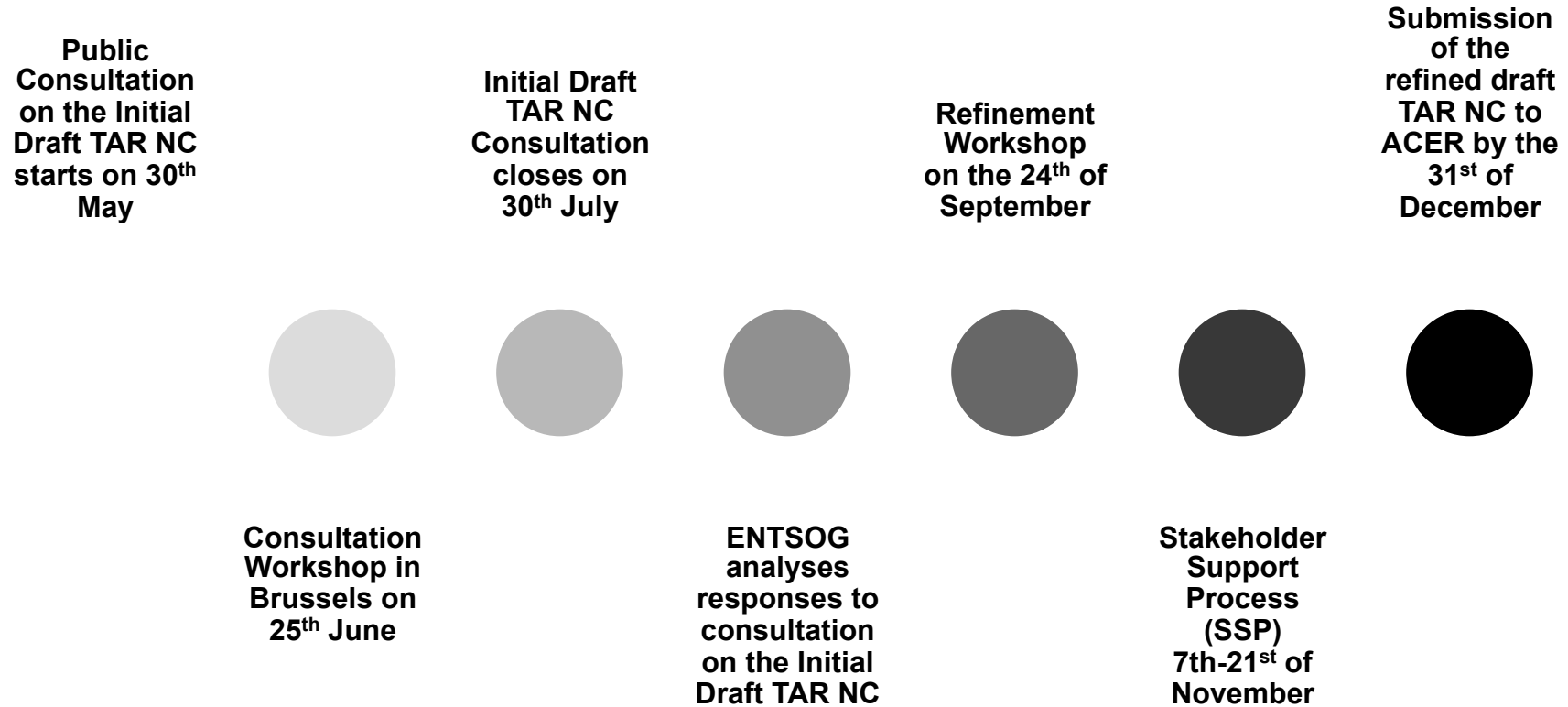


Draft Tariff Code – walk through

5th June 2014



Tariff Timeline to Network Code Submission



Draft Tariff Code

- Key deviations from FG:
 - Chapter II (Cost Allocation Approach) flexibility regards to possible tariff setting in common and the inclusion of the asset allocation methodology.
 - Chapter IV (Reserve Prices) possibility to have multipliers higher than 1.5 and to have the pricing for all interruptible products based on the probability of interruption (not the pricing of some products based on marginal costs).
 - Chapter VII (Payable Price) reflects the possibility to have fixed price contracts.

Initial Draft Tariff NC - Contents

Initial Draft Tariff NC

Chapter I – General Provisions

- > **Transmission services definition**
 - > **Allows for short-haul as “dedicated service”**

Chapter II – Cost Allocation Approach

- > **5th Cost Allocation Methodology – asset allocation methodology**
- > **Inclusion of compromise text for possible common tariff setting**
- > **Allows existing GB approach + allows “discount” of tariff at storage facilities**

Initial Draft Tariff NC

Chapter III – Publication Requirements

- > **In line with the TAR FG**
- > Harmonisation of tariff period open for consultation

Chapter IV – Reserve Prices (**IPs only**)

- > Safeguard to allow multipliers higher than 1.5
- > Same approach to pricing for all interruptible capacity products
- > **Ex-post discount on interruptible allowed**

Initial Draft Tariff NC

Chapter V – Revenue Reconciliation

- > **In line with the TAR FG**
 - > **Impact of “single regulatory account” on GB?**

Chapter VI – Pricing of Bundled Capacity and Capacity for VIPs **(IPs only)**

- > **In line with the TAR FG**

Chapter VII – Payable Price **(IPs only)**

- > **Fixed price option**

Initial Draft Tariff NC

Chapter VIII – Incremental and New Capacity (**IPs only**)

- > **Fixed price option**
- > **In case Economic Test cannot be passed at reserve prices then possibility to adjust tariff or depreciation rate**

Chapter IX – Final and Transitional Provisions

- > **Mitigating Measures and Implementation**

How to respond to consultation

- **Draft Code and Supporting Document can be found at:**

<http://www.entsoe.eu/publications/tariffs#TAR-NC-CONSULTATION-DOCUMENTATION>

- **On-line Consultation Response Form can be found using the following link:**

<https://www.surveymonkey.com/s/SDVWJP5>

- **On-line response closes 17:00 CET on 30 July 2014.**