

COMMISSION REGULATION (EU) 2017/460 of 16 March 2017 establishing a network code on harmonized transmission tariff structures for gas

Compliance with Article 30 “Information to be published before the tariff period”

30.1.(a).(i) – Technical capacity at entry and exit points and associated assumptions

Technical capacity is not relevant for the reference price methodology. Relevant information though is available via the following link:

<http://www.desfa.gr/en/regulated-services/transmission/pli-roforisimetaforas-page/relevant-points-and-capacities>

30.1.(a).(ii) – Forecasted contracted capacity at entry and exit points and associated assumptions

The forecasted capacities used to determine the capacity charges for 2021 are shown in the following table:

Year	Daily peak of Quantity delivered to each Entry (m ³ /day/year)		Daily peak of Quantity received by each Exit (m ³ /day/year)		
	Sidirokastro - Kipi - N.Messimvria	Ag. Triada	North Zone	South Zone	Sidirokastro - Kipi (Exit Point Reverse flow)
2021	14.500.000	11.600.000	6.777.552	23.066.328	200.000

30.1.(a).(iii) – Quantity and direction of the gas flow for entry and exit points and associated assumptions

	Sum of Quantities received by each Exit (m ³ /year)
2021	5.082.102.680



30.1.(a).(iv) – Structural representation of the transmission network

Structural representation of the transmission network is available via the following link:

<http://www.desfa.gr/en/national-natural-gas-system/transmission>

30.1.(a).(v) – Additional technical information about the transmission network

Not Applicable

30.1.(b). (i) – Allowed revenue of the transmission system operator

Allowed Revenue of each Activity (€/Year)	
Year	Transmission Activities
2021	99.084.171

30.1.(b). (ii) – Information related to changes in revenue

Year	Basic Activity of Transmission (€)*
2020	138.560.873
2021	130.898.890
Change	-5,5%

**data of revenue refer to the approved allowed revenues. The figure includes also the Allowed Revenue for Dispersion of LNG Activity and the Revenue related to the amount of the Old Recoverable Difference which will be recovered through a commodity charge, according to the provisions of the 4th Amendment of the Tariff Regulation of the Basic Activities of the National Natural Gas System (RAE Decision 539/2019, O.G. B 2601/28.06.2019).*

30.1.(b). (iii). (1) – Types of assets included in the regulated asset base and their aggregated value

In the Regulated Asset Base of the Transmission System tangible and intangible assets are included. As far as tangible assets are concerned these include:

- land and plots,
- buildings and building facilities,
- machinery and mechanical installations,
- transportation equipment,
- furniture and fixture &
- fixed assets under construction or installation.

The aggregated net value of the aforementioned tangible and intangible assets of the transmission system is equal to:

For 2021: 515.933.930 €

It shall be mentioned that said amounts are net of grants, connection fees, own production and interest during construction.

30.1.(b). (iii). (2) – Cost of capital and its calculation methodology

The approved Weighted Average Cost of Capital for 2021 is equal to 7,52% nominal pre-tax.

The calculation methodology is described in the approved 4th Amendment of the Tariff Regulation of the Basic Activities of the National Natural Gas System (RAE Decision 539/2019, O.G. B 2601/28.06.2019) and is available via the following link:

https://www.desfa.gr/userfiles/pdflist/DRSA/4th%20Amendment%20of%20the%20Tariff%20Regulation_EN.pdf

30.1.(b). (iii). (3) – Capital expenditure information

(a) methodologies to determine the initial value of assets

The initial value of assets is based on the acquisition value of assets based on DESFA's Financial Statements and is adjusted according to the provisions of the 4th Amendment of the Tariff Regulation of the Basic Activities of the National Natural Gas System (RAE Decision 539/2019, O.G. B 2601/28.06.2019).

(b) methodologies to re-evaluate the assets

Based on the Tariff Regulation for Basic Activities of the National Natural Gas System any revaluation of Assets of the System Operator after the initial recording in the Financial Statements will not be taken into account in the RAB calculation.

(c) explanation of the evolution of the value of assets

The evolution of the value of assets is based on the above mentioned methodologies.

(d) depreciation periods and amounts per asset type

Depreciation periods are based on a weighted average rate of the depreciation period per asset type of the financial statements of the company (equal to approximately 37,1%). The depreciation period indicatively per asset type is equal to:

Type of Asset	Years
Land and plots	0
Buildings	20
Other technical installations	10
Pipeline & Compressor Stations	40
Machinery	6
Cars	5
Other transportation means	6
Furniture & other equipment	5
IT	5

30.1.(b). (iii). (4) – Operational expenditures

Year	Operating Expenditures of the Transmission System (€)
2021	33.742.597

30.1.(b). (iii). (5) – Incentive mechanisms and efficiency targets

Not applicable

30.1.(b). (iii). (6) – Inflation indices

Inflation is based on latest available data in the International Monetary Fund’s website at the time of tariffs’ calculation.

30.1.(b). (iv) – The transmission services revenue

The transmission services revenue is assumed equal to the allowed revenue

30.1.(b). (v) – Information on the ratios for the revenue referred to in point (iv) above:

1. Capacity-commodity split: 100% -0%
2. Entry- Exit split: 50% -50%
3. Intra-system /Cross-system split: N/A (as there were assumed insignificant transit flows)

30.1.(b). (vi). (1) & (2) – Actually obtained revenue and reconciliation mechanism

Any Over, Under-recovery of previous years (up to 2018) was settled during the calculation of 2019 tariffs. 2019 over-recovery is settled in 2021 through exit points commodity charge calculation.

30.1.(b). (vii) – the intended use of the auction premium

Any revenue stemming from auction premium contributes to the generation of recoverable difference as it is part of the actually obtained revenue.

30.1.(c) – Information on transmission and non-transmission services

(i) commodity based transmission tariffs

Commodity based transmission tariffs are applied to the exits of the system, based on the provision of Article 4.3.(b).(i) of the EU Tariff Regulation. Namely, the relevant tariff aims at recovering part of the “Old Recoverable Difference” amount, as this is defined in the 4th Amendment of the Tariff Regulation of the Basic Activities of the National Natural Gas System (RAE Decision 539/2019, O.G. B 2601/28.06.2019).

2021	<u>TQE_i (€/kWh GCV)</u>
Exit North Zone	0,0001959
Exit South Zone	0,0001959

(ii) non-transmission tariffs for non-transmission services

Please refer to relevant link for an analysis of the methodology used for the calculation of non-transmission tariffs: <http://www.desfa.gr/en/non-regulated-services/other-services>

(iii) the reference price and other prices applicable at points other than those referred to in Article 29

Capacity tariffs for other than IPs are presented in the following link:

<http://www.desfa.gr/en/regulated-services/transmission/tariffs>

It shall be mentioned that said tariffs are applicable from 1.1.2021.

30.2.(a).(i) – Difference in the level of transmission tariffs for the same type of transmission service applicable for the prevailing tariff period and for the tariff period for which the information is published

The decrease in 2021 tariffs compared to 2020 tariffs is approximately 21%. The percentage stems from the comparison of the average tariff for the use of the system as this is analyzed in the Tariff Regulation. The average tariff drop between 2020 and 2021 is due to decreased required revenue and increased demand assumptions.

30.2.(a).(ii) – Estimated difference in the level of transmission tariffs for the same type of transmission service applicable for the tariff period for which the information is published and for each tariff period within the remainder of the regulatory period.

The Regulatory Period is 4 years, namely from 2019 to 2022. From 2020 onwards the Tariff Regulation (4th Amendment of the Tariff Regulation, RAE Decision 539/2019) changes in order to be fully compatible with the provisions of the EU Regulation 2017/460. As a result, the reference price methodology changes (DESFA applies from 2020 onwards the Capacity Weighted Distance Methodology) and the structure of the tariff is also changing considering that zones are merging and certain costs are isolated.

Further to that from 2020 onwards the capacity tariffs are expressed in €/kWh/hr/yr, while commodity tariffs exist only for the recovery of the Old Recoverable Difference amount which is though allocated to the Exits of the system.