

During the public consultations on the "**Draft Incremental Capacity Project Proposal at the joint Interconnection Point (IP) Csanadpalota**", the following requests for clarification were received:

Request no. 1 (16/02/2024 – received both by Transgaz and FGSZ)

1) Regarding scenario 1-3 on page 3-4: the estimated CAPEX recuperated at the Romanian side of the ROHU border is 25-535-940 mEUR, while f-factor is 0.85. What is the basis of supplement fee calculation: total CAPEX or CAPEX related to the capacity development at the ROHU border? Also, what is the exact breakdown of the highlighted items under scenario 1-3) and its estimated CAPEX between internal and IP related developments (i.e. how the 25 to 160, 535 to 670 and 940 to 1075 ratio was determined)?

TSO Answer:

The presented CAPEX values are the basis for the calculation of the auction price and are related to capacity development at the IP Csanadpalota.

In scenario 1, the value of EUR 25 million is determined as the share of the capacity developed at IP Csanadpalota in the total capacity developed through the project implementation. For scenario 2 and scenario 3, the additional value of CAPEX (above the total value presented in scenario 1 of EUR 160 million) is related entirely to the capacity development at IP Csanadpalota.

2) On page 7 f-factor determination is unclear. Based on NC TAR: the commodity tariff shall cover only cost of gas flow, not CAPEX. Is the f-factor 0.85 in relation with 0.85 of capacity-commodity tariff ratio? A tariff scenario publication shall support the project proposal

TSO Answer:

The f-factor 0.85 is based on the revenue recovery ratio recognized by ANRE through the capacity booking tariff (85%) and the commodity tariff (15%).

In accordance with the provisions of the Methodology for setting regulated tariffs for natural gas transmission, 85% of the revenue recognized by the TSO, including CAPEX, is recovered from the capacity booking products and 15% is recovered by applying the commodity tariff for the transmitted quantity.

Request 2 (20/02/2024 – received only by FGSZ)

Would be the annual and incremental capacity auctions be announced separately or as part of one auction at RBP on 01/07/2024?

What kind of capacity allocation rules will be applied to the incremental capacity auction?

Based on the estimated CAPEX included in the consultation document, at what tariff (+supplement) will the capacity be announced?

TSO Answer:

TSOs shall offer the incremental capacity from Romania to Hungary direction in accordance with Article 29 of Commission Regulation (EU) No. 459/2017 in the annual yearly capacity auction as standard bundled products in ascending clock auctions according to Article 17 and in accordance with Article 8(8) and (9) and Article 19 of Commission Regulation (EU) No. 459/2017.

Network Users shall submit their Bid or Bids in the Incremental Capacity Auction in RBP, according to CAM NC Article 29. and the current Incremental Capacity Process Rulebook. Network Users shall submit the Bid or Bids on the Regional Booking Platform by authorized person(s) within their organization.

FGSZ will hold one capacity auction for all of the concerned gas years for each of the Offer Levels. Network Users may submit offers at the auction for either one, two or all of the Offer Levels (bid submission). FGSZ will determine an auction as successful, if that auction is deemed as successful based on a positive economic test for the Offer Level in question.

Concerning to the Supplement fee to be applied on the given capacity levels, the affected TSOs will publish all relevant information on a transparent and non-discriminatory way, in line with the relevant provisions of the CAM NC.