

The CREG therefore decided to keep the discount at 20%, based on an adaptation factor of 2 and a probability of interruption of 10%. In effect, calculating the probability of interruption entails uncertainty which is reflected in the discount.

24. ENI requested a review of the proposed multipliers and seasonal factors, with the aim of maintaining the same average cost for short-term products, which is currently applicable (1.6). In particular, ENI believes that a lower cost for short-term products will be cross-subsidised by long-term bookings and will not send the long-term signals which are essential for network investments. ENI also believes that the multipliers for short-term services should apply to all points in the network, i.e. entry points, domestic exit points and cross-border exit points. Finally, ENI asked us to specify in the final decision whether the seasonal factors also apply to domestic exit points.

25. The CREG can only align the level of multipliers and seasonal factors within the ranges provided for in Article 13 of Regulation 2017/460, in particular within the upper limit of 1.5. The CREG therefore maintains its proposal in this respect. The CREG also confirms that seasonal factors also apply to domestic exit points.

### 3. ANALYSIS OF THE AMENDED TARIFF PROPOSAL

26. Fluxys Belgium submitted the amended tariff proposal, approved by its Management Committee on 4 April 2019, together with the *ex-ante template of the report and a didactic tariff model*.

27. In its amended tariff proposal 2020-2023, Fluxys Belgium provided an overview of the total revenue over four years.

Table 1: overview of total revenue based on Table 1 of the template of the report submitted by Fluxys Belgium

[confidential]

Table 1 of Fluxys Belgium has now been correctly filled in at the request of the CREG in its Draft Decision of 28 March 2019.

28. In its Draft Decision of 28 March 2019, the CREG observed that Fluxys Belgium had submitted the tariff proposal in which the amounts of the incentives were listed under the wrong heading, whereas the incentives constitute part of the remuneration according to Article 8 of the tariff methodology (translation):

*"The tariffs generate the total revenue necessary to carry out the regulated activities.*

*The total revenue comprises:*

- 1. the costs of the system operator of the natural gas transmission network, the storage operator and the LNG installation operator, including depreciation and financial charges;*
- 2. the remuneration of the system operator of the natural gas transmission network, the storage operator and the LNG installation operator, including a fair margin for the remuneration of the capital invested in the system, in accordance with Article 15, as well as incentives, after application of Article 22."*

29. The CREG had asked Fluxys Belgium to submit an amended tariff proposal in which the amounts of the incentives were included under the heading 'remuneration of the system operator'. This had indeed been corrected by Fluxys Belgium in its amended Proposal.

30. The depreciation includes amounts for write-downs of €[confidential] per year following divestments of real estate assets. The CREG had requested that these amounts be relisted under the heading 'gains and losses' from non-manageable costs as provided for in the tables of the template of the report. The CREG also proposed adjusting the amounts of capital losses. This had indeed been corrected by Fluxys Belgium in its amended Proposal.

31. The amounts of the 'capital subsidies and untaxed reserves entered into the Profit and Loss' did not correspond to the details of this heading in Table 8 of the template of the report: the amounts of capital subsidies are shown in Table 1 and the amounts of the untaxed reserves entered into the Profit and Loss are not included. The CREG had requested that this heading be increased (by €[confidential] per year) according to the overview of untaxed reserves in Table 8 of the template of the report. This had indeed been corrected by Fluxys Belgium in its amended Proposal.

32. The CREG had observed that Fluxys Belgium used the manageable costs used as a basis for establishing the tariffs for the period corresponding to the 2017 indexed manageable costs minus €4m, €6m, €8m and €10m, respectively for the years 2020, 2021, 2022 and 2023. However, Fluxys Belgium had not taken into account the recoveries of manageable costs which amounted on average to

€[confidential] for the period 2016-2018. In addition, other recoveries were found in the sales each year. These amounts include both recurring and non-recurring items. In Table 2, the CREG provides an overview of the recurring amounts for the years 2016 to 2018.

Table 2: overview of the recoveries of recurring manageable costs

[confidential]

33. The CREG had found that on average, 61% of the recoveries of manageable costs, or €[confidential] were recurring items that needed to be included in the amended tariff proposal.

Other miscellaneous income was on average €[confidential], of which 42% or €[confidential] were recurring items that needed to be included in the amended tariff proposal.

The CREG had asked Fluxys Belgium to include the amounts for recurring items and make the calculation taking into account the indexation used to determine manageable costs. This had indeed been corrected by Fluxys Belgium in its amended Proposal.

34. To calculate the fair margin, Fluxys Belgium provided details of the evolution of the RAB of the transmission activity (excluding working capital requirements) in the template of the report and the additional information summarised by the CREG in Table 3.

Table 3: summary of the evolution of the RAB of the transmission activity (excluding working capital requirements) on the basis of the tariff proposal and additional information

[confidential]

35. [confidential].

The CREG had requested that the 2018 RAB in the tariff proposal be corrected in accordance with the amounts in the 2018 tariff report.

36. In the tariff proposal, divestments of €[confidential] per year are included. In response to the CREG's request for further information regarding the write-downs of €[confidential] relating to the RAB, Fluxys Belgium provided the following information (translation):

*"In line with the most recent tariff proposals, this is an estimated amount of flat-rate divestitures of the historical value of the installations. The various projects are not identified in advance. We assume that there is no divestiture of the capital gain included in this amount. Based on past experience (the average for the last 5 years is €[confidential]), we have not changed the amount which will in any case be corrected with the evolution of actual RAB."*

37. The CREG is aware that the amount of divestitures and capital losses (or capital gains) are estimates but, according to the information based on tariff declarations from previous years, the CREG does not accept this capital loss and amounts of divestments.

38. Table 4 shows an overview of capital losses, based on tariff declarations and averages over 5 and 3 years.

Table 4: overview of capital losses

[confidential]

39. Note that the income from disposals is included in manageable income and for the 2014-2018 period amounts to an average of €[confidential].

40. [confidential]:

Table 5: [confidential]<sup>2</sup>

[confidential]

41. The CREG uses the amounts in Tables 4 and 5 to assess the capital losses of €[confidential] per year of the amended tariff proposal. These capital losses do not correspond to the information from previous years, and the CREG had asked Fluxys Belgium to modify the amounts of capital losses to €[confidential] per year, and to adapt the amounts of divestments to €[confidential]. The CREG asked Fluxys Belgium to adjust these amounts according to the evolution of the actual RAB in the tariff reports.

42. The CREG observed that Fluxys Belgium added working capital requirement (WCR) amounts to the RAB for the years 2020 to 2023 in accordance with Table 6.

Table 6: overview of working capital requirements

[confidential]

43. By comparing with data from previous years, the CREG observed that these amounts may correspond to the WCR amounts at the end of each year, but do not take into account the amounts used in the calculation at the beginning of each year. The CREG asked Fluxys Belgium to halve the working capital requirement amounts and adjust the value of the RAB, fair margin and taxes. This had indeed been corrected by Fluxys Belgium in its amended Proposal.

44. Moreover, like ACER<sup>3</sup>, the CREG noted during the market consultation for Fluxys Belgium that the information relating to the following non-transmission services was incomplete:

- a) the tariff methodology applicable to non-transmission services;
- b) the manner in which the revenue from non-transmission services is reconciled, as referred to in Article 17(3) of Regulation 2017/460;

45. The CREG confirms that services may be qualified as non-transmission services because they do not include distance and capacity as cost factors. These costs are therefore not found in regulated transmission tariffs, but in a specific tariff paid by users of these services. The tariff methodology, in accordance with Article 26(1)(c)(ii) of Regulation 2017/460, consists in separately determining a set of costs for each of these services. These sets of costs, which therefore correspond to the revenues authorised for these services, are then divided by the quantities of projected services that Fluxys Belgium plans to sell, based on sales in previous years. These non-transmission services generate around €60 million per year, representing around 20% of Fluxys Belgium's total allowed revenue. In order of importance, the following are the allowed revenues for non-transmission services:

- pressure reduction service: €M [confidential]
- odourisation for distribution: €M [confidential]
- H/L gas quality conversion: €M [confidential]
- fibre optic cables: €M [confidential]

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<sup>2</sup> Source: CREG report based on the bonus/penalty reports of Fluxys Belgium

<sup>3</sup> Agency Report – Analysis of the Consultation Document on the Gas Transmission Tariff Structure for Belgium, [http://www.acer.europa.eu/Official\\_documents/Acts\\_of\\_the\\_Agency/Publication/Agency%20report%20-%20analysis%20of%20the%20consultation%20document%20for%20Belgium.pdf](http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/Agency%20report%20-%20analysis%20of%20the%20consultation%20document%20for%20Belgium.pdf)

- Zee platform: €M [confidential]
- Hub services: €M [confidential]

46. In addition, the CREG checked that the revenues from non-transmission services are recovered by the tariffs applicable to these non-transmission services. These tariffs must meet the following criteria: (a) they must be cost-reflective, non-discriminatory, objective and transparent; (b) they must be 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.

47. The CREG observed that the cost allocation assessment was done in accordance with the methodology laid down in Regulation 2017/460 and that the results of the degree of cross-subsidisation remain below the maximum thresholds determined by the Regulation in its Article 5. The figures come from the tariff proposal which uses the 'Capacity Weighted Distance' model which, in essence, takes into account entry and exit capacities as well as distances.

Table 7: Cost allocation assessment, **without conditional services**

<b>Cross-subsidiation calculation</b>		
sum Dom revenues Entry		27.427.064
sum Dom revenues Exit		79.366.200
sum Dom costs driver Entry		4.996.791.283
sum Dom costs driver Exit		9.875.886.765
<b>Dom ratio</b>		<b>0,72%</b>
sum Cross-B revenues Entry		42.525.833
sum Cross-B revenues Exit		62.659.380
sum Cross-B costs driver Entry		7.747.555.806
sum Cross-B costs driver Exit		7.796.983.382
<b>Cross-Border ratio</b>		<b>0,68%</b>
<b>Cross-subsidiation ratio</b>		<b>5,93%</b>

Table 8: Cost allocation assessment, including conditional services

	2020	2021	2022	2023	TOTAL in €
sum Dom revenues Entry	28.799.841	30.367.859	30.378.133	31.216.885	120.762.719
sum Dom revenues Exit	77.813.070	78.658.203	79.615.213	80.602.560	316.689.045
sum Dom costs driver Entry	5.054.642.225	5.467.457.254	5.379.849.949	5.407.048.605	
sum Dom costs driver Exit	9.948.281.292	9.897.962.894	9.850.922.673	9.806.380.250	
<b>Dom ratio</b>	<b>0,7106%</b>	<b>0,71%</b>	<b>0,72%</b>	<b>0,74%</b>	
sum Cross-B revenues Entry	48.072.980	45.097.500	46.887.880	45.233.453	185.291.813
sum Cross-B revenues Exit	79.287.033	75.774.408	76.831.228	72.689.770	304.582.439
sum Cross-B costs driver Entry	8.661.574.753	7.822.123.912	7.939.452.933	7.517.363.468	
sum Cross-B costs driver Exit	9.281.704.534	8.668.171.501	8.571.432.470	8.005.614.842	
<b>Cross-Border ratio</b>	<b>0,7098%</b>	<b>0,73%</b>	<b>0,75%</b>	<b>0,76%</b>	
<b>Cross-subsidiation ratio</b>	<b>0,12%</b>	<b>3,25%</b>	<b>3,69%</b>	<b>3,30%</b>	<b>927.326.016</b>
				<b>2,59%</b>	

48. The tariff reductions on transmission tariffs, for entry and exit points to storage, conditional products and other services are an integral part of these calculations. For example, reductions on OCUC (Operational Capacity Usage Commitment) services, which are considered a conditional capacity service, are included in the cross-border figures and do not have the effect of increasing the results of the comparison indices beyond the level permitted by Regulation 2017/460. On the contrary, the degree of cross-subsidisation is 5.93% without the inclusion of conditional products, and it is 2.59% with the inclusion of conditional products. More specifically, the calculation of the assessment of the allocation includes the total amount of allowed revenue for transmission services over the four years, for a total of €927 million.

The calculation of the tariffs for conditional services is explained in Annex 2.

Table 9: Allowed revenue for transmission services

	2020	2021	2022	2023
<b>Total allowed revenue Transmission</b>	<b>927.397.178</b>			
<b>Allowed revenue Transmission</b>	€ 233.363.912	233.450.289	229.324.797	231.258.180
	€			
<b>Allowed revenue TRM - OCUC</b>	€ 20.901.210	20.503.354	19.833.724	18.074.749
<b>Allowed revenue TRM - Entry/Exit</b>	€ 212.462.703	212.946.935	209.491.074	213.183.431
	€			
<b>Allowed revenue - TRM - Entry</b>	€ 70.112.692	70.272.489	69.132.054	70.350.532
<b>Allowed revenue - TRM - Exit</b>	€ 142.350.011	142.674.447	140.359.019	142.832.899

49. Wheelings and OCUCs are operational agreements between the network user and the TSO, as part of the proactive management of congestion as provided for in the Code of Conduct<sup>4</sup> approved by the CREG. These services consist of a commitment for the combined use of an entry service at one interconnection point with an exit service at another interconnection point, with the aim of avoiding possible congestion in the transmission network. These services do not provide access to the market-based Balancing Regime or the notional trading services of the ZTP.

50. The advantage of OCUC services is that they can offer additional transmission capacity, albeit conditional, without heavy and costly investment. In the case of the link between the Dunkirk Terminal in France and the Zeebrugge hub, the OCUC solved another problem, that of odourised gas in France. In effect, France odourises natural gas as soon as it is injected into the transmission system. As a result, this natural gas cannot in principle be 'physically' transmitted from France to Belgium. However, there is an exception to this rule, proposed by the Alveringem interconnection point. Via this interconnection point, natural gas can be injected into the transmission system of Fluxys Belgium from France, provided that a sufficient quantity of non-odourised natural gas is introduced via the Franpipe (Pitgam) and/or the LNG terminal (Dunkirk). This capacity therefore depends on the availability of non-odourised natural gas in France. This particular situation in France explains the conditional nature of the entry at Alveringem, and is therefore the basis of the OCUC.

51. Wheelings are combinations of entry points with exit points characterised by an extremely short distance.

52. Like ACER, the CREG observed that the cross-subsidisation ratio for 2020, although acceptable, is very different from that of the following years. The reason for this is the following: the 2020 tariffs are calculated to cover the allowed revenues over the 2020-2023 period by taking into account an annual indexation of the tariffs from 2020 onward to the rest of the 2021-2023 period ("levelling"). If the assumptions for contracted capacity do not all evolve in the same way from one year to the next (for example as a result of evolutions in exit capacity at interconnection points which are different from those at domestic exit points), there may be evolutions in cross-border revenues from one year to the next that are different from evolutions in domestic revenues between these years. The cross-subsidisation ratio is calculated each year on the basis of the revenues obtained by multiplying the assumed sales by the tariffs after levelling, and therefore takes these effects into account. In view of these elements, it is preferable to refer to the average degree over the period 2020-2023.

53. In the specific case of the evolution of the cross-subsidisation ratio between 2020 and 2021, with the assumptions of contracted cross-border capacity decreasing more between 2020 and 2021 than between the following years, the tariff being identical to the indexation and the entry capacities being contracted according to the '1 to 1 rule' for cross-border services and the balance for domestic needs in accordance with Regulation 2017/460, cross-border revenues are higher than in the following years even after taking into account the indexation of tariffs and the evolution of the costs to be recovered by transmission tariffs.

54. Like ACER, the CREG observed that information regarding the difference in the level of transmission tariffs for the current and future tariff periods is missing in the market consultation document. However, the CREG highlights the fact that Fluxys Belgium had published a table containing the tariff evolutions between 2019 (current period) and 2020 (new period). These evolutions are only slightly influenced by the attribution to the regulatory account of approximately €300 million over the new period, given that there was a €250 million attribution from the regulatory account in the current period. Below is a comparative table following the amended Proposal:

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<sup>4</sup> Article 10, §2, second point of the Royal Decree of 23 December 2010 on the code of conduct regarding access to the natural gas transmission networks, the natural gas storage facility and the LNG facility and amending the Royal Decree of 12 June 2001 on general conditions for the supply of natural gas and the conditions for granting natural gas supply authorisations.

Table 10: comparison of the tariffs between the two periods

Capacity tariffs 2020			
		€/kWh/h/y vs 2019 inflated	
Entry	H	0,772	0,8%
	L	0,857	-3,1%
Exit Dom	H	1,048	-5,4%
	L	1,163	-8,9%
Exit IP	Virtualys	1,264	-25%
	Zeebrugge	0,784	-74%
	Zelzate 1/2	0,942	-53%
	Eynatten 1/2	1,463	-52%
	Blaregnies L	1,398	-18%
OCUC	Virtualys -> Zeebr	1,167	-21%
	Zelzate -> Zeebr	1,015	-10%
	Zeebr -> Zelzate	1,015	-10%
Wheelings	Zelzate 1/2	0,429	23%
	Eynatten 1/2	0,559	60%

55. The differences between the 2019 and 2020 tariffs primarily result from the following elements: the tariff methodology for 2020-2023 as set by the CREG on 28 June 2018, the use of the regulatory account and the implementation of Regulation 2017/460. The effects of the tariff methodology and the use of the regulatory account result in proportional evolutions in all 2020 tariffs compared to those for 2019. Without the use of the regulatory account, the 2020-2023 tariffs would be 23% higher than the proposed tariffs. These first 2 elements do not therefore change the tariffs in relation to each other. The implementation of Regulation 2017/460 has resulted in a revision of the reference price methodology (RPM). For the 2020-2023 tariffs, Fluxys Belgium uses capacity weighted distance (CWD) reference price methodology, as provided for in Regulation 2017/460, in order to comply with the principles of Article 7 of Regulation 2017/460, namely to accurately reflect costs in tariffs and ensure non-discrimination between users. This method is based on the cost factors of the forecasted contracted capacity and the distance. This method is perfectly adapted to an interconnected entry/exit model like that of Fluxys Belgium. The evolutions in tariffs relative to each other between 2019 and 2020-2023 are primarily explained by the fact that the method used to define the 2019 tariffs is based on the longest distance between the entry point and the exit point, while the CWD method as used for the 2020-2023 tariffs considers the entry/exit model in its entirety and takes into account the fact that any entry point can supply all exit points and vice versa. It therefore has the advantage of being aligned with the capacity-based model in an entry/exit system as provided for in Regulation 715/2009.

56. In effect, in the CWD method, the costs associated with an entry (exit) point are based on the distances from that entry (exit) point to all exit (entry) points weighted by the forecasted contracted capacities. The tariff for an exit point therefore no longer reflects the costs associated with the longest distance from the entry point historically associated with it, but the costs associated with all combinations of entry points weighted by their forecasted contracted capacities.

57. Fluxys Belgium uses the CWD method from Regulation 2017/460, which assigns a cost allocation weighting based on the capacity weighted distance (tariff matrix). On the one hand, the more capacity (in forecasted sales) there is at an exit point, the more costs that point will incur and, on the other hand, the further away an exit point is from the entry points (also in forecasted sales), the more costs it will incur. The result, among other things, is that compared to the current period, the tariff at the exit at Zeebrugge falls more than at other exit points such as Blaregnies or the domestic exit, due to its low exit capacity compared to the Blaregnies exit and the domestic exit. In effect, under

the current methodology, an overall unit tariff per km and per capacity was calculated and multiplied by the longest distance between an entry and exit point. The tariff therefore primarily depended on the distance, without taking into account the quantity of the exit capacities, and therefore the relative weighting in the network of the point in question. This explains the significant decrease in the exit tariff to Interconnector (UK), observed and reported by ACER in its report published pursuant to Article 27(3) of Regulation 2017/460.

58. The details of the calculation of the tariffs are given in Annex 3 of the present decision, in a didactic model which serves as a proxy for the complete model.

59. As regards the entry tariffs, they remain stable between 2019 and 2020. They are determined by the equalisation of these tariffs and the entry-exit split. The choice of a 33/67 split for the new period, instead of the 30/70 of the current period, was partly motivated to stabilise entry tariffs between the two periods.

60. Below are two figures, as an example, which show in overall amounts (average figures per year) the components of Costs and Revenues over the current period and the new period. These tables show that the regulatory account has reduced the block of transmission costs, thereby reducing cross-border and domestic revenues. The tariffs for services for the domestic market and those for adjacent markets therefore benefit from the bonuses generated in the past. These tables also show that total OPEXs fell by an average of around 13% between these two periods thanks to the incentive mechanism introduced by the CREG, in consultation with Fluxys Belgium, which encouraged Fluxys Belgium to make efforts to reduce its costs.

Chart 1: Regulated costs and revenues - transmission: averages over 2016-2019 in €m/year

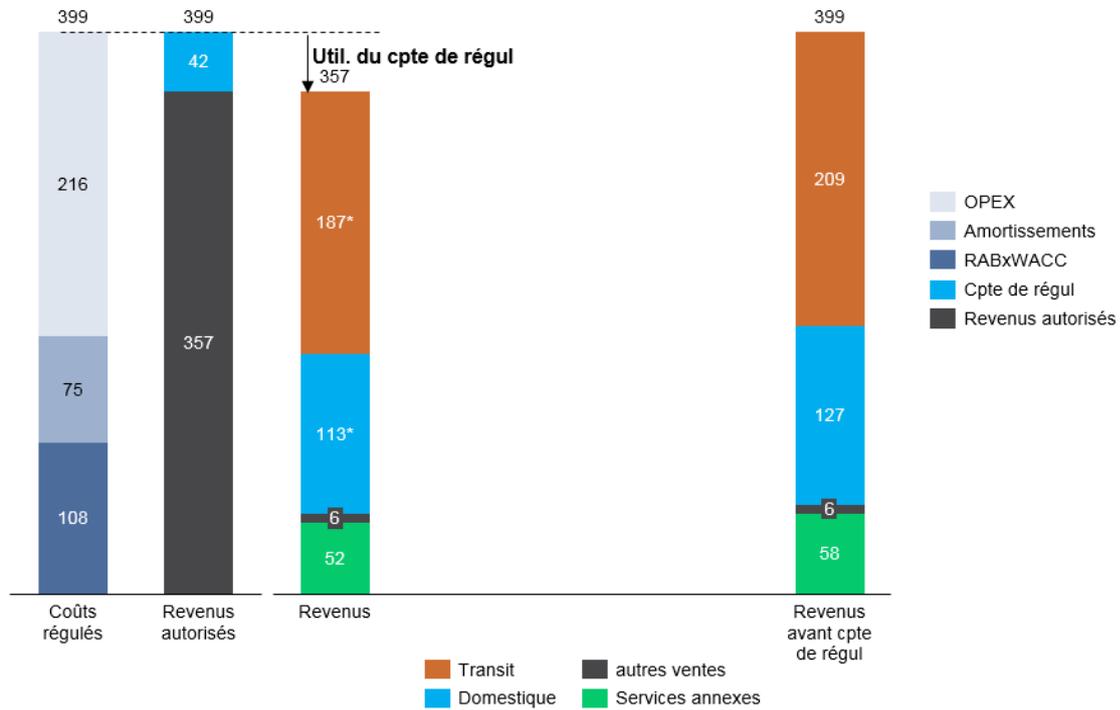
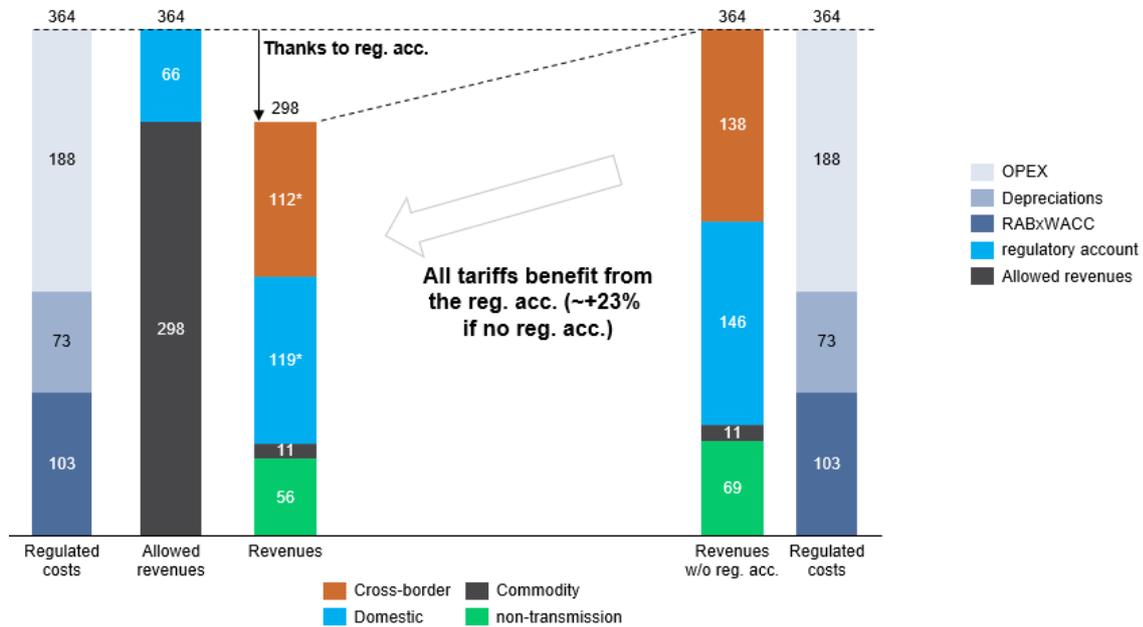


Chart 2: Regulated costs and revenues - transmission: averages over 2020-2023 in €m/year



61. Like ACER, the CREG observed that information concerning the guarantee that a significant volume-related risk, associated in particular with transmission within an entry/exit system, is not borne by domestic customers, was missing in Fluxys Belgium's consultation document.

62. The CREG recalls that this risk was discussed at length during the preparatory work for Regulation 2017/460. To the extent that the costs and revenues relating to domestic network use and cross-system network use are integrated, there is no such thing as zero risk. Nevertheless, the CREG has observed that Fluxys Belgium has been cautious, but correct, in its forecasts for the sale of capacity at border exit points, and therefore at entry points. The probability that, during the new period, final customers in this entry-exit system will have to bear this volume risk is limited to the strict minimum. As such, the CREG believes that the amended tariff proposal corresponds to the requirements of Article 7(d) of Regulation 2017/460.

63. Like ACER, the CREG notes that the information aimed at ensuring that the reference prices to which it leads do not distort cross-border trade was missing in Fluxys Belgium's consultation document.

64. Like ACER, the CREG observed that Fluxys Belgium uses the CWD method with an entry-exit split of 33/67. By using this CWD method, exit tariffs to adjacent markets (NBP, TTF, NCG, Gaspool and PEG) are reduced, meaning that cross-border trade is boosted and not distorted. Moreover, with an entry bearing only 33% of the costs and not 50%, the entry to the hub in Belgium is incentivised, which also boosts cross-border trade from other countries. Finally, conditional transport capacity services such as OCUC's and *Wheelings*, for which there are tariff reductions (corresponding to the restricted conditions of the service) make flows between cross-border hubs attractive, thereby contributing to an increase in the liquidity, depth and *churn rate* of these hubs. The CREG therefore believes that Fluxys Belgium's amended tariff proposal meets the criterion set out in Article 7(e) of Regulation 2017/460.

65. The other advantages of an entry-exit split of 33/67, compared to 50/50 are:

- firstly, that a 50/50 entry-exit split would have led to increases in entry tariffs of more than 50%, allowing network users to eventually get out of their contracts, which would have had a negative effect on all tariffs;
- on the other hand, that the market prefers to have stable tariffs over time. The 33/67 split is the split that ensures the least variation in domestic entry and exit tariffs compared to 2019 tariffs, and therefore greater tariff stability. The exit tariffs at interconnection points will evolve in any case as a result of the change in methodology.

66. Moreover, the CREG considers that the decision to allocate 33% of costs to entries produces entry tariffs that better correspond to the underlying costs. In effect, since the network user at the entry to a country has not yet used the network at all, it would be abnormal to charge him a significant part of the network costs. The CWD method, the reference method in Regulation 2017/460, shows very clearly that distance plays an important role in determining a tariff.

67. Like ACER, the CREG notes that Fluxys Belgium has published a simplified tariff calculation model, but without giving the possibility to change the underlying capacities or the use of the regulatory account. The CREG asks Fluxys Belgium to consider these possibilities in case the forecasted capacity bookings can actually change significantly in reality, considering the contracts in place. The CREG also asks Fluxys Belgium to bring itself into line with the simplified models published by the other TSOs if such possibilities exist elsewhere in Europe. Since modifying the simplified model requires a significant IT intervention, the CREG asks Fluxys Belgium to develop it within the coming 6 months, so that the model complies with the terms of Article 7(a) of Regulation 2017/460.

68. Like ACER, the CREG notes that Fluxys Belgium's consultation document did not show how the missing revenues from reductions in transmission entry and exit tariffs, to and from the storage facility, were recovered. The CREG notes that in the amended tariff proposal, these missing revenues are

reconciled by all other entry and exit tariffs. In effect, given that in *ex ante* situations, anticipated revenues must necessarily correspond to budgeted costs, there are no other ways to fill the gap. This is a possibility provided for in Regulation 2017/460, and was based, during the preparations for Regulation 2017/460, on the principle that a network user should not pay an entry and exit tariff twice if he remains in the same network. This tariff reduction therefore corresponds to revenues that may be missing, but which should not be invoiced at that location in any case, and can therefore be covered by all other tariffs. Specifically, if there is a 50% reduction granted to a point, the Qrefs of the point in question are multiplied by 50%. If this point had €100 of costs, it will have €50 of costs after the correction, which must be covered by the tariffs. The displayed tariff will be the full tariff, i.e. €100/kWh/h on which a 50% discount is applied, thereby generating €50, meaning that the revenues equal the budgeted costs. The CREG believes that Fluxys Belgium's amended tariff proposal meets the criteria of Regulation 2017/460.

69. The CREG notes that Fluxys Belgium corrects the tariffs a second time after they are calculated by the tariff model, to take into account the L or H quality of the gas transported. The CREG believes, as did one of the stakeholders who responded to the consultation, that Regulation 2017/460 does not allow for a second correction, after tariffs have been calculated by the calculation model. The CREG therefore asked Fluxys Belgium to take into account the difference in transport costs linked to the L or H quality of the gas, in order to comply with Regulation 2017/460. Furthermore, the CREG considers that Fluxys Belgium needs to apply a correction factor corresponding to the average value measured over the year 2018, and not historical or technical, of the quality of gas. This would result in a GCV correction factor of 11% instead of 15%. The CREG believes that the transmission of gas with a lower energy content is, firstly, more expensive in terms of infrastructure, whether in terms of pipes, compressors or operational costs. Secondly, to obtain tariffs which reflect the actual underlying costs, it is preferable to use a conversion factor which corresponds to the measured reality.

70. The CREG notes that the amended tariff proposal takes into account a correction factor of 11%. The correction of the cost allocation and tariffs for L-gas is made in the same way as for rebates on transmission tariffs to and from storage. The GCV correction factor of 11% is applied to the reference quantities, meaning that the costs allocated to the L-gas entry and exit points are increased. The CWD model then calculates the general tariffs. The tariffs for L-gas entries and exits are 11% higher (the difference between H and L measured), meaning that these tariffs generate the revenue necessary to cover their costs.

71. The CREG has taken on board ACER's remark about the service of injecting renewable gas into the transmission system. The CREG understands that Regulation 2018/460, at the current stage, makes such zero tariffs difficult in Europe, although the aim was to stimulate the development of renewable energy sources to meet climate objectives. The CREG suggests adapting Regulation 2017/460 at the earliest opportunity to allow pro-climate initiatives, provided that they are limited in time and cost. Nevertheless, the CREG appreciates ACER's suggestion to consider other ways of supporting renewable energies, which, for the time being and in the foreseeable future, are unfortunately not feasible. The CREG therefore asks Fluxys Belgium to apply the standard entry tariff without reduction in its amended proposal. This proposal will then be in compliance with Regulation 2017/460.

72. The CREG has received ACER's request for clarification regarding the parameters and thresholds that would lead to a change in tariffs for the new tariff period. The CREG understands ACER's comments regarding anticipated capacity variations and tariff levelling throughout a given period. Given that the forecasted costs and revenues for the period 2020-2023 are in balance, the CREG therefore believes that, during the period and in an *ex ante* situation, there is no cross-subsidisation between users. It is true that Fluxys Belgium could have calculated different tariffs each year, but the stakeholders themselves, in previous consultations, expressed their preference to have tariff stability rather than tariff volatility. Moreover, sometimes significant differences between the forecasts made up to 6 years before the various components of the tariff model will occur every year.

Regulation 2017/460 does not provide for a refund of these variations year by year, but only in subsequent periods. Furthermore, the CREG considers that it was right to include in the tariff methodology the obligation for Fluxys Belgium to nonetheless rectify tariffs along the way if it appears, for the annual accounts or half-yearly reports, that the intended trajectory, to end the period with a regulatory account of maximum €100 million at the end of 2023, had not been achieved. The CREG reiterates that European legislation provides that tariff changes during periods are possible, to maintain the proportionality of tariffs. Finally, the CREG considers that the components of the tariff model, the parameters used and the materiality thresholds are sufficiently robust and consistent to avoid major fluctuations. These parameters include ones for an appropriate return on investments, contracted and forecasted long-term capacities, *step-out* clauses in contracts with shippers (hence the importance of stable tariffs and robust calculations), the distances between entry and exit points, the 10-year Investment Plan, depreciation rates and incentives on manageable OPEXs, which make the cost and revenue path relatively predictable. To intervene and change the tariffs during the period, it is normal to use a materiality threshold, for example 15% of the threshold amount of the regulatory account at the end of 2023.

73. The CREG observed in Fluxys Belgium's amended tariff proposal considerable reductions in forecasted cross-border capacity compared to the contracted capacity for 2018. This development was explained in the amended tariff proposal. At the request of the CREG, Fluxys Belgium provided clarifications. The CREG noted these forecasts, explained by the gradual expiry of long-term contracts and a trend towards short-term contracts (as a result of a sharp reduction in contracts in the same year).

74. In its report on the Fluxys Belgium consultation document, ACER states that the Fix/Flex service should be considered as a transmission service. To the extent that it allows a significant tariff reduction compared to the domestic exit tariff, it does not meet the criteria of Regulation 2017/460, as it introduces cross-subsidisation between users. The CREG understands ACER's remarks, and admits that this tariff does not fully meet the criteria of Regulation 2017/460, although this tariff was requested by the market following a consultation, and the market welcomed it. It is true that users with very high peak consumption levels, but who only used this capacity in exceptional situations and unpredictably, considered themselves rather disadvantaged. The CREG suggests that Regulation 2017/460 reconsider this tariff possibility in its next revision. In the meantime, the CREG asks Fluxys Belgium to delete this tariff in its amended proposal.

75. The CREG notes that a respondent to the public consultation, FEBEG, wishes to modify the methodology for allocating costs to DSOs. If there were a spill-over of costs from transmission to distribution, in addition to the great complexity, and the mandatory agreement of the DSOs, which is non-existent at this stage, this should include both entry and exit costs. At this stage, the CREG is therefore not asking Fluxys Belgium to review its amended tariff proposal on this subject.

76. The CREG observed that Fluxys Belgium sets implementation rates for incentives below 100%. The CREG is of the opinion that Fluxys Belgium must be more ambitious and revise these implementation rates upwards. This had indeed been corrected by Fluxys Belgium in its amended Proposal.

## 4. GENERAL RESERVE

In the present draft decision, the CREG has given its opinion on Fluxys Belgium's budgets and forecasts for the years 2020-2023. These figures and forecasts will be updated when the accounts are drawn up on the basis of the figures generated and verified by the CREG. Although the CREG refers to certain 2018 figures from the 2018 Tariff Report of Fluxys Belgium, this is without prejudice to the approval of this 2018 Tariff Report.

In accordance with Article 41(2), in fine, of Directive 2009/73, this draft decision is without prejudice to any duly justified future use of its powers. The CREG has the power to adapt tariffs or the method continuously, even in the current regulatory period, based on Articles 41(6) and 41(10) of Directive 2009/73 and/or their transposition into Belgian law.

## 5. DECISION

In view of Fluxys Belgium's amended tariff proposal of 16 April 2019;

In view of the foregoing;

Pursuant to Articles 15/5*bis*, §7 and 15/14, 9°*bis* of the Gas Law, the CREG has decided to approve the request for approval of the tariffs for connecting and using the transmission system of Fluxys Belgium for the years 2020-2023;

The approved tariffs can be found in Annex 4 to the present decision.

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For the Commission of Electricity and Gas Regulation:



Laurent JACQUET  
Director



Koen LOCQUET  
Acting President of the Management Committee

# ANNEX 1: REACTIONS TO THE CONSULTATION BY FLUXYS BELGIUM

## Q&A from the market consultation. Document prepared by Fluxys Belgium

Questions and Answers				
From	Confidential?	Topic	Questions / Comments by Stakeholders	Answers / Comments by Fluxys Belgium
FEBEG	NO	Transparency	FEBEG would like more transparency and a more robust assessment of the tariff methodology, including a sensitivity simulation without the contribution from the regulatory account.	The tariff methodology was explained on the basis of what the EU tariff network code (TAR NC) lists as consultation requirements. The steps in the cost allocation assessment and the resulting cross-subsidization ratios were published in the consultation document. The tariff calculation was done using the regulatory account as set in the tariff methodology (i.e. ending at 100M€ at end 2023). Without any use of the regulatory account the 2020-2023 tariffs would be in the range of 20% higher.
		Transparency	Fluxys BE should provide a cost allocation assessment including sensitivities and give more information on the forecasted contracted capacities to allow market parties to forecast future levels of tariffs (2024-2027), in order to reduce the risks for market participants.	A lot of details have been provided in the consultation document regarding the methodology used to estimate the forecasted contracted capacities. 2024-2027 tariffs will mainly depend on the forecasted contracted capacities during that period which is a difficult exercise to run 6 to 9 years in advance and even more difficult in a context of transition from long term contracts environment.
		Domestic exit tariff	FEBEG pleads to modify the way transport costs are passed on to the distribution grid users. Therefore, they propose to introduce a uniform fixed tariff in EUR/year.	This would be a major change in how the costs are billed to the users which is not possible to analyse in the allowed time according to the TAR NC schedule. Nevertheless Fluxys Belgium is ready to discuss and analyse these more in details in a next step.
		Regulatory account	It would be better that the surpluses on the regulatory accounts are as soon as possible redistributed to the market to avoid discrimination between grid users.	A substantial part of the forecasted end 2019 regulatory account is already returned over the period (255M€). The possible surpluses during the period, if any, will be returned to the market in the period thanks to the adjustment rule correcting tariffs in case of deviation of the regulatory account decrease trajectory. The remaining 100M€ will be returned in the following period.
		Extra	FEBEG also proposes that in case of excess IUK revenues by IUK, a certain amount should be integrated into Fluxys Belgium and contribute to the allowed revenue.	Fluxys Belgium takes note of the remark. Please note that possible sharing of excess revenues could also imply a possible sharing of shortfall revenues.
		Tariffs	Apart from the abovementioned cost allocation assessment and sensitivity analysis, market parties should also be made aware of the expected tariff increase in 2024 for entry and domestic exit. Backhaul tariff at unidirectional points' and the 'Fix/flex tariff for CCGT should also be added to the tariff proposal.	The entry backhaul tariff corresponds to the entry firm tariff discounted with the interruptible discount. The fix/flex tariff remains in application as in current tariff period meaning a 50% discount to the domestic exit HP tariff plus a variable tariff depending on the allocations defined in such a way that the breakeven point corresponds to 2000h capacity usage. The fix/flex tariff will be applicable to the RPS service as well. With only 100M€ in the regulatory account the tariffs might increase with more than 20% in 2024 depending on the forecasted contracted capacities for that period.
EDF Luminus	NO	Transparency	EDF Luminus asks for more transparency and calls to fully disclose the cost allocation assessment completed with a sensitivity analysis based on other scenarios for the forecast of contracted capacity on entry and exit points as well as domestic and interconnection points.	The cost allocation mechanism is based on the capacity weighted distance (CWD) model set by the EU tariff network code. The intermediate results of the cost allocation assessment were provided in the consultation document as requested by the TAR NC (i.e. revenues and cost drivers at both entry and exit points, including domestic and IPs) including the cross-subsidization ratios. The methodology to calculate the forecasted contracted capacities was explained in details in the consultation document. Because of the wide range of scenarios one could define and not to make it too complex only the reference scenario (defined according to this methodology) was calculated
		Domestic exit	EDF Luminus has concerns on the fact that the 5% increase for combined use of entry and domestic exit will increase to around 25% from 2024 when no regulatory account can be used. They state that for domestic use (e.g. power plants) this can become dangerous as they will become less competitive compared to alternatives. Therefore EDF Luminus asks Fluxys to review the assumptions as currently applied within the CWD methodology (as they only see benefits for transit from the return of regulatory account), taking into account the longer than 4 years effects, reducing the sensitivity for other scenarios and aiming at redistributing more evenly between transit and domestic use.	It is not clear how the 5% tariff increase is calculated. Not only domestic tariff but all tariffs will increase in the next period compared to the proposed tariffs for 2020-2023 as the regulatory account will be much lower. Therefore it is proposed to keep the 100M€ on purpose to, at least partially, dampen this increase. Moreover, in the next period, the forecasted contracted capacities will reduce as per the expiry of the long term contracts that are not replaced or only partly replaced by short term capacities which will further push tariffs upwards. The CWD method is the one proposed by the TAR NC as a reference for cost-reflectiveness and non-discrimination. Introducing a correction to the domestic would generate cross-subsidization Fluxys Belgium wanted to avoid.

ENGIE	NO	Entry/exit tariffs	Engie has a comment on the treatment of L-Gas points. For calculating the tariffs, Engie suggests that the equalization for all entries should be calculated with reference prices expressed in energy units per unit of time.	The TAR NC specifies the transmission services shall be recovered in capacity-based tariffs and the methodology to calculate the tariffs must be cost-reflective. The cost driver for transmission services is the volume not the energy transported. In the case of low calorific gas the tariff expressed in €/kWh/h is higher because of the difference of volume unit to transport per unit of time. In m <sup>3</sup> (n)/h, the tariff would have been the same as for high calorific gas.
			Engie has a comment on the lack of reflection of actual costs. Engie proposes to adapt the CWD methodology by adding discount factors on each exit points to other countries to reflect the level of amortization of the corresponding pipelines.	The costs for providing transmission services are one single basket of costs which are allocated to each transmission services based on the CWD methodology. Discounting prices based on the depreciation of the pipelines does not work in an entry/exit system as, by definition, the concept of route or pipeline does not longer exist.
EFET	NO	Transparency	EFET supports that the CWD methodology is chosen to derive tariffs for 2020 – 2023. However, they would have liked to see analysis carried out using other methodology's so that network users could get a better understanding of why the CWD methodology was chosen.	No analysis was done on other methodologies. Fluxys Belgium chose for the reference methodology of the TAR NC to meet all the criteria the methodology has to respect as per art. 7 of the TAR NC.
		Entry/exit tariffs	EFET also suggests to maintain tariff stability and predictability where possible, by maintaining the current 30:70 split rather than 33:67.	The 33/67 ratio was chosen to maintain the tariff stability and predictability. The ratio evolving from 30/70 to 33/67 allows to minimize the variations in entry tariffs and domestic exit tariffs when moving to the capacity weighted distance RPM
		Regulatory account	EFET also finds €100 million a significant number to have in the regulatory account. They rather see part of the amount returned to the shippers that contributed to the over-recovery	see previous answers on the subject
EDF	NO	OCUC tariffs	In order to better balance the supply diversification in Europe and reinforce the security of supply, it is important to encourage the attractiveness of the LNG in Belgium, therefore EDF suggest that the discount applicable to the Dunkirk LNG to Zeebrugge OCUC should be at least equal to Zelzate-Zeebrugge discount, and at least equal to 32%.	For the purpose of cost reflectiveness the discount for OCUC is resulting from a unique rule which applies to all OCUCs. The OCUC discounts are based on the pipeline distances between the points the OCUC connects to.
ENI S.P.A.	NO	Regulatory account	ENI supports the change in the cost allocation methodology being proposed by Fluxys. However, according to ENI, the regulatory account of €100 million should be significantly lower by 2023, if not at zero, in order to avoid any temporal cross-subsidy. They refer to the fact that the sunk costs unduly paid by the shippers, have also contributed to the amount on the regulatory account currently held by Fluxys.	see previous answers on the subject
		Storage tariff	They also suggest to stick to the 50% discount provided by the EU Network Code for both entry and exit tariffs from/to storage.	Fluxys Belgium proposes to continue with the current tariff discount at the exit to storage for purposes of tariff stability and predictability.
Febeliec	NO	Entry/exit tariffs	Febeliec hopes this split will evolve further to the 50/50-level suggested by the NC TAR and invites Fluxys to propose a medium-term planning for this purpose.	Fluxys Belgium will take this remark into consideration for the next regulatory period
		Regulatory account	Febeliec appreciates that 240 million euros are used to reduce tariffs in the next tariff period. Febeliec does however not fully understand the reasoning behind the reservation of 100M€ for future investments "to absorb future shocks".	The end 2023 100M€ are not reserved for investments. They will be available for the next regulatory period to at least partly absorb the foreseeable increase of tariffs in 2024.
		Domestic exit tariff	They also insists on a balanced approach, where domestic users get a fair share of the surpluses on the regulatory accounts.	see previous answers on the subject
		Domestic exit tariff	Febeliec is surprised by the substantial difference in the cross-subsidisation index between 2020 (0,12%) and 2021-2023 (between 3,19 and 3,63%) and invites Fluxys to explain these differences more in detail.	The components of the allowed revenues evolves over the period. The forecasted contracted capacities evolve as well mainly due to the declining already contracted capacities between the first year and the next ones while the tariffs are flat (just inflated on the period). The gaps between these evolutions are reflected on the evolution of the cross-subsidization ratio
OMV Gas	NO	Tariffs	OMV Gas would like to gain a better understanding as to what type of analysis was made to conclude that a discount related to LNG transmission capacity is not considered. The distance component for OCUC is, in their view, already fully reflected by using the CWD approach and therefore an additional distance-based discount on OCUC products seems unjustified for them.	Referring to art. 9 of the TAR NC, Belgium can not be considered as an isolated Member State in respect of the gas transmission system. So, a discount with the purpose of ending this isolation is not appropriate. The OCUC discount is based on the distance between its relevant points because the shorter the distance is the lower is the load on the network to flow gas through that route. This is not reflected yet in the level of tariff of the point itself as this one is done in comparison to all other points in a CWD methodology
		Regulatory account	OMV Gas asks Fluxys to outline the predicted investment scheme (projects, infrastructure etc.) so that the intended "over-recovery" can be explained and thus justified.	The remark is not clearly understood. The regulatory account can be used for investments or can be returned to tariffs. In the 2020-2023 period, Fluxys Belgium proposes to not use the 50M€ that could be used to finance investments and proposes to allocated them to the tariffs. For the following regulatory period, 100M€ will remain available.
		Entry/exit tariffs	OMV Gas recommends to continue the application of the 30/70 split instead of 33/67.	The 33/67 ratio was chosen for the purpose of stability of the tariffs. See previous answer on the subject
Shell	NO	Transparency	SEEL supports the application of the CWD methodology, but it suggests an open and transparent consultation with a comparison within the consultation document, detailing the impact on tariff levels for each network point, depending on the tariff methodology chosen, compared to the status quo.	The status quo model was not analyzed as not corresponding to how a E/E system functions. A price methodology derived from routes seems outdated in an E/E system. The TAR NC model serving as a reference is choosen.
		Entry/exit tariffs	SEEL also states that it is not clear why an entry/exit split of 33/67 is proposed, compared to the current split of 30/70. They say that a proposed change to the entry/exit split leads to an increase in entry tariffs of 3% that could also have a consequential impact on ZTP prices.	see previous answers on the subject
		Regulatory account	As last, to avoid cross-subsidisations, SEEL wants to see the remaining €100m being returned to and apportioned to those network users that paid for it.	see previous answers on the subject

Info session 24/10	NO	Tariffs	Why keeping 100M€ in reserve, how are you going to avoid this in the upcoming period?	see previous answers on the subject
Info session 24/10	NO	Tariffs	Are the new objectives/targets of FLX already incorporated in the budget?	In addition to the cost efficiency efforts made in the past years an additional efficiency on opex is budgeted in the tariffs. Fluxys BE can keep part of this efficiency as foreseen in the tariff methodology fixed by CREG
Info session 24/10	NO	Tariffs	What do you mean with automatic?	After the year, FLX BE submits an Ex-ante report to CREG to close the year. If the regulatory account deviates from the budgeted trajectory, then an automatic correction will be done => tariffs will be automatically adjusted
Info session 24/10	NO	Tariffs	What would happen if revenue increase more than Fluxys thinks?	The tariffs will be automatically corrected to follow the foreseen regulatory account decrease trajectory.
Info session 24/10	NO	Tariffs	Why a 3% change in the E/E ratio?	The 33/67 ratio was chosen for the purpose of stability of the tariffs. See previous answer on the subject
Info session 24/10	NO	Tariffs	Will the way how it is marketed change or will it also have a change on PRISMA?	It is not foreseen to change the way of marketing products except otherwise communicated to the market
Info session 24/10	NO	Tariffs	Why are domestic tariffs stable and exit tariffs changing a lot?	Today the tariffs are distance related. With the CWD methodology all exit points are looked at with all combinations of entries. Because of the E/E system, the gas can come from all entry points. The costs supported by the exit point depends on how much it represents in term of capacity and how close or far it is from all the other points. That is why exit tariffs are evolving differently compared to current tariffs
Info session 24/10	NO	Tariffs	No information about Fix/Flex service?	It will be maintained, with a breakeven point at 2000 running hours as previously. Also backhaul will be maintained at uni-directional points with the same discount as for interruptible capacity.
Info session 24/10	NO	Tariffs	When you take an exit point, what distance do you take. Exit point to 1 other one, or to all other?	All other points. This is the principle of the CWD method; See previous answers on the subject.
Info session 24/10	NO	Tariffs	Why do we have more factors, why not only one, will they be changed?	The current factors do not fit in the maximum ranges that are allowed in the TAR NC. They were slightly adjusted to fall into the TAR NC limits. We apply them to the IP entries but also to the domestic exits.
Info session 24/10	NO	Tariffs	Based on which grounds is it possible to apply factors on IP entries but not on IP exits?	Fluxys BE proposes to maintain the system as today but, in order to comply with the TAR NC we just adapted slightly the numbers.
Info session 24/10	NO	Tariffs	Daily capacity domestic exit today has a factor 5: correct? will that stay the same?	Yes, it will remain the same

# ANNEX 2: REACTIONS TO THE CONSULTATION BY THE CREG

OFGEM



Making a positive difference  
for energy consumers

Tom Maes  
CREG  
Nijverheidsstraat 26-38  
Brussels 1040  
Belgium

Date: 07 December 2018

Dear Tom,

**Response to consultation on rebates, multipliers and seasonal factors applicable to Fluxys Belgium SA natural gas transmission network tariffs for the period 2020-2023**

We received your 'Draft decision on rebates, multipliers and seasonal factors applicable to Fluxys Belgium SA natural gas transmission network tariffs for the period 2020-2023'

Thank you for the opportunity to provide our views on the draft decision in terms of the level of multipliers, seasonal factors and the level of discounts in Article 9(2) and 16 of the Tariff Network Code.

We have reviewed the draft decision and considered our views on multipliers, seasonal factors and discounts. We do not have any specific comments at this time.

Please do not hesitate to contact us if you have further questions.

Yours sincerely,

**Charlotte Friel**  
**Senior Manager, Gas Systems**



Onderwerp: Publieke raadpleging van de CREG over ontwerpbeslissing ((B)656G/37) van 4 oktober 2018 over de kortingen, multiplicatoren en seizoensfactoren van toepassing op de aardgasvervoersnettariëven van Fluxys Belgium NV voor de periode 2020–2023

Datum: 7 december 2018



### **Inleiding**

De CREG organiseert een publieke raadpleging over haar 'ontwerpbeslissing ((B)656G/37) van 4 oktober 2018 over de kortingen, multiplicatoren en seizoensfactoren van toepassing op de aardgasvervoersnettariëven van Fluxys Belgium NV voor de periode 2020–2023. De einddatum voor deze raadpleging is 7 december 2018.

FEBEG wenst de CREG te bedanken voor het organiseren van deze publieke raadpleging die alle stakeholders de kans geeft om zich uit te spreken over de kortingen, multiplicatoren en seizoensfactoren van toepassing op de aardgasvervoersnettariëven. De opmerkingen en suggesties van FEBEG zijn niet confidentieel.

### **FEBEG stelt voor om de aanpassingsfactor aan te passen**

De CREG stelt voor om de ex ante korting voor de reserveringsprijzen voor capaciteitsproducten voor afschakelbare capaciteit vast te leggen op 10 %, hoewel dit vandaag 20% is. Deze korting is vastgelegd op basis van de formules voorzien in artikel 16, lid 2, van de verordening 2017/460 waarbij CREG uitgaat van een aanpassingsfactor (A) van 1.

Met betrekking tot de bepaling van deze ex ante korting wenst FEBEG evenwel de volgende opmerkingen te formuleren:

- De regels voor de commercialisatie van afschakelbare capaciteit zijn grondig gewijzigd. Vanaf nu kan afschakelbare capaciteit enkel verkocht worden wanneer alle vast capaciteit is verkocht. Dit is een fundamentele wijziging ten opzichte van de vroegere situatie waarin, in de meerderheid van de gevallen, de som van de geboekte afschakelbare en vaste capaciteit nog steeds lager was dan de technische capaciteit op elk punt waardoor het risico op afschakeling beperkt bleef. In de nieuwe situatie zal de kans op afschakeling stijgen in vergelijking met de vorige niveau van 20%.
- Volgens artikel 13 van de verordening 2017/460 wordt de aanpassingsfactor (A) toegepast om de geraamde economische waarde van het type van standaardcapaciteitsproduct voor afschakelbare capaciteit te weerspiegelen. De Belgische capaciteit worden meestal gebruikt voor arbitrage. Dit betekent dat deze capaciteiten meestal worden afgeschakeld wanneer hun waarde het hoogste is: wanneer de spread hoog is, zullen alle concurrerende vaste capaciteiten in een bepaalde richting volledig gebruikt worden waardoor er maar weinig ruimte overblijft voor de afschakelbare capaciteiten. Dit betekent dat shippers zich moeten indekken of alternatieve routes moeten plannen om met een plotse afschakeling om te gaan. Het gevolg is



## STANDPUNT

dat de verlies van waarde door een risico op afschakeling hoger is dan de waarschijnlijkheid van een afschakeling. Dit is precies waarom de aanpassingsfactor is voorzien.

Om bovenstaande redenen stelt FEBEG dan ook voor om de aanpassingsfactor (A) te evalueren en vast te leggen op een hogere waarde dan 1.

## FEBELIEC:

Febeliec would like to thank the CREG for the opportunity to react to the proposed reductions, multipliers and seasonal factors applied to the gas transmission grid tariffs for Fluxys for the tariff period 2020-2023. Febeliec has no specific comments on the proposed percentages, but invites the CREG to thoroughly analyse the reductions, multipliers and seasonal factors together with their impact on market access and market functioning during and after the considered tariff period.

ENI:



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## Response to CREG consultation of 8 October 2018 regarding multipliers, seasonal factors and discount for interruptible products 2020-2023

We welcome the opportunity to provide our views on the *Projet de décision sur le rabais, multiplicateurs et facteurs saisonniers applicables aux tarifs de réseau de transport de gaz naturel de Fluxys SA pour la période 2020-2023* published by the CREG.

In this document, we would like to highlight our views on CREG's proposal. We have clustered our comments into three main groups of comments:

1. The average costs for short-term products
2. The application of short term multipliers to exit points
3. The application of seasonal factors to domestic exit points

### The average costs for short term products

As expressed by the CREG in its document, the multipliers and the seasonal factors applicable to short term products have an important role as they contribute, amongst others, to

- (i) provide balance between short-term term trading and the need to ensure long-term signals to stimulate investments;
- (ii) stable revenues from the transportation services for the TSOs;
- (iii) avoid cross-subsidization between users of the network (short term vs long term users);
- (iv) an efficient utilization of the transportation network.

To achieve these goals, the CREG has proposed, through the consultation document, to introduce the use of a multiplier for short-term products, set at 1.45, and to review (and reduce) the seasonal factors currently used in Belgium.

We have noticed that the combination of these two changes provides for a new and lower average cost for short-term products throughout the gas year (1.49 vs 1.6 applicable today). However, we do not believe that an overall lower price for short-term products will help achieving the above-listed objectives. In particular, a lower cost for short-term products will be cross-subsidized by long-term bookings and will not send long-term signals which are essential for network investments. The consultation document does not provide the reasoning behind such a reduction in costs for short-term products and which are its objectives.

Based on these considerations, we strongly suggest revising the multipliers and seasonal factors proposed, with the aim to keep the same average cost for short-term products applicable today (1.6). If necessary, the multipliers may vary depending on the length of the product (e.g. higher multipliers for day-ahead and within-day products).

### **The application of short-term multipliers to exit points**

To achieve the overarching goals listed in the above section, we believe that multipliers for short-term products should also apply to all points in the network, i.e. entry points, domestic exit points and cross-border exit points. Our understanding is that the newly set multiplier will apply to entry points and that existing multipliers applicable to domestic exit points will continue to apply. We therefore suggest extending the application of the new multiplier to cross-border exit points. In fact, also at the latter points there is a need to (i) provide balance between short-term trading and long-term signals, and (ii) avoid cross-subsidization between short-term and long-term users.

### **The application of seasonal factors to domestic exit points**

In the consultation document, it seems to be confirmed that the seasonal factors also apply to domestic exit points. However, in the final part of the document "*projet de decision*" the CREG only refers to entry points concerning the application of seasonal factors. It should therefore be clarified in the final decision whether seasonal factors also apply to domestic exit point.

We hope that our views will be taken into consideration by the CREG in the development of its final decision on this topic.

We are at your disposal for any further information and/or clarification you may require.

Best regards,

**Simone Rossi**

## ANNEX 3: DIDACTIC TARIFF MODEL

This model is a Proxy for the capacity weighted distance reference price methodology that is used to calculate tariffs. This model gives a true and almost complete picture of the tariff calculation model used in the amended tariff proposal. The reason that a didactic tariff model is given and not the full model is because the latter model needs to go through several iterations before the final calculation of the tariffs is achieved. This annex would then take up a lot of space and there would be no more room for any other explanations. In effect, the didactic tariff model contains all the building blocks for calculating tariffs, as well as the way in which they are calculated. The formulas used in the didactic tariff model are exactly the same as what is set out in Article 8 of Regulation 2017/460 and used in Annex D on page 195 of the "NC TAR Implementation Document Second Edition September 2017"<sup>5</sup>.

The didactic tariff model does not include conditional services (representing less than 10% of total transmission revenue) for reasons explained above. The complete tariff model requires several iterations. In effect, the revenues to be recovered from entry, domestic exit and IP exit services depend on the revenues from OCUCs and wheelings services, which in turn depend on the tariffs for IP entry and exit services.

The tariff model is therefore iterative in the sense that transmission revenues are a first input in the CWD model. Based on this input, the distance matrix and the Qref, a first set of transport service tariffs is calculated. After this first round, OCUC revenues can be calculated (Qref of OCUCs multiplied by IP entry and exit tariffs of the OCUC and minus the applicable discount for the service) and reduce the revenues to be recovered from entry, domestic exit and IP exit services. On the basis of this new revenue input, a second round of tariffs is calculated which also feeds back into the revenue calculation of OCUCs and so on until the tariffs have converged. These are not price corrections but convergences towards the actual tariff.

The final result therefore gives tariffs such that, by applying the discounts of OCUCs to them, the revenues of OCUCs complete the standard service revenues to give the allowed revenue for transmission services.

Disclaimer: The didactic tariff model shown below has been developed exclusively to illustrate the methodology for calculating reserve prices for entry and exit services. It is based on rounded-up figures and, as explained above, does not include all the complexity of the full tariff model of the tariff proposal. The figures for forecasted contracted capacity and allowed revenues are averages over the 4 years of the regulatory period.

- Matrix of distances, forecasted contracted capacities and allowed revenues:

As regards the distances, 134km is the average distance between all entry points and all domestic exit points. The other distances are the shortest distances travelling on pipelines between an entry point or group of entry points and an exit point or group of exit points.

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<sup>5</sup> [https://www.entsog.eu/sites/default/files/entsog-migration/publications/Tariffs/2018/TAR1004\\_180501\\_2nd%20%28revised%29%20Implementation%20Document\\_High-Res.pdf](https://www.entsog.eu/sites/default/files/entsog-migration/publications/Tariffs/2018/TAR1004_180501_2nd%20%28revised%29%20Implementation%20Document_High-Res.pdf)

As regards capacity, current bookings are published on ENTSOG's transparency platform for the years 2020-2023 and even the following years.

DISTANCE matrix		Fluxys Belgium non-binding document for illustration purpose only									
		exits									
	km	FR Aliv	FR Bla	NL ZZ	NL SGRA	DE	ZBG	NL_L	FR_L	dom H	dom L
entries	FR Aliv	0	200	115	312	322	100			134	
	FR Bla	200	0	175	165	191	150			134	
	NL ZZ	115	175	0	215	225	75			134	
	NL SGRA	312	165	215	0	35	262			134	
	DE	322	191	225	35	0	272			134	
	ZBG	100	150	75	262	272	0			134	
	NL_L							0	161		134
	FR_L							161	0		134
	dom H	134	134	134	134	134	134			0	
	dom L							134	134		0

Forecasted contracted capacities (iso H)		Fluxys Belgium non-binding document for illustration purpose only										
		exits										
	kWh/h/y	FR Aliv	FR Bla	NL ZZ	NL SGRA	DE	ZBG	NL_L	FR_L	dom H	dom L	total
entries	FR Aliv											2.000.000
	FR Bla											1.000.000
	NL ZZ											4.100.000
	NL SGRA											10.800.000
	DE											11.100.000
	ZBG											36.500.000
	NL_L											21.400.000
	FR_L											-
	dom H											-
	dom L											-
total		0	24.900.000	3.300.000	0	4.700.000	7.200.000	0	11.500.000	56.300.000	17.400.000	

Allowed revenue	212.000.000 €
entry %	33%
exit %	67%
<b>Revenue split</b>	
entry	69.960.000 €
exit	142.040.000 €

Fluxys Belgium non-binding document for illustration purpose only

- Average capacity weighted distance:

Capacity weighted average distance		Fluxys Belgium non-binding document for illustration purpose only											
	(km)	exits										141	
		FR Alv	FR Bla	NL ZZ	NL SGRA	DE	ZBG	NL_L	FR_L	dom H	dom L	total	
entries	FR Alv												157
	FR Bla												105
	NL ZZ												140
	NL SGRA												150
	DE												156
	ZBG												133
	NL_L												145
	FR_L												81
	dom H												56
	dom L												53
	total	172	160	122	177	184	99	-	161	134	134		

- Cost weighting:

Weight of costs		Fluxys Belgium non-binding document for illustration purpose only												
	km*kWh/h/t	exits										CWDxCAP		
		FR Alv	FR Bla	NL ZZ	NL SGRA	DE	ZBG	NL_L	FR_L	dom H	dom L			
entries	FR Alv												282.644.719	2%
	FR Bla												141.322.360	1%
	NL ZZ												579.421.674	5%
	NL SGRA												1.526.281.484	12%
	DE												1.568.678.192	13%
	ZBG												5.158.266.126	42%
	NL_L												3.024.298.496	25%
	FR_L												-	0%
	dom H												-	0%
	dom L												-	0%
	CWDxCAP	0	3.989.550.229	401.138.931	0	865.625.191	715.196.336	0	1.851.500.000	7.544.200.000	2.331.600.000			
		0%	23%	2%	0%	5%	4%	0%	10%	43%	13%			

- Revenues:

Revenues		Fluxys Belgium non-binding document for illustration purpose only											
	€	exits										Revenues	
		FR Alv	FR Bla	NL ZZ	NL SGRA	DE	ZBG	NL_L	FR_L	dom H	dom L		
entries	FR Alv												1.610.127 €
	FR Bla												805.063 €
	NL ZZ												3.300.759 €
	NL SGRA												8.694.684 €
	DE												8.936.203 €
	ZBG												29.384.810 €
	NL_L												17.228.354 €
	FR_L												0 €
	dom H												0 €
	dom L												0 €
	Revenues	0 €	32.017.728 €	3.219.300 €	0 €	6.946.987 €	5.739.735 €	0 €	14.859.024 €	60.545.208 €	18.712.018 €		

- Tariffs of the didactic tariff model:

Average tariffs over 4 years												Fluxys Belgium non-binding document for illustration purpose only	
	€/kWh/h	exits										Tariff H	
		FR Alv	FR Bla	NL ZZ	NL SGRA	DE	ZBG	NL_L	FR_L	dom H	dom L		
entries	FR Alv												0,775 €
	FR Bla												0,775 €
	NL ZZ												0,775 €
	NL SGRA												0,775 €
	DE												0,775 €
	ZBG												0,775 €
	NL_L												0,775 €
	FR_L												-
	dom H												-
	dom L												-
Tariff H		1,380 €	1,286 €	0,976 €	1,424 €	1,478 €	0,797 €	0,000 €	1,292 €	1,075 €	1,075 €		
Tariff L									1,434 €		1,194 €		

- Comparison with the proposed tariffs:

		Tariffs from didactic model	Approved tariffs	Error from simplification
Entries	entry H	0,775 €	0,772 €	-0,4%
	entry L	0,860 €	0,857 €	-0,3%
Exits	Virtualys	1,254 €	1,264 €	0,8%
	Zelzate 1	0,952 €	0,942 €	-1,0%
	Eynatten 1&2	1,442 €	1,462 €	1,4%
	Zeebrugge/IZT	0,778 €	0,784 €	0,8%
	Blaregnies L	1,399 €	1,398 €	-0,1%
	Domestic H	1,049 €	1,048 €	-0,1%
	Domestic L	1,165 €	1,163 €	-0,1%

Fluxys Belgium non-binding document for illustration purpose only

## ANNEX 4: LIST OF TARIFFS

### Tarifs pour les services de transport et services annexes de Fluxys Belgium SA pour l'année 2020 (\*)

#### Prix de réserve pour des souscriptions de capacité annuelle

Services d'entrée et sortie aux points d'interconnexion et points d'installations	Prix de réserve en €/kWh/h/an					
	Entrée			Sortie		
	Ferme	Interruptible	Backhaul	Ferme	Interruptible	Backhaul
Blaegnies L	-	-	0,685	1,398	1,118	-
Dunkirk LNG Terminal	0,772	0,617	-	-	-	-
Eynatten 1	0,772	0,617	-	1,463	1,170	-
Eynatten 2	0,772	0,617	-	1,463	1,170	-
Hilvarenbeek L	0,857	0,685	-	-	-	1,118
IZT	0,772	0,617	-	0,784	0,627	-
Loenhout	0,386	0,309	-	-	-	-
's Gravenvoeren	0,772	0,617	-	-	-	0,754
VIP BE-NL	0,772	0,617	-	0,942	0,754	-
Virtualys	0,772	0,617	0,617	1,264	1,011	-
Zandvliet H	0,772	0,617	-	-	-	0,754
Zeebrugge	0,772	0,617	-	0,784	0,627	-
Zeebrugge LNG Terminal	0,772	0,617	-	-	-	0,627
Zelzate 1	0,772	0,617	-	0,942	0,754	-
Zelzate 2	-	-	0,617	0,942	0,754	-
ZPT	0,772	0,617	-	-	-	0,627

Services de Shorthaul aux Points d'Interconnexion	Prix de réserve en €/kWh/h/an
<b>OCUC:</b>	<b>Ferme</b>
Zelzate1/2/VIP BENE -> IZT/Zeebrugge	1,015
IZT/Zeebrugge -> Zelzate1/2/VIP BENE	1,015
Dunkirk LNG Terminal/Virtualys -> IZT/Zeebrugge	1,167
's Gravenvoeren/VIP BENE -> Eynatten 1/2	0,839
Eynatten 1/2 -> 's Gravenvoeren/VIP BENE	0,839
<b>Wheelings:</b>	<b>Ferme</b>
Zelzate1/VIP BENE -> Zelzate 2	0,429
Zelzate 2 -> Zelzate1/VIP BENE	0,429
Eynatten 1 -> Eynatten 2	0,559
Eynatten 2 -> Eynatten 1	0,559
<b>Services de la Zee Platform :</b>	<b>Tarif en €/mois</b>
- pour 2 Points d'Interconnexion à la Zee Platform	6.355,82
- pour 3 Points d'Interconnexion à la Zee Platform	9.533,74
- pour 4 Points d'Interconnexion à la Zee Platform	12.711,65

Services aux Points de Prélèvement		Tarif en €/kWh/h/an	Tarif en €/MWh alloué au Point de Prélèvement
		Ferme	Interruptible
<u>Service HP</u>	H-grid	1,048	0,838
	L-grid	1,163	0,931
<u>Service d'Entrée</u>	H-grid	0,772	0,617
	L-grid	0,857	0,685
<u>RPS</u>	H-grid	0,617	0,493
	L-grid	0,685	0,548

		Tarif en €/MWh alloué au Point de Prélèvement	
<u>Service d'Odorisation</u>	H-grid	0,0872	
	L-grid	0,0968	

		Element capacité (tarif en €/kWh/h/an)	Element distance (tarif en €/kWh/h/km/an)
<u>Service de Conduite Directe</u>	H-grid	0,357	0,030
	L-grid	0,412	0,035

#### Tarifs applicables pour des souscriptions d'une durée inférieure à 1 an

1. Le tarif pour une réservation de capacité d'une durée inférieure à 1 an et d'un jour ou plus est proportionnelle au nombre de jours souscrits (le tarif applicable est égal au tarif annuel divisé par le nombre de jours dans l'année et multiplié par le nombre de jours souscrits);
2. Le tarif pour une réservation de capacité de moins d'un jour est égal au tarif annuel divisé par le nombre d'heures de l'année (8760 ou 8784 pour les années bissextiles) et multiplié par le nombre d'heures souscrites;
3. Pour les réservations de service d'entrée, de service de sortie au point de prélèvement vers un utilisateur final (service HP et RPS) et pour les services de conduite directe pour des durées de moins d'un an, le tarif proportionnel (tel que calculé aux points "1" et "2" ci-dessus) est multiplié par un multiplicateur de 1,45 (NYM) et multiplié par un facteur saisonnier qui varie comme suit:

	janvier	février	mars	avril	mai	juin	juillet	août	septembre	octobre	novembre	décembre
Mois/Jour/Infrajournalier	1,75	1,55	1,30	0,95	0,65	0,50	0,50	0,50	0,65	1,05	1,40	1,60
Trimestriel	Q1 = 1,53			Q2 = 0,70			Q3 = 0,55			Q4 = 1,35		

4. Pour les réservations de services de sortie aux points de prélèvement vers un utilisateur final (service HP et RPS) pour des durées inférieures à 1 mois, le tarif obtenu au point "3" ci-dessus est multiplié par un coefficient court-terme égal à 5.

#### Energy in Cash (Commodity fee)

Energy in Cash à l'entrée au point d'interconnexion ou au point d'installation (sauf Zeebrugge, ZTP, Conversion H->L, Conversion L->H)	0,080%
Energy in Cash à la sortie au point d'interconnexion ou au point d'installation (sauf Zeebrugge, ZTP, Conversion H->L, Conversion L->H)	0,080%

Les quantités d'Energy In Cash seront facturées à l'utilisateur du réseau sur base des allocations de cet utilisateur du réseau en kWh, valorisées au prix de référence GP<sub>z</sub>, tel que sur le site web de Fluxys Belgium. Fluxys Belgium se réserve le droit de corriger cette référence dans le cas où ce prix ne serait plus représentatif du prix d'approvisionnement de Fluxys Belgium en gaz.

#### Services de Négoce ZTP

Tarif mensuel fixe pour les services de négoce ZTP	616,51	€/mois
Tarif variable pour les services de négoce ZTP	0,00185	€/MWh
Tarif du service de transfert de déséquilibre en cas de déficit	0,196	€/kWh/h/an
Tarif du service de transfert de déséquilibre en cas d'excès	0,193	€/kWh/h/an

#### Services de Conversion de Qualité

Service de conversion de qualité H->L		
Peak Load - terme fixe - tarif par bundle (1 bundle = 1 kWh/h capacité ferme + 0,13 kWh/h capacité interruptible)	1,712	€/bundle/an
Peak Load - terme fixe - tarif pour la capacité ferme	1,551	€/kWh/h/an
Peak Load - terme fixe - tarif pour la capacité interruptible	1,240	€/kWh/h/an
Peak Load - terme variable (**)	1,618	€/MWh
Base Load	3,422	€/kWh/h/an
Seasonal Load	3,050	€/kWh/h/an
Service de conversion de qualité L->H	1,296	€/kWh/h/an

#### Service Cross-Border Delivery

Ce service est facturé au prix coûtant de Fluxys Belgium (celui-ci est uniquement et entièrement composé du coût de réservation de capacité auprès de l'opérateur adjacent opérant la capacité « cross-border »)

#### Services annexes et autres tarifs

##### "EDP" = Electronic Data Platform

Service de communication des données mesurées en temps réel	27.742,79	€/an/point d'interconnexion ou point d'installation
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#### Suppléments tarifaires

Des suppléments tarifaires liés à l'utilisation de la capacité et aux obligations d'équilibrage sont également prévus. Ces suppléments tarifaires sont décrits dans Règlement d'Accès pour le Transport.

#### Suppression de capacité non utilisée en cas de congestion

5.702,69 €/suppression

#### Service de transfert de capacité

Transfert de capacité (à payer par le vendeur) - Transaction réalisée par Fluxys Belgium pour compte de 3,00% % du tarif régulé

#### Prix maximum de rachat de capacité

Le prix de rachat de la capacité surréservée (dans le cadre de la mise en oeuvre de l'annexe I du règlement (CE) no 715/2009) est limité au plafond suivant:

- Lorsque la capacité à racheter est vendue aux enchères journalières sous forme de produit groupé : 125% du prix d'adjudication de l'enchère du produit groupé pour la capacité journalière du jour pour lequel la capacité doit être rachetée
- Lorsque la capacité à racheter n'est pas vendue aux enchères journalières sous forme de produit groupé : 300% du prix d'adjudication de la capacité journalière d'entrée ou de sortie de Fluxys Belgium

#### Tarif de flexibilité "Extended OBA", facturé aux opérateurs adjacents

Service de flexibilité « Extended OBA » (facturé à l'opérateur adjacent) 0,279 €/kWh/an

#### Notes:

(\*) La CREG a approuvé le *jj/mm/2019* les tarifs pour l'année 2020 ainsi que la formule d'ajustement tarifaire qui sera appliquée pour les années 2021, 2022 et 2023. L'ajustement est composé de (1) l'indexation annuelle et (2) l'ajustement basé sur l'évolution réelle du compte de régularisation:

(1) L'indexation se fera chaque année au 1er janvier selon la formule suivante: "tarifs de l'année 20xx" = "tarifs de l'année 2020" multiplié par "indice des prix à la consommation du mois d'avril de l'année (20xx-1)" divisé par "indice des prix à la consommation du mois d'avril de l'année 2019".

(2) En même temps que l'application de l'indexation, les tarifs de l'année 20xx (et des années suivantes jusque 2023) sont corrigés de la différence entre les comptes de régularisation budgété et réalisé de l'année (20xx-2) étalée sur les années restant jusque 2023 inclus.

Les nouveaux tarifs calculés selon ces formules seront publiés chaque année au mois de juin de l'année (20xx-1) au plus tard et seront arrondis à trois chiffres significatifs.

(\*\*) Ce tarif peut être adapté en fonction des coûts d'approvisionnement en azote.