

Multiplication factors and seasonal factors used for the setting of the short-term capacity booking tariffs for the first year of the fourth regulatory period, 1 October 2019 – 30 September 2020, for the gas transmission activity

The multiplication factors were substantiated based on the following:

- The provisions of Commission Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas.

The multiplication factors are the same for all groups of NTS entry/exit points.

The calculation of the multiplication factors is based on the following:

- the seasonal factors, which reflect the estimated use of the transmission infrastructure between October 2019 – September 2020;
- multipliers.

The development of the multiplication factors is phased as follows:

Phase 1.

Establishment of seasonal factors:

The aim of using seasonal factors is to induce an increase in the booking tariffs over periods with a high transmission system utilization rate. and a decrease in the booking tariffs over periods with a reduced transmission system utilization rate, to promote an efficient use of the system by applying penalties/ incentives to change the flows from the high demand periods (winter) to lower demand periods (summer) and by reducing the negative impact profiled capacity booking may have on the stability of TSO revenue and tariffs.

The information used refers to the amounts estimated to be transmitted through the National Transmission System between October 2019 and September 2020. The estimated monthly average NTS utilization rates were determined based on this information.

For differentiate short-term services by season (summer/winter), the summer months values and the winter months values were aggregated, resulting in a monthly utilization rate according to the table below.

For the calculation of the final value of the seasonal factors the utilization rate is raised to the power of two ($s=2$).

The monthly utilization rate and the final seasonal factors are presented in the table below:

No.	Period	Monthly utilization rate	Seasonal factor final
1	Oct. 2019	0,82	0,66
2	Nov. 2019	1,14	1,29
3	Dec. 2019	1,46	2,14
4	Ian. 2020	1,49	2,22
5	Feb 2020	1,20	1,43
6	Mar 2020	1,25	1,56
7	Apr 2020	0,75	0,56
8	May 2020	0,77	0,59
9	Jun 2020	0,77	0,59
10	Jul 2020	0,77	0,59
11	Aug 2020	0,78	0,60
12	Sep 2020	0,82	0,68

Phase 2

Establishment of multipliers

The level of the multipliers was established taking into account the following principles:

- (a) ensuring the balance between facilitating short-term gas trade on the one hand, and providing long-term signals for efficient investments in the transmission system and ensuring efficient revenue recovery on the other;
- (b) avoiding volatility of tariffs;
- (c) the need to avoid cross-subsidization between gas transmission network users (profiled users with a seasonal booking profile/vs flat profile users).

According to Regulation (EU) No. 460/2017, where seasonal factors are applied, the arithmetic mean over the entire gas year of the product of the multiplier applicable for the respective capacity product and the relevant seasonal factor must be within the following ranges, depending on the type of short-term capacity products:

- for quarterly and monthly standard capacity products the level of the average multiplication factor may be any value ranging between 1 and 1,5;
- for the daily and within-day products, the average level of the average multiplication factor may be any value ranging between:
 - 1 and 3 for a transition period of 4 years of application;
 - 1 and 1,5, after the transition period.

Phase 3 Calculation of multiplication factors

The multiplication factors were calculated so that the arithmetic mean of the quarterly standard capacity products over the gas year (1,3) be lower than the arithmetic mean of the monthly standard capacity products over the gas year (1,5), and the arithmetic mean of the daily and within-day standard capacity product be equal to 3, resulting the following factors:

No.	Service	Period	Final seasonal factor	Multiplier	Multiplication factor	Average multiplication factor
0	1	2	3	4	5	6
1	Firm/interruptible transmission services contracted for a quarter or multiple quarters	Oct-Dec 2019	1,37	1,21	1,66	1,3
		Jan-Mar 2020	1,74		2,11	
		Apr-Jun 2020	0,58		0,70	
		Jul-Sept 2020	0,62		0,75	
2	Firm/interruptible transmission services contracted for a month or multiple months	Oct 2019	0,66	1,39	0,92	1,5
		Nov 2019	1,29		1,79	
		Dec 2019	2,14		2,98	
		Jan 2020	2,22		3,09	
		Feb 2020	1,43		1,99	
		Mar 2020	1,56		2,17	
		Apr 2020	0,56		0,78	
		May 2020	0,59		0,82	
		Jun 2020	0,59		0,82	
		Jul 2020	0,59		0,82	
		Aug 2020	0,60		0,83	
		Sep 2020	0,68		0,95	
No.	Service	Period	Final seasonal factor	Multiplier	Multiplication factor	Average multiplication factor
3	Firm/interruptible transmission services contracted for a gas day or multiple gas days and for one hour or multiple hours of a gas day	Oct 2019	0,66	2,79	1,84	3,0
		Nov 2019	1,29		3,60	
		Dec 2019	2,14		5,97	
		Jan 2020	2,22		6,19	
		Feb 2020	1,43		3,99	
		Mar 2020	1,56		4,35	
		Apr 2020	0,56		1,56	
		May 2020	0,59		1,65	
		Jun 2020	0,59		1,65	
		Jul 2020	0,59		1,65	
		Aug 2020	0,60		1,67	
		Sep 2020	0,68		1,90	