



**DESFA REPORT ON THE STATEMENT OF THE SECURITY OF
SUPPLY ACCOUNT
for the period 01.12.2014-31.03.2020**

27 April 2020

1. Introduction

The Regulatory Authority for Energy (RAE) with the Decision 1211/2018 amended the Decision 344/2014 Establishment of the maximum limit of the security of supply account, a unitary security of supply charge per category of natural gas customers and per standard power generation unit, in accordance with the provisions of article 73 of L. 4001/2011".

According to the aforementioned decision, the Operator must proceed with the following actions: "(A) Maintains a separate interest-bearing account for inputs and outflows relating to security of supply matters, which will be refinanced by the interest accruing from the inventory of that account; (B) It shall upload on its website annually and submit to RAE a report on the movements and balance of this account until 31 March of each year".

2. Statement of the Security of Supply Account

Based on the above, the movements of the Security of Supply Account from the date of its entry into force until 31 March 2020 are the following:

Invoices 02.12.2014 – 31.12.2014, €	1.119.470,64
Invoices 01.01.2015 – 31.03.2015, €	1.601.094,76
Invoices 01.04.2015-31.12.2015, €	3.503.951,22
Invoices 01.01.2016-31.03.2016, €	1.796.009,10
Invoices 01.04.2016-31.03.2017, €	2.298.515,97
Invoices 01.04.2017-31.03.2018, €	1.897.623,03
Invoices 01.04.2018-31.03.2019, €	1.531,73
Invoices 01.04.2019-31.03.2020, €	7.751.002,25
Sum of invoices up to 31.03.2020 (net value excl. VAT) , €	19.969.198,70
Minus: Payments of DESFA's financial payments to electricity generating units that have concluded a contract in accordance with the provisions of Article 73 (4) of Law 4001/2011 until 31.3.2019, €	2.368.591,66
Minus: Payments of DESFA's financial payments to electricity generating units that have concluded a contract in accordance with the provisions of Article 73 (4) of Law 4001/2011 from 01.4.2019 to 31.3.2020, €	4.392.707,49
Minus: Action D5, €	2.423.120,26
Minus: Return of power production units for maintaining LNG in a storage facility, €	5.617.000,00
Minus: Invoices to be paid, €	1.200.865,79
Balance of bank account (net value, net of interest, with bank expenses and net of VAT) until 31.03.2020, €	3.966.913,50

Plus.: Interest from the creation of the account , €	333.125,21
Minus: Bank account costs from the creation of the account , €	628,00
Current Amount in the account in €	4.299.410,71
Current Amount in the account in mil. €	4,30

3. Recalculation of the Unitary Charge for Security of Supply

In addition, according to the aforementioned RAE Decision, an annual fee adjustment algorithm is set "ensuring a balanced security of supply account, through a revaluation coefficient C , calculated according to the following formula:

$$C = 1 - CA/YC \quad (1)$$

where CA is the current amount of the security of supply account in mil. € and YC are the yearly cost required to finance the relevant approved actions. The C -factor shall take values from 0-1 and shall be adjusted annually by the NNGS Operator, so that the amount of the Security of Supply Account does not exceed the ceiling set in Section G. In the case of a negative value in equation (1) the factor C is set to zero".

The adjustment factor of the fee C is calculated as follows:

$$C = 1 - CA/YC = 1 - (4,3/7,3) = 0,411$$

and the unitary security of supply fee to be paid by Users for each category of natural gas consumption shall be adjusted from the 1st of May 2020 as follows:

- i. 0 €/MWh for the consumption of natural gas from interruptible consumers of natural gas as defined in RAE Decision 1211/2018
- ii. $0,411 \times 0,16 = € 0,066/\text{MWh}$ for the consumption of natural gas exclusively for electricity production
- iii. $0,411 \times 0,18 = € 0,074/\text{MWh}$ for all other natural gas consumption
- iv. $0,411 \times 0,48 = € 0,197/\text{MWh}$ for the consumption of Natural Gas from Protected Consumers