

Tariff Design and Allocation of Allowed Revenues to Customer Categories

Roundtable input by Lithuania

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National energy regulatory council (NERC)



- NRA approves revenue caps on transmission, distribution services and methodologies of their calculation (Law on Natural Gas)
- Specific distribution prices shall be fixed by DSO on an annual basis. NRA verifies if prices are calculated in breach of the requirements for setting prices laid down in methodologies for the calculation of set revenue caps and that they don't discriminate customers and/or are false (Law on Natural Gas)
- TSO tariffs are set in accordance with requirements of TAR NC

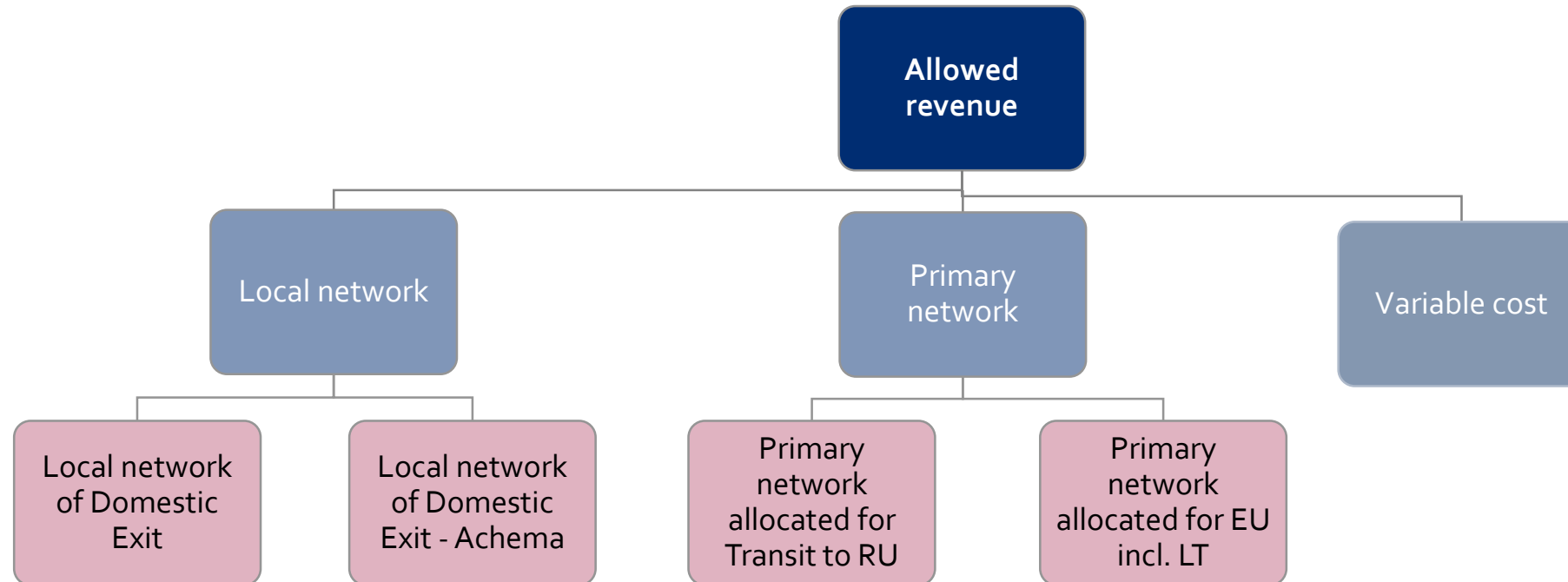
TSO Tariff Design



Entry points	
Domestic	Lithuania NEW!
BY>LT	Kotlovka*
LNGT>LT	Klaipėda
LV>LT	Kiemėnai
PL>LT	Santaka

Exit points	
Domestic	Lithuania
Domestic (Achema)	
LT>RU	Šakiai
LT>LV	Kiemėnai
LT>PL	Santaka

* - Kotlovka Entry point is used only for RU transit needs. Import for EU purposes is banned.



- **Primary network** (transmission system asset units available to both Lithuanian gas consumers and network users transporting gas through cross-border entry / exit points and / or Klaipėda LNG terminal)
- **Local network** (transmission system asset units by which the gas is transmitted only to Lithuanian gas consumers)
- Assets and costs, other than those referred to above (and other than those, allocated according to the geographic position), are allocated to the Primary network and to the Local network according to the driver of pipeline length, i. e. length of the Primary network and the Local network

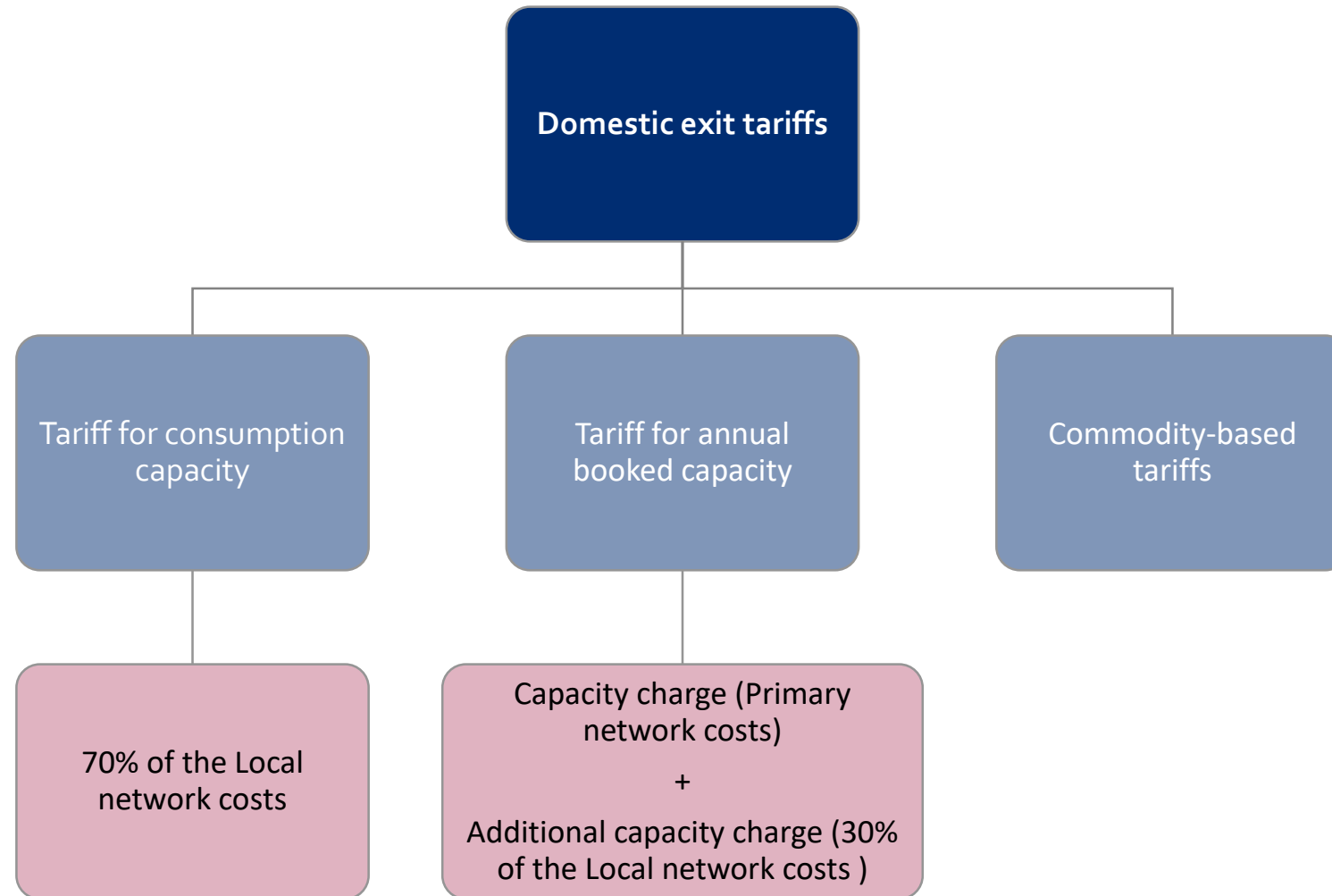
TSO tariff design for domestic exit points

- Local network costs are directly allocated to Domestic Exit points (only).

- The costs and ROI attributed to the Local network shall be allocated to each Domestic exit point, in accordance with the following principles:
 - the direct costs and ROI of the Local network are attributed to the particular domestic exit point according to the Local network's infrastructure used at these points.
 - indirect operational, other costs and ROI of the Local network are attributed to the infrastructure according to the length (km) of the pipeline branch(-es) allocated to corresponding Domestic Exit Point in relation to the total length of the pipelines of the Local network.

- The 70% of the Local network costs (allocated to Domestic Exit Points) is attributed to the tariffs for Consumption capacity, the remaining part (30 %) – to capacity-based tariffs

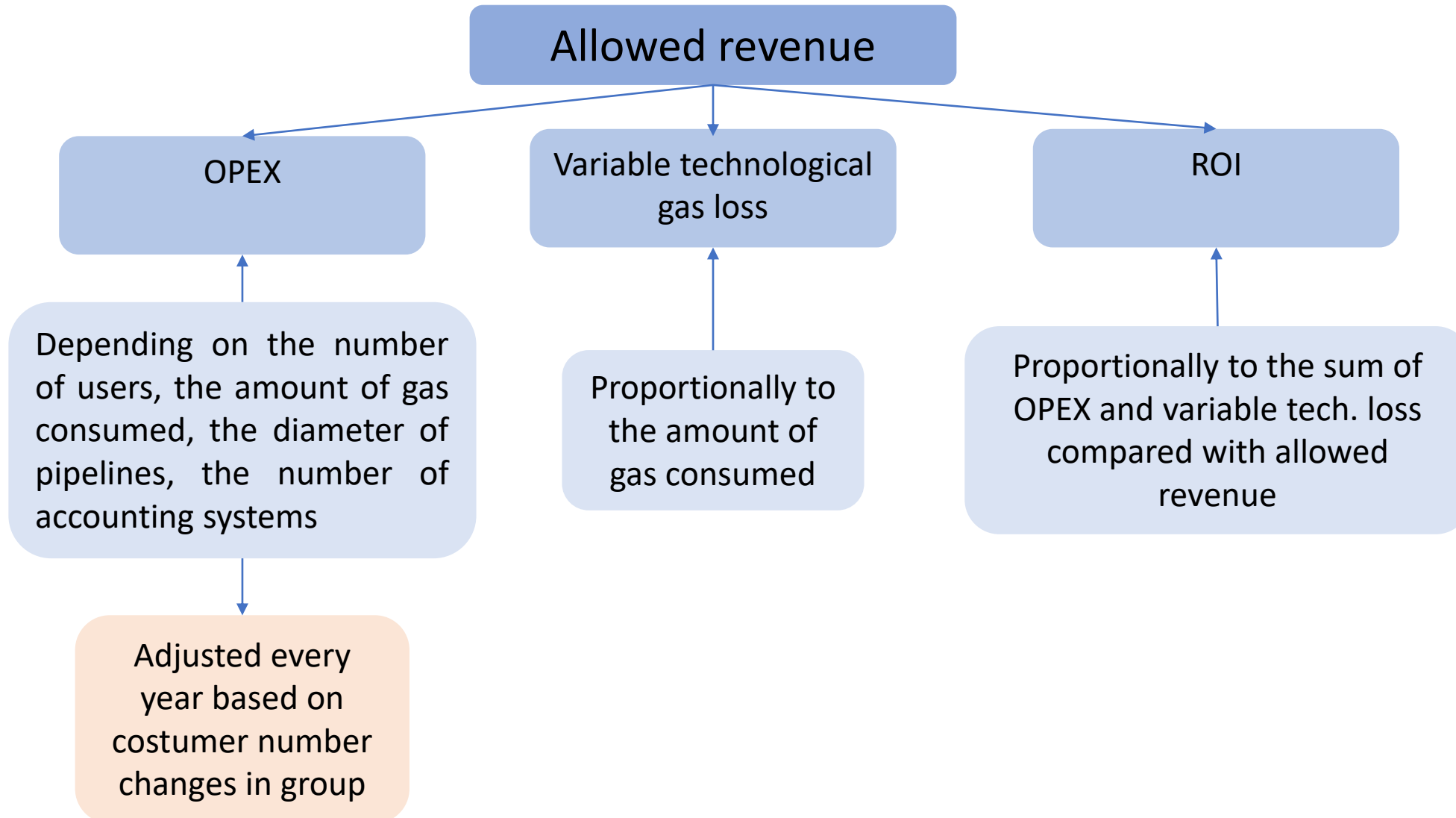
TSO tariff design



DSO consumer Groups

Group	Amount of natural gas consumed	Consumer number (2023)
I	up to 3120 kWh ($Q \leq 3120$ kWh)	447 586
II	from 3120 kWh to 207980 kWh ($3120 \text{ kWh} < Q \leq 207980 \text{ kWh}$)	175 129
III	from 207980 kWh to 1040 MWh ($207980 \text{ kWh} < Q \leq 1040 \text{ MWh}$)	1 221
IV	from 1040 MWh to 10399 MWh ($1040 \text{ MWh} < Q \leq 10399 \text{ MWh}$)	396
V	from 10399 MWh to 51995 MWh ($10399 \text{ MWh} < Q \leq 51995 \text{ MWh}$)	43
VI	from 51995 MWh to 155985 MWh ($51995 \text{ MWh} < Q \leq 155985 \text{ MWh}$)	11
VII	from 155985 MWh ($Q > 155985 \text{ MWh}$)	1

Allocating OPEX and CAPEC





**THANK YOU
FOR YOUR ATTENTION!**

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