Tariff Design and Allocation of Allowed Revenues to Customer Categories

Roundtable input by Hungary

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Consumer Groups

What are the consumer groups in your tariff design (Sectoral categories, consumption amount levels, pressure levels, other?)

TSO: No difference between the consumer groups. Everyone pays the same, households and industries included. This structure was put in place in 2017.

DSO: Difference between 1) those without metering device, 2) users with a meter with a nominal (total) capacity of less than 20 cubic metres per hour, 3) those between 20-100 m3/h, 4) those between 100-500 m3/h and 5) those with more than 500 m3/h.

TSO Tariff Design & Cost Allocation

Please explain the allocation mechanism - how do you allocate costs to consumer groups

- *NC TAR – Please provide the country specific details*
- *If other – Please describe in details*

TSO: NC TAR is applied. No difference between consumers, the postage stamp system is in use. We use the same tariff on all exit points and the same tariff on all entry points, furthermore a storage discount is in place along with taking into account of seasonal factors.

DSO Tariff Structure

Please explain the allocation of allowed revenues to customer categories

No distinction is made between costs when allocating costs to categories, so first a total recognised cost (OPEX+CAPEX) is calculated and then allocated to categories using an artificial indicator (a so-called composite). This artificial indicator is the weighted geometric average of the annual volume of natural gas distributed (MWh) and the number of consumption sites, with a ratio of 77:23.

Allocating CAPEX

What are the criteria of allocating CAPEX? Which physical parameters are taken as reference?

TSO: Postage stamp tariff modell in use.

CAPEX is recovered thorugh the capacity-based tariffs.

Capacity-based transmission tariffs are calculated by first splitting the allowed revenue into a part to be recovered at entry points and a part to be recovered at exit points.

Entry point reference prices (tariffs for firm annual capacity products) and exit point reference prices are calculated by dividing the allowed revenue to be recovered at the respective types of points by the forecasted booked capacity for the given type of point.

Allocating OPEX

What are the criteria of allocating OPEX? Which physical parameters are taken as reference?

TSO: The OPEX consists of fixed operating costs and those costs that are mainly driven by the quantity of the gas flow.

Fixed operating costs are recovered through capacity tariffs.

Those operating costs that are mainly driven by the quantity of the gas flow (such as CO2 quota costs and the cost of gas used for compression) are recovered through a flow-based charge. The flow based charge is calculated based on the forecasted booked capacity (the charge is paid after flows measured at exit points).

Allocating OPEX/CAPEX DSO

What are the criteria? Which physical parameters are taken as reference?

An external consultant is hired by MEKH every four years who calculates the infrastructure CAPEX and OPEX. In the OPEX personnel cost, network losses and operating and maintenance costs are included. In the CAPEX WACC along with the establishment of the asset value and amortization rate is calculated by the consultant.

THANK YOU
FOR YOUR ATTENTION!

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