

Tariff Design and Allocation of Allowed Revenues to Customer Categories

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Consumer Groups

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

- In the NG distribution tariff, we have 5 stages depending on the level of consumption amount.
- In the NG transmission tariff, there is not different tariff levels or consumer group. However the transmission tariff consist of two types of charges: **capacity and service charges** to allocate the revenue.

TSO Tariff Design & Cost Allocation

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

According to the Allocation Method submitted by the TSO;

- *45% of Revenue Cap is allocated to the capacity charge.*

The revenue allocated to capacity charge is distributed between the entry points and the exit point according to the asset base of each point. The price to be paid to the carrier for the capacity reserved by the shipper as Sm³/day.

- *55% of Revenue Cap is allocated to the service charge.*

The price that the shipper will pay to the carrier for the unit Sm³ natural gas it pulls from the grid. Service charges are determined according to the postage-stamp methodology (regardless of distance). Calculation is made on the amount of gas actually transported in the transmission system.

DSO Tariff Structure

Please explain the allocation of allowed revenues to customer categories

- *EMRA sets the allocation principles.*
- *In the tariff methodology, there are provisions for allocating CAPEX and OPEX components of the RR to each customer group.*
- *Costs that can be separated for customer groups are directly allocated to the relevant group; however for allocating the non-separable costs, the number of customers, consumption amount and similar parameters are used.*

Consumption Amount Level	Method
0-100.000 m ³	Forecasted via Time Series Analyses
100.001-1.000.000 m ³	
1.000.001-10.000.000 m ³	
10.000.001- 100.000.000 m ³	
100.000.001 m ³ and above	Forecasted by considering consumers's and DSO's consumption prediction and the previous consumption amounts.

Allocating CAPEX

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

- *The CAPEX component is allocated to the stages according to the pressure requirement of each stage and the **pipe diameter** required at each pressure level.*
- *The **number of meters** at each stage and the **RMS usage rate** of each stage are taken into account.*
- *The **peak consumption amount** at each stage is also taken into account in the calculations.*

Allocating OPEX

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

- The OPEX component is allocated to the stages according to the main principle of allocate a cost item directly related to a level to that level.*
- Them number of meters, consumption amount level, lenght of pipeline etc. are taken as reference.*



**THANK YOU
FOR YOUR ATTENTION!**

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