

**TRANSPARENCY ON TRANSMISSION TARIFFS**

**GAS YEAR 2020-2021**

Information to be published pursuant to Article 30 of  
Commission Regulation (EU) 2017/460

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Rua Dom Cristóvão da Gama n.º 1-3.º  
1400-113 Lisboa  
Tel.: 21 303 32 00  
Fax: 21 303 32 01  
e-mail: [erse@erse.pt](mailto:erse@erse.pt)  
[www.erse.pt](http://www.erse.pt)

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## Introduction

[Commission Regulation \(EU\) 2017/460](#) of 16 March 2017 establishes a network code defining the rules for harmonized structures for gas transmission tariffs ("Tariff Network Code"), including rules on the application of a reference price methodology, on the calculation of reserve prices for standardized capacity products and on the publication requirements, among others. The publication requirements are defined in Articles 29 and 30 of the Tariff Network Code.

Article 29 refers to the information to publish before the annual yearly capacity auction, and refers to standard capacity products for firm capacity and for interruptible capacity, covering information on reserve prices, multipliers, seasonal factors and evaluation of the probability of interruption. This information must be published no later than 30 days before the annual yearly capacity auction.

Article 30 refers to the information to publish before the tariff period, and refers to the information associated with the approval of transmission tariffs for natural gas, covering information on the determination of allowed revenues and tariffs. This information must be published no later than 30 days before the tariff period.<sup>1</sup>

This document<sup>2</sup> presents the information required under article 30 of the Tariff Network Code. The information required under article 29 has been published in a separate document.<sup>3</sup>

### **Legal notice**

*The information provided in this document aims to comply with the provisions of Article 29 of Commission Regulation (EU) 2017/460 of 16 March 2017, establishing a network code on harmonised transmission tariff structures for gas, not dispensing with the consultation of the ERSE Directive 11/2020, of 1 June 2020<sup>4</sup>, which approves the tariffs and prices for natural gas for the gas year 2020-2021. In case of discrepancy, the information published by the ERSE Directive 11/2020 prevails over the information disclosed in this document.*

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<sup>1</sup> Starting with gas year 2019-2020, the tariff period begins on October 1<sup>st</sup> and lasts for one year.

<sup>2</sup> Available at [Transmission tariffs transparency](#) (ERSE's webpage).

<sup>3</sup> Available at [Transmission tariffs transparency](#) (ERSE's webpage).

<sup>4</sup> Available at [https://www.erse.pt/media/uxlp3hti/diretiva-11-2020\\_aprova-tarifas-gn-2020-2021.pdf](https://www.erse.pt/media/uxlp3hti/diretiva-11-2020_aprova-tarifas-gn-2020-2021.pdf) (only in Portuguese), amended subsequently by the [Declaration of Amendment ERSE n.º 1/2020](#) (only in Portuguese), of 7 of July, awaiting publication in the Official Journal (*Diário da República*).

## Art. 30 (1)(a) Technical parameters

Pursuant to Article 30(1)(a), it is necessary to publish the parameters used in the reference price methodology which relate to the technical characteristics of the transmission system. Such parameters include the technical capacities per network point, the forecasted capacities per network point, the structural representation of the network and other parameters relevant for the reference price methodology.

### Technical capacity at the entry and exit points

Table 1 presents the entry and exit technical capacities of the transmission network for four different points.

**Table 1 - Technical capacity by point of the transmission network, in GWh/day**

	Entry	Exit
Interconnection point (Campo Maior)	134,00	55,00
Interconnection point (Valença do Minho)	10,00	25,00
LNG terminal	200,00	5,00
Underground storage	85,68	85,68

Some of the underlying assumptions need to be clarified:

- the two interconnection points (*Campo Maior* and *Valença do Minho*) are bidirectional, presenting positive technical capabilities in both directions;
- regarding the LNG terminal, although the gas flow is unidirectional, agents may, by means of a contract, place gas in the terminal through a reduction of the physical flow of gas leaving the terminal, implying that the terminal can function as an exit point as well;
- for underground storage the same technical capacity was assumed in both directions.

Forecasted capacity at entry and exit points

Table 2 presents the forecasted capacities<sup>5</sup> used to determine the transmission tariffs for gas year 2020-2021. It should be noted that the last column indicates the type of capacity for the billing of the tariff for the use of the transmission system.<sup>6</sup>

Table 2 - Forecasted capacities by capacity type for gas year 2020-2021

	Point	Product	2020-2021	Unit	Type	
Entry	VIP Iberico	Yearly	57 009 024	kWh/day	Contracted	
		Quarterly	0	kWh/day	Contracted	
		Monthly	0	kWh/day	Contracted	
		Daily	1 512 901	kWh/day	Contracted	
		Intraday	0	kWh/h	Contracted	
	LNG terminal	Yearly	200 000 000	kWh/day	Contracted	
		Quarterly	0	kWh/day	Contracted	
		Monthly	0	kWh/day	Contracted	
		Daily	0	kWh/day	Contracted	
		Intraday	0	kWh/h	Contracted	
	Underground Storage	Daily	10 970 738	kWh/day	Contracted	
		Intraday	0	kWh/h	Contracted	
	Exit	VIP Iberico	Yearly	0	kWh/day	Contracted
			Quarterly	0	kWh/day	Contracted
			Monthly	0	kWh/day	Contracted
Daily			3 473 591	kWh/day	Contracted	
Intraday			0	kWh/h	Contracted	
LNG terminal		Yearly	0	kWh/day	Contracted	
		Quarterly	0	kWh/day	Contracted	
		Monthly	0	kWh/day	Contracted	
		Daily	0	kWh/day	Contracted	
		Intraday	0	kWh/h	Contracted	
Underground Storage		Daily	10 970 738	kWh/day	Contracted	
		Intraday	0	kWh/h	Contracted	
Distribution networks and HP Customers		Long Uses	178 386 672	kWh/day	Used	
HP Customers		Annual Flexible Rate - Annual Base Capacity		55 539 005	kWh/day	Used
		Annual Flexible Rate - Additional Monthly Capacity (April to September)		17 646 050	kWh/day	Used
		Flexible Monthly Rate - Monthly Capacity (October to March)		4 905 629	kWh/day	Used
		Flexible Monthly Rate - Monthly Capacity (April to September)		4 905 629	kWh/day	Used
		Daily Flexible Rate - Daily Capacity (October to March)		0	kWh/day	Used
		Daily Flexible Rate - Daily Capacity (April to September)		0	kWh/day	Used

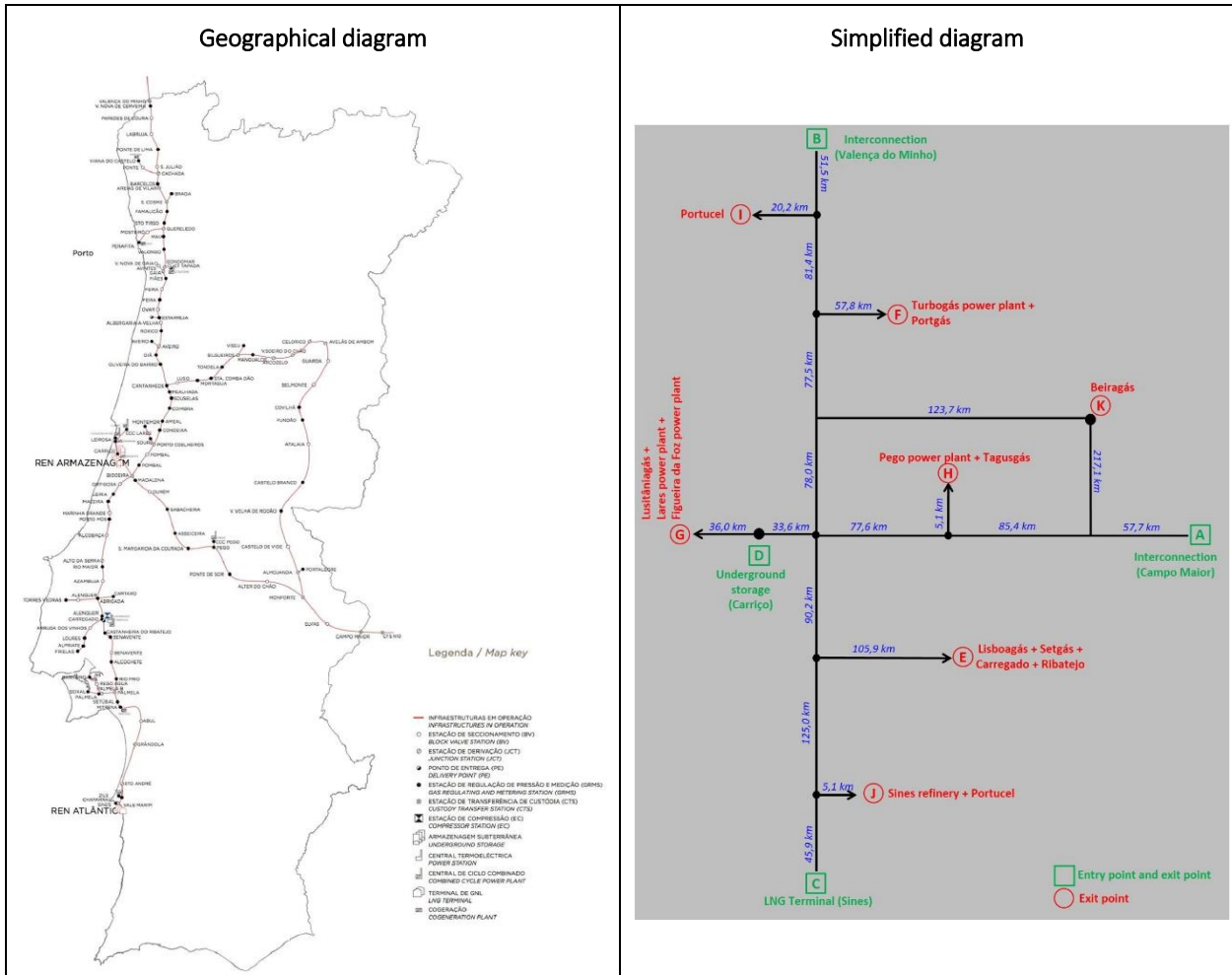
<sup>5</sup> In the case of VIP Iberico, LNG terminal and Underground storage the values presented refer to products of firm capacity.

<sup>6</sup> **Contracted Capacity** - Capacity value reserved by the market agent in capacity allocation processes, constituting a capacity utilization right with a binding payment, regardless of actual use, for various time horizons. **Capacity used** - Maximum daily energy, measured at the point of delivery of the transmission grid for a given horizon (usually for the horizon of the last twelve months, except for shorter products).

Structural representation of the transmission network

Table 3 presents a geographical<sup>7</sup> and a simplified diagram of the transmission network, the latter being relevant for the application of the reference price methodology.

Table 3 - Geographical and simplified diagram of the transmission network



The simplified diagram is characterized by the fact that the various consumption points are grouped into seven clusters of exit points (called E to K). Table 4 summarizes the list of points identified in the simplified diagram, further classifying whether the points correspond to points of entry or exit from the transmission network.

<sup>7</sup> For a more detailed representation of the national transmission network visit the TSO's [webpage](#).

Table 4 - Points of the transmission network in the simplified diagram

Point	Type of point	Entry	Exit
A - Campo Maior	Interconnection point	•	•
B - Valença do Minho	Interconnection point	•	•
C - LNG terminal (Sines)	LNG terminal	•	•
D - Underground storage (Carriço)	Storage	•	•
E - Lisboagás, Setgás, Carregado, Ribatejo	Consumption		•
F - Portgás, Outeiro power plant	Consumption		•
G - Lusitâniagás, Lares power plant, Figueira da Foz power plant	Consumption		•
H - Tagusgás, Pego power plant	Consumption		•
I - Portucel	Consumption		•
J - Sines Refinery, Portucel	Consumption		•
K - Beiragás	Consumption		•

Given the simplified diagram in Table 3 and the list of network points in Table 4, it is possible to determine the distance matrix that measures the distances between each entry point and each exit point (Table 5). It should be noted that according to the simplified diagram the four entry points (A - D) also represent exit points from the transmission network.

Table 5 – Distance matrix, in km

Distance matrix											
km	A	B	C	D	E	F	G	H	I	J	K
A	0,0	509,0	481,8	254,3	416,9	434,0	290,2	148,2	477,8	441,0	274,9
B	509,0	0,0	549,5	321,9	484,5	190,7	357,9	371,0	71,7	508,6	334,0
C	481,8	549,5	0,0	294,7	276,8	474,4	330,7	343,8	518,2	51,1	462,8
D	254,3	321,9	294,7	0,0	229,7	246,9	36,0	116,2	290,6	253,8	235,2

Note: Rows refer to the four entry points (A - D) and the columns refer to the eleven exit points (A - K).

### Other parameters relevant for the reference price methodology

The reference price methodology uses two core concepts to define reference prices, namely the concepts of effective distance and effective capacity.

Firstly, the **effective distance**<sup>8</sup> is equivalent to the distance between two points in the network, times a multiplicative factor that will be greater than 100% if the gas flow between these two points uses additional

<sup>8</sup> Effective distance, measured in km, is given by  $D_{ij}^e = D_{ij} \times v_{ij}$ , where  $D_{ij}$  is distance, measured in km, between an entry point  $i$  and an exit point  $j$ , and where  $v_{ij}$  is the economic value factor, set by ERSE, for the route between an entry point  $i$  and an exit point  $j$ , in order to reflect the economic value of the transmission assets used.



network assets that are not measurable in terms of distance but in economic terms. This multiplicative factor is called the economic value factor.

In case of entry-exit combinations using GRMS<sup>9</sup> the economic value factor is 131.6% to reflect the economic value of the GRMS.<sup>10</sup> For entry-exit combinations that do not use GRMS the economic value factor is 100%.

Secondly, **effective capacity**<sup>11</sup> is equal to the forecasted capacity for each entry point and each exit point, times a multiplicative factor that measures network utilization at that point. For a point that presents permanently a capacity equal to the technical capacity, the multiplicative factor, called the physical utilization factor, will be equal to 100%. For points whose utilization is less than technical capacity, the physical utilization factor shall be less than 100% and shall be determined by the ratio of physical flows to technical capacity.<sup>12</sup>

Table 6 presents the physical utilization factor per network point, where the measure of physical flows used corresponds to the average value of daily natural gas flows in the 10% of the days with highest utilization for a period of 3 years.<sup>13</sup>

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<sup>9</sup> Entry-exit combinations using GRMS (gas regulation and metering stations) are all combinations that have High Pressure customers or distribution networks as their exit point.

<sup>10</sup> The value of 131.6% results from the fact that GRMS represent on average 24% of investments in the national transmission network. Therefore, compared to the pipelines, which represent the remaining 76%, the use of GRMS represents an additional investment of 31.6% ( $24\% \div 76\%$ ).

<sup>11</sup> Effective capacity, measured in kWh/d, is given by  $K_p^e = K_p \times f_p$ , where  $K_p$  is forecasted capacity, measured in kWh/d, at point  $p$  (entry point or exit point), and where  $f_p$  is the physical utilization factor, set by ERSE, at point  $p$  (entry point or exit point).

<sup>12</sup> For situations where the tariff structure provides the same price for a set of points, the physical utilization factor has been calculated for these sets of points, and not for each point individually. Thus, in the case of the VIP (points A and B) and in the case of consumption points (points E through K) a joint value was calculated.

<sup>13</sup> Information was used for the period from March 1, 2016 to February 28, 2019 (10% of the days in 3 years equals a total of 109 days).

Table 6 - Physical utilization factor, by point of the transmission network

			Technical capacity	Physical flow	Physical utilization factor
			kWh/day	kWh/day	%
Entry	A	Campo Maior	134 000 000	121 162 499	90,4%
	B	Valença do Minho	10 000 000	9 041 978	90,4%
	C	LNG terminal (Sines)	200 000 000	178 819 192	89,4%
	D	Underground storage (Carricho)	85 680 000	42 207 941	49,3%
Exit	A	Campo Maior	55 000 000	3 684 374	6,7%
	B	Valença do Minho	25 000 000	1 674 716	6,7%
	C	LNG terminal (Sines)	5 000 000	0	0,0%
	D	Underground storage (Carricho)	85 680 000	24 083 404	28,1%
	E	Lisboagás, Setgás, Carregado, Ribatejo	99 517 590	58 579 525	58,9%
	F	Portgás, Outeiro power plant	119 032 194	70 066 501	58,9%
	G	Lusitâniagás, Lares power plant, Figueira da Foz power plant	103 283 677	60 796 374	58,9%
	H	Tagusgás, Pego power plant	50 785 037	29 893 844	58,9%
	I	Portucel	7 156 599	4 212 624	58,9%
	J	Sines Refinery, Portucel	44 610 181	26 259 108	58,9%
	K	Beiragás	5 294 723	3 116 659	58,9%

### Art. 30 (1)(b)(i,ii) Allowed revenues

The allowed revenues of the transmission system operator for the gas year 2020-2021, and the percentage change from this figure compared to the previous gas year, are summarized in the table below.

<b>Art. 30 (1)(b)(i)</b> Allowed or target revenue, or both, of the transmission system operator	30 189 596 € (allowed revenues)
<b>Art. 30 (1)(b)(ii)</b> Information related to changes in the revenue referred to in point (i) from one year to the next year	-58,8% (change of annual allowed revenues compared with gas year 2019/2020)

### **Art. 30 (1)(b)(iii) Revenue parameters**

This section refers to a number of parameters related to the determination of the allowed revenues of the transmission system operator. The structure of the information provided follows the recommendation<sup>14</sup> of the Agency for the Cooperation of Energy Regulators (ACER) and is divided into the following topics:

1. Description of the revenue methodology.
2. Values of the parameters.
3. Values of costs and expenditures that are used for setting the allowed or target revenue.

In addition, more detailed information the depreciation of assets is included in two annexes (Table 7, Table 8).

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<sup>14</sup> Recommendation included in the implementation monitoring report concerning the Tariff Network Code, «[The internal gas market in Europe: The role of transmission tariffs](#)», ACER, April 2020, page 71.

TRANSPARENCY OF TRANSMISSION TARIFFS

Information to be published pursuant to Article 30 of Commission Regulation (EU) 2017/460

<b>Art. 30 (1)(b)(iii)</b>	
<b>(1) A description of the methodology, including at least a description of:</b>	
(a) The overall methodology, such as revenue-cap, hybrid, cost-plus or tariff benchmarking;	A price cap methodology is applied in the operational expenditures, with a fixed part and a variable amount indexed to the evolution of physical variables (used exit capacity based on a daily maximum over a 12 month period and an annual efficiency target of 3%.
(b) The methodology to set the regulated asset base;	The regulated asset base consists of the average value of assets net of investment subsidies and amortizations and depreciations. The value of works in progress are not considered in the regulated asset base.
i. Methodologies to determine the initial (opening) value of the assets;	For the first regulatory period (2007) the RAB was re-evaluated by the government (ICR).
ii. Methodologies to re-evaluate the assets;	No revaluation of assets (ICR).
iii. Explanations of the evolution of the value of the assets;	Assets grow annually by the addition of new assets and the deduction of assets write-offs and subsidies.
(c) The methodology to set the cost of capital;	Gas TSO WACC is a pre-tax nominal. The calculation methodology for the cost of equity is the Capital Asset Pricing Model (CAPM) and the methodology for the cost of debt is the default spread. The WACC to be applied in the regulatory period 2020-2023 is indexed to the Portuguese 10 year bond benchmark and depends, in each year, on its evolution, with a cap (8,80%) and a floor (4,50%).
(d) The methodology to determine the TOTEX or, if applicable, OPEX and CAPEX;	To determine OPEX, a price cap methodology is applied to operational expenditures, with a fixed part and a variable part indexed to the evolution of physical variables (used exit capacity based on the daily maximum over a 12 month period and an annual efficiency target of 3%). At the OPEX level, LNG transport costs by road are also considered. CAPEX is determined by the remuneration of the regulated assets base (WACC x RAB), plus amortizations and depreciation net of investment subsidies. Works in progress are not remunerated.
(e) The methodology to determine the efficiency of the cost, if applicable.	An analysis of the evolution of operating costs (OPEX) of the activity over the last few years is carried out to set parameters for the natural gas transport activity. Based on this evolution, the cost base is reviewed, which aims, on the one hand, to share with consumers part of the gains / losses achieved and to encourage the company to reduce its costs, allowing it to retain part of efficiency gains obtained. Based on the analysis carried out, it is also assessed whether the efficiency targets imposed on the company in the previous regulatory period are in line with the level of costs achieved, and depending on the result, the efficiency factors may be reviewed.

<b>Art. 30 (1)(b)(iii)</b>	
<b>(2) The values of the parameters:</b>	
(a) Cost of equity and cost of debt or weighted average cost of capital in percentages;	Weighted average cost of capital - 4,53%
(b) Depreciation periods in years;	Depreciation rates have remained stable since gas year 2018/2019 . See table below (Annex A with average rates of depreciation by type of asset).
(c) Efficiency targets in percentages;	3%
(d) Inflation indices;	2020: 1,5% 2021: 1,6%

<b>Art. 30 (1)(b)(iii)</b>	
<b>(3) The values of costs and expenditures that are used for setting the allowed or target revenue in the local currency and in Euro</b>	
(a) The regulated asset base per asset type;	554 186 189 € (net weighted average asset value)
(b) The depreciation per asset type;	See table below (Annex B with annual depreciation amounts by type of asset).
(c) The cost of capital;	52 630 039 €
(d) Operational expenditures.	18 203 911 €

Table 7 - Annex A: Average depreciation rate per asset type

Asset type	Average rate of depreciation
Industrial property	5,26%
Land and Natural Resources	2,52%
Buildings and Other Constructions	2,18%
Basic Equipment	2,83%
Transporte Equipment	14,98%
Tools and Utensils	11,40%
Office Equipment	4,02%
Other tangible fixed assets	0,46%

Table 8 - Annex B: Average annual depreciation value per asset type

Asset type	Average annual values of depreciation by assets type (gas year)
Industrial property	1 526 316 €
Land and Natural Resources	1 951 515 €
Buildings and Other Constructions	428 405 €
Basic Equipment	29 483 415 €
Transporte Equipment	375 777 €
Tools and Utensils	170 689 €
Office Equipment	343 828 €
Other tangible fixed assets	27 966 €

## Art. 30 (1)(b)(iv,v) Transmission service revenue

The following table presents the value of transmission services revenue and various ratios that characterize the tariff structure.

<b>Art. 30 (1)(b)(iv)</b> Transmission services revenue	30 189 596 €
<b>Art. 30 (1)(b)(v)(1)</b> Capacity-commodity split, meaning the breakdown between the revenue from capacity-based transmission tariffs and the revenue from commodity-based transmission tariffs	100% / 0% Transmission tariffs are entirely capacity-based.
<b>Art. 30 (1)(b)(v)(2)</b> Entry-exit split, meaning the breakdown between the revenue from capacity-based transmission tariffs at all entry points and the revenue from capacity-based transmission tariffs at all exit points	28% / 72% Transmission tariffs are set in order to achieve an entry-exit split of 28/72.
<b>Art. 30 (1)(b)(v)(3)</b> Intra-system/cross-system split, meaning the breakdown between the revenue from intra-system network use at both entry points and exit points and the revenue from cross-system network use at both entry points and exit points calculated as set out in Article 5	1,0% / 99,0% The cross-system network use is very limited in the case of Portugal, where the interconnection points are mainly used for the import of natural gas.

**Art. 30 (1)(b)(vi,vii) Reconciliation mechanism and auction premium**

The following table characterizes the regulatory account reconciliation process and the use of the auction premium.

<p><b>Art. 30 (1)(b)(vi)(1)</b>                  Reconciliation of the regulatory account: the actually obtained revenue, the under- or over-recovery of the allowed revenue and the part thereof attributed to the regulatory account and, if applicable, sub-accounts within such regulatory account</p>	<p>In the last real year (2018) the amount of actually obtained revenues was 109 924 thousand euros. This means that in the year 2018 the billing was higher than the allowed revenues (an over-recovery of 14 316 thousand euros).</p>
<p><b>Art. 30 (1)(b)(vi)(2)</b>                  Reconciliation of the regulatory account: the reconciliation period and the incentive mechanisms implemented</p>	<p>The reconciliation period is of 2 years. No incentive mechanisms are applied.</p>
<p><b>Art. 30 (1)(b)(vii)</b>                  The intended use of the auction premium</p>	<p>Until the present date there was no auction premium obtained.</p>



**Art. 30 (1)(c) Transmission and non-transmission tariffs**

The transmission tariffs for gas year 2020-2021 are in the following five tables:

- Prices for entry points from infrastructures in High Pressure<sup>15</sup>, distinguishing between firm capacity products (Table 9) and interruptible capacity products (Table 10).
- Prices for exit points to infrastructures in High Pressure, distinguishing between firm capacity products (Table 11) and interruptible capacity products (Table 12).
- Prices for the remaining exit points (Table 13).

**Table 9 - Prices of the tariff for the use of the transmission system for firm capacity products, by entry point**

USE OF THE TRANSMISSION SYSTEM TARIFF (by entry point)	CONTRACTED CAPACITY (firm capacity product)	
	EUR/(kWh/d)/d	EUR/(kWh/h)/h
<b>VIP Iberico (Campo Maior, Valença do Minho)</b>		
Annual	0,00009482	
Quarterly	0,00012327	
Monthly	0,00014223	
Daily	0,00018964	
Within-day		0,00020860
<b>LNG Terminal</b>		
Annual	0,00008733	
Quarterly	0,00011353	
Monthly	0,00013100	
Daily	0,00017467	
Within-day		0,00019213
<b>Underground storage</b>		
Daily	0,00000000	
Within-day		0,000000

<sup>15</sup> High-pressure infrastructures are VIP Iberico, the LNG terminal at Sines and Underground storage at Carriço.

**Table 10 - Prices of the tariff for the use of the transmission system for interruptible capacity products, by entry point**

USE OF THE TRANSMISSION SYSTEM TARIFF	CONTRACTED CAPACITY (interruptible capacity product)	
	EUR/(kWh/d)/d	EUR/(kWh/h)/h
(by entry point)		
VIP Iberico (Campo Maior, Valença do Minho)		
Daily	0,00018964	
Within-day		0,00020860
LNG Terminal		
Within-day		0,00013833
Underground storage		
Within-day		0,00000000

**Table 11 - Prices of the tariff for the use of the transmission system for firm capacity products, by exit point**

USE OF THE TRANSMISSION SYSTEM TARIFF	CONTRACTED CAPACITY (firm capacity product)	
	EUR/(kWh/d)/d	EUR/(kWh/h)/h
(by exit point)		
VIP Iberico (Campo Maior, Valença do Minho)		
Annual	0,00002859	
Quarterly	0,00003716	
Monthly	0,00004288	
Daily	0,00005717	
Within-day		0,00006289
LNG Terminal		
Annual	0,00000000	
Quarterly	0,00000000	
Monthly	0,00000000	
Daily	0,00000000	
Within-day		0,00000000
Underground storage		
Daily	0,00000000	
Within-day		0,000000

**Table 12 - Prices of the tariff for the use of the transmission system for interruptible capacity products, by exit point**

USE OF THE TRANSMISSION SYSTEM TARIFF (by exit point)	CONTRACTED CAPACITY (interruptible capacity product)	
	EUR/(kWh/d)/d	EUR/(kWh/h)/h
<b>VIP Iberico (Campo Maior, Valença do Minho)</b>		
Daily	0,00005717	
Within-day		0,00006289
<b>LNG Terminal</b>		
Daily	0,00000000	
Within-day		0,00000000
<b>Underground storage</b>		
Within-day		0,00000000

**Table 13 - Prices of the tariff for the use of the transmission system, by exit point (distribution networks, HP customers and facilities supplied by UAG)**

USE OF THE TRANSMISSION SYSTEM (by exit point and tariff option)	PRICES
<b>Distribution networks and HP Customers - Long uses</b>	
Used capacity EUR/(kWh/d)/month	0,006992
<b>HP Customers - Flexible annual tariff</b>	
Annual base capacity EUR/(kWh/d)/month	0,006992
Monthly additional capacity (april to september) EUR/(kWh/d)/month	0,010488
<b>HP Customers - Flexible monthly tariff</b>	
Monthly capacity (april to september) EUR/(kWh/d)/month	0,010488
Monthly capacity (october to march) EUR/(kWh/d)/month	0,020976
<b>HP Customers - Flexible daily tariff</b>	
Daily capacity (april to september) EUR/(kWh/d)/month	0,001379
Daily capacity (october to march) EUR/(kWh/d)/month	0,002299
<b>Facilities supplied by UAG (customer-owned)</b>	
Commodity (EUR/kWh)	0,00055936

Neither energy-based<sup>16</sup> transmission tariffs nor non-transmission tariffs for non-transmission services are applied in the terms referred to in Article 4(3) and Article 4(4), respectively.

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<sup>16</sup> It should be noted that the price applicable to customer-owned UAG installations (autonomous gas units), although expressed in the EUR/kWh unit, results from a capacity-based price obtained using the reference price methodology, which is subsequently converted due to the impossibility of measuring a capacity concept for this type of consumer.

## Art. 30 (2)(a) Tariff changes and trends

In addition to the tariffs for the use of the transmission system for gas year 2020-2021, Table 14 also shows the respective prices for the previous two gas years and the following two gas years.

It should be clarified that the transmission tariffs for gas years 2021-2022 and 2022-2023 correspond to estimates assuming the same level of allowed revenue and demand as for gas 2020-2021.

Table 15 shows the annual changes in transmission tariffs for gas years 2019-2020, 2020-2021, 2021-2022 and 2022-2023. The variations presented are explained by the following effects:

### Gas year 2019-2020

- The variations in tariffs reflect the reduction of 21.2% in allowed revenues of the transmission system operator, mainly due to the intertemporal deferral of revenue deviations.
- At entry points, the following effects are highlighted:
  - For the LNG terminal the reduction is greater than for the VIP due to the reference price methodology introduced with gas year 2019-2020 (according to this methodology the gas introduced into the system through the VIP implies, in comparison, a greater use of the transmission network).
  - For underground storage there is a 100% reduction resulting from the application of a 100% discount. The application of this discount complies with the Tariff Network Code and is intended to make it easier for traders to be in balance through the use of the underground storage, taking advantage of the flexibility this infrastructure can provide to the system.
- At exit points, the following effects are highlighted:
  - The variation in exit point tariffs for customers connected to the transmission network and for distribution networks is -18.9%, due to the reduction in allowed revenues.

### Gas year 2020-2021

- The variations in tariffs reflect the reduction of 58.8% in allowed revenues of the transmission system operator, mainly due to the intertemporal deferral of revenue deviations.
- At entry points, the following effects are highlighted:
  - At VIP Iberico and the LNG terminal the reduction is equal to 64.3%. The reduction is driven by the reduction in allowed revenues and the increase in forecasted demand.
  - For underground storage the percentage variation is not presented because the prices are zero.
- At exit points, the following effects are highlighted:
  - The variation in exit point tariffs is -51.0%, due to the reduction in allowed revenues.

### Gas years 2021-2022 and 2022-2023

- The tariff variations presented for these gas years correspond to estimates that assume the same level of allowed revenue and demand as for the gas year 2020-2021.
- Given these assumptions, the tariff variations are all nil.

At points with capacity booking<sup>17</sup>, Table 14 and Table 15 only present the evolution of the reserve prices for firm capacity products. The reserve prices for interruptible capacity products result from the following rules:

- **VIP Iberico:** in both directions an ex-post discount is applied, pursuant to article 16(4) of the Tariff Network Code, resulting therefore in reserve prices identical to the reserve prices of the firm capacity products.<sup>18</sup>

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<sup>17</sup> VIP Iberico, LNG terminal and Underground storage.

<sup>18</sup> Applicable to interruptible capacity products for the daily and the within-day timeframe.

- **LNG terminal:** at the entry point to the transmission network an ex-ante discount of 28% is applied compared to the reserve price of the firm capacity product<sup>19</sup>; at the exit point from the transmission network the reserve price is identical to the reserve price of the firm capacity product.<sup>20</sup>
- **Underground storage:** in both directions the reserve price is identical to the reserve price of the firm capacity product.<sup>21</sup>

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<sup>19</sup> Applicable to interruptible capacity products for the within-day timeframe.

<sup>20</sup> Applicable to interruptible capacity products for the daily and the within-day timeframe.

<sup>21</sup> Applicable to interruptible capacity products for the within-day timeframe.

TRANSPARENCY OF TRANSMISSION TARIFFS

Information to be published pursuant to Article 30 of Commission Regulation (EU) 2017/460

Table 14 - Tariffs for the use of the transmission system, by gas year

	Point	Product	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Unit
Entry	VIP Iberico	Yearly	0,1218	0,0969	0,0346	0,0346	0,0346	€/kWh/day/year
		Quarterly	0,1583	0,1260	0,0450	0,0450	0,0450	€/kWh/day/year
		Monthly	0,1827	0,1454	0,0519	0,0519	0,0519	€/kWh/day/year
		Daily	0,2436	0,1938	0,0692	0,0692	0,0692	€/kWh/day/year
		Intraday	6,4308	5,1168	1,8274	1,8274	1,8274	€/kWh/h/year
	LNG terminal	Yearly	0,1218	0,0893	0,0319	0,0319	0,0319	€/kWh/day/year
		Quarterly	0,1583	0,1160	0,0414	0,0414	0,0414	€/kWh/day/year
		Monthly	0,1827	0,1339	0,0478	0,0478	0,0478	€/kWh/day/year
		Daily	0,2436	0,1785	0,0638	0,0638	0,0638	€/kWh/day/year
		Intraday	6,4308	4,7128	1,6831	1,6831	1,6831	€/kWh/h/year
	Underground Storage	Daily	0,0034	0,0000	0,0000	0,0000	0,0000	€/kWh/day/year
		Intraday	0,0902	0,0000	0,0000	0,0000	0,0000	€/kWh/h/year
Exit	VIP Iberico	Yearly	0,0000	0,0213	0,0104	0,0104	0,0104	€/kWh/day/year
		Quarterly	0,0000	0,0277	0,0136	0,0136	0,0136	€/kWh/day/year
		Monthly	0,0000	0,0319	0,0157	0,0157	0,0157	€/kWh/day/year
		Daily	0,0000	0,0426	0,0209	0,0209	0,0209	€/kWh/day/year
		Intraday	0,0000	1,1237	0,5509	0,5509	0,5509	€/kWh/h/year
	LNG terminal	Yearly	0,0000	0,0000	0,0000	0,0000	0,0000	€/kWh/day/year
		Quarterly	0,0000	0,0000	0,0000	0,0000	0,0000	€/kWh/day/year
		Monthly	0,0000	0,0000	0,0000	0,0000	0,0000	€/kWh/day/year
		Daily	0,0000	0,0000	0,0000	0,0000	0,0000	€/kWh/day/year
		Intraday	0,0000	0,0000	0,0000	0,0000	0,0000	€/kWh/h/year
	Underground Storage	Daily	0,0000	0,0000	0,0000	0,0000	0,0000	€/kWh/day/year
		Intraday	0,0000	0,0000	0,0000	0,0000	0,0000	€/kWh/h/year
	Distribution networks and HP Customers	Long Uses	0,2110	0,1712	0,0839	0,0839	0,0839	€/kWh/day/year
	HP Customers	Annual Flexible Rate - Annual Base Capacity	0,2110	0,1712	0,0839	0,0839	0,0839	€/kWh/day/year
		Annual Flexible Rate - Additional Monthly Capacity (April to September)	0,3165	0,2567	0,1259	0,1259	0,1259	€/kWh/day/year
		Flexible Monthly Rate - Monthly Capacity (October to March)	0,6329	0,5135	0,2517	0,2517	0,2517	€/kWh/day/year
		Flexible Monthly Rate - Monthly Capacity (April to September)	0,3165	0,2567	0,1259	0,1259	0,1259	€/kWh/day/year
		Daily Flexible Rate - Daily Capacity (October to March)	2,1097	1,7115	0,8390	0,8390	0,8390	€/kWh/day/year
		Daily Flexible Rate - Daily Capacity (April to September)	1,2658	1,0269	0,5034	0,5034	0,5034	€/kWh/day/year

Note: Figures for gas years 2021-2022 and 2022-2023 correspond to estimates assuming the same level of allowed revenue and demand as for gas year 2020-2021.



TRANSPARENCY OF TRANSMISSION TARIFFS

Information to be published pursuant to Article 30 of Commission Regulation (EU) 2017/460

Table 15 - Annual variations in the tariffs for the use of the transmission system, by gas year

	Point	Product	2019-2020	2020-2021	2021-2022	2022-2023	
Entry	VIP Iberico	Yearly	-20,4%	-64,3%	0,0%	0,0%	
		Quarterly	-20,4%	-64,3%	0,0%	0,0%	
		Monthly	-20,4%	-64,3%	0,0%	0,0%	
		Daily	-20,4%	-64,3%	0,0%	0,0%	
		Intraday	-20,4%	-64,3%	0,0%	0,0%	
	LNG terminal	Yearly	-26,7%	-64,3%	0,0%	0,0%	
		Quarterly	-26,7%	-64,3%	0,0%	0,0%	
		Monthly	-26,7%	-64,3%	0,0%	0,0%	
		Daily	-26,7%	-64,3%	0,0%	0,0%	
		Intraday	-26,7%	-64,3%	0,0%	0,0%	
	Underground Storage	Daily	-100,0%	-	-	-	
		Intraday	-100,0%	-	-	-	
	Exit	VIP Iberico	Yearly	-	-51,0%	0,0%	0,0%
			Quarterly	-	-51,0%	0,0%	0,0%
Monthly			-	-51,0%	0,0%	0,0%	
Daily			-	-51,0%	0,0%	0,0%	
Intraday			-	-51,0%	0,0%	0,0%	
LNG terminal		Yearly	-	-	-	-	
		Quarterly	-	-	-	-	
		Monthly	-	-	-	-	
		Daily	-	-	-	-	
		Intraday	-	-	-	-	
Underground Storage		Daily	-	-	-	-	
		Intraday	-	-	-	-	
Distribution networks and HP Customers		Long Uses	-18,9%	-51,0%	0,0%	0,0%	
HP Customers		Annual Flexible Rate - Annual Base Capacity		-18,9%	-51,0%	0,0%	0,0%
		Annual Flexible Rate - Additional Monthly Capacity (April to September)		-18,9%	-51,0%	0,0%	0,0%
		Flexible Monthly Rate - Monthly Capacity (October to March)		-18,9%	-51,0%	0,0%	0,0%
		Flexible Monthly Rate - Monthly Capacity (April to September)		-18,9%	-51,0%	0,0%	0,0%
		Daily Flexible Rate - Daily Capacity (October to March)		-18,9%	-51,0%	0,0%	0,0%
		Daily Flexible Rate - Daily Capacity (April to September)		-18,9%	-51,0%	0,0%	0,0%

Note: Figures for gas years 2021-2022 and 2022-2023 correspond to estimates assuming the same level of allowed revenue and demand as for gas year 2020-2021.

### **Art. 30 (2)(b) Simplified tariff model**

In accordance with the Tariff Network Code, ERSE provides a simplified tariff model which allows users to consult the tariffs for the use of the transmission network in force for gas year 2020-2021 and to estimate their possible evolution until gas year 2022-2023.

For this purpose, the simplified tariff model allows the user to enter her estimates for the evolution of the transmission system operator's allowed revenues and for the evolution of forecasted capacity regarding the various capacity products.

The simplified tariff model can be found on the [ERSE](#) website.