ENERGINET

31. August 2020

PUBLICATION ACCORDING TO ART. 29 AND 30 REGULATION (EU) 2017/460 (NC TARIFFS)

TAR NC	Description	Information/ Link
	Information to be published before the annual auction (tariff period 2021)	
Art. 29 (a)	Information for standard capacity products for firm capacity (reserve prices, multipliers, seasonal factors, etc.)	Pricelist can be found here. For the justification of the level of multipliers, Energinet refers to the method approval by DUR: • Tariff methodology for the Danish transmissions system – NC TAR approval
Art. 29 (b)	Information for standard capacity products for interruptible capacity (reserve prices and an assessment of the probability of interruption)	Pricelist can be found here. See "Interruptible capacity at Ellund – calculation of probability" here.
	Information to be published before the tariff period (tariff period 2020)	
Art. 30 (1)(a)	Information on parameters used in the applied reference price methodology related to the technical characteristics of the transmission system.	All input parameters (i.e. forecasted capacity and flow) are listed below: • Capacity: 8,196,667 kWh/h/year • Flow: 32,802 mio. kWh
Art. 30 (1)(b)	General remarks	Energinet is 100% state-owned. In accordance with the legislation, Energinet is regulated by a non-profit principle, recovering only necessary and reasonable cost. For that reason, several the parameters stated in the article 30 have no bearing on the tariffs. Nevertheless, most are stated in following cells.
Art. 30 (1)(b)(i)	Information on the allowed and/or target revenue	The allowed revenues of Energinet for the year 2020/2021 are: 318 mDKK (after over recovery etc.)
Art. 30 (1)(b)(ii)	Information related to changes in the revenue.	From the last tariff calculation, it's a decrease of 3 mDKK (0.9%)
Art. 30 (1)(b)(iii)	Information related the following Parameters: types of assets, cost of	Inflation on the equity and the interest rate from the Danish National Bank on the debt: • Cost of equity: 2.5 mDKK • Cost of debt: 65 mDKK

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<td>capital, capital and operational expenditures, incentive mechanisms and efficiency targets, inflation indices.</td>
<td>Cost base:
• CAPEX: 196 mDKK
○ Pipelines: 102 mDKK
○ Compressors: 21 mDKK
• OPEX: 141 mDKK
• Over recovery: 75 mDKK

The regulated asset base per asset type is:
• Pipelines: 8,957 mDKK
• Compressors: 781 mDKK
• Total (Pipelines, Compressors and others): 11,000 mDKK

Point a to c is not applicable, due to the current regulation - non-profit principle. Below is a table showing the depreciation periods on different types of assets. However, for Energinet Gas TSO all assets are depreciated towards 2052.

Depreciation period based on Asset type:
• Ground – No depreciation
• Building – 20-100 years
• Technical installations – 10-60 years
• Other installations and fixtures – 3-10 years
• Software – 3-10 years</td>
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<td>Art. 30 (1)(b)(iv,v)</td>
<td>Information on the transmission services revenue including capacity-commodity split, entry/exit split and intra-system/cross-system split</td>
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<tr><th>Split</th><th>Capacity only:</th><th>Including commodity:</th></tr>
<tr><td>Intra</td><td>32%</td><td>52%</td></tr>
<tr><td>Cross-use</td><td>68%</td><td>48%</td></tr>
<tr><td>Entry</td><td>54%</td><td>38%</td></tr>
<tr><td>Exit</td><td>46%</td><td>62%</td></tr>
<tr><td>Capacity</td><td>-</td><td>70%</td></tr>
<tr><td>Commodity</td><td>-</td><td>30%</td></tr>
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<td>Art. 30 (1)(b)(vi)</td>
<td>Information related to the previous tariff period regarding the reconciliation of the regulatory account.</td>
<td>Energinet adjusts the allowed annual revenue with sums received as a result from discrepancy between the actual received annual revenue and the realized costs for a given year. The operator keeps a special regulatory account for that purpose where the annual differences between the</td>
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		actual received revenue and the revised costs accumulate on a yearly basis. Energinet is obliged to calculate any over or under recovery into the following year tariffs. Energinet have in the tariffs for the gasyear 2020/2021 subtracted an over recovery of 75 mDKK from the cost base.
Art. 30 (1)(b)(vii)	Information on the intended use of the auction premium.	No revenue generated by an auction premium has been accounted for as at the of the pricing period (01.10.2019-30.09.2020). When/If such revenue is generated it will be included in the general sum of the revenue collected.
Art. 30 (1)(c)	Information on transmission and non-transmission tariffs accompanied by the relevant information related to their derivation.	Transmission • See Art. 30 (2)(b) Balancing Charge is covering the cost of balancing and I charged as a commodity tariff. The charge is applied on all exit points and is 0,00019 DKK/kWh for the gasyear 2020/2021 Emergency • The emergency supply tariff is derived as the total cost base related to emergency divided by the Danish consumption (protected and non-protected). The tariffs are charged by the DSO Company.
Art. 30 (2)(a)	Information on transmission tariff changes and trends	See tariff forecasting model here.
Art. 30 (2)(b)	Information about the used tariff model and an explanation how to calculate the transmission tariffs applicable for the prevailing tariff period.	Calculations $Tarif f_{Capacity}$ $= \frac{70\% * (Costbase - Correction\ of\ over\ recovery - \frac{1}{3} EllundEgtved\ )}{Forecasted\ capacity}$ $= \frac{70\% * (405.5mDKK - 75mDKK - 12mDKK)}{8{,}196{,}667}$ $= 27.16$ DKK/kWh/h/year $Tarif f_{Commodity\ Exit\ points}$ $= \frac{30\% * (Costbase - Correction\ of\ over\ recovery - \frac{1}{3} EllundEgtved)}{Forecasted\ flow_{Exit\ points}}$ $= \frac{30\% * (405.5mDKK - 75mDKK - 12mDKK)}{32{,}802} = 0.00291\ DKK/kWh$