

#### **ACER Consultation Template**

**Tariff NC Article 26(5)** 

The following document constitutes support material for the online template created by the Agency for the Coordination of Energy Regulators ('the Agency) for the national consultations to be carried out according to the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a Network Code on Harmonised transmission tariff structures for gas ('TAR NC').

# The document should not be used independently of the online template provided by the Agency, which can be accessed at:

http://www.acer.europa.eu/Official\_documents/Public\_consultations/Pages/ACER-Consultation-Template.-Tariff-NC-Article-26(5).aspx

The document provides a checklist of consultation obligations on the reference price methodology ('RPM') as laid out in Article 26, as well as an interpretation to several aspects of Article 26, clarifying the criteria and the principles which will be used by the Agency in its review. It is intended to support NRAs and TSOs in their effort to comply with their respective legal obligations.

The obligations here listed mirror those which have been made part of the online template, which is accessible in the link above.

Where relevant, the cell provides a reference to the relevant Article of the TAR NC:

- <u>Blue table cells</u> replicates the text of the Tariff NC and provides references to articles of the TAR NC.
- <u>White table cells</u> provides descriptions and clarifications to the text of the TAR NC.

Further information on the template shall be found at the above link in the Agency's website.

#### [1] Information on the parameters used in the proposed RPM related to technical characteristics of the transmission system [Art. 26(1)(a)(i), Art. 30.(1)(a)]: Provide the information on the parameters listed in Article 30(1)(a)(i-v) when they are an input to the proposed RPM. For parameters that are not an input to the RPM, mark as 'Not applicable'. The description of the RPM and the justification of the parameters may refer to information requested in other points of Article 26 and in other articles, such as Article 7. Article [A] Description of the proposed reference price methodology. 26(1)(a)Reference to consultation document(s): Chapter 19 (capacity-commodity split), 20 (entry-exit split), 21 (reference price methodology) and 26 (inter-TSO compensation) Description: The proposed reference price methodology (RPM) is the capacity weighted distance (CWD), with the following cost drivers: average distance for each entry point/cluster of entry point and for each exit point/cluster of exit points; forecasted contracted capacity (§21). Locational signals resulting from the CWD reflect the relative distance between each entry/exit point and an average location, weighted by the forecasted booked capacity; in principle, the farthest the distance, the highest the charge. ARERA deems that the proposed methodology guarantees a high degree of cost reflectivity. Entry/exit split is 28/72, and has been set to replicate the current 40/60 split on the national network and 0/100 split on the regional network. This setting avoids the cost of the latter is improperly charged to the entry points. The 40/60 split is motivated by considering the utilisation rates of the entry points in the last years; in general, this choice is made to ensure a higher degree of competitiveness for gas supply at the national level and to foster the alignment of the PSV price to the price of the other European hubs (§20). Capacity/commodity split is 85/15. The capacity share covers mainly capital costs (asset remuneration and depreciation), which are fixed costs. The commodity share covers operating costs, losses, fuel gas and unaccounted for gas, which are mainly variable costs (§19). The intra-system/cross-system split is 99.7/0.3. For the purpose of CWD calculations, grouping of entry points from production facilities (into 10 production hubs) and of domestic exit points (into 6 exit areas) is performed (§21.7). The following adjustments are proposed. • Equalisation, whereby the same reference price is applied to the following groups of points: entry points from storage; exit points to storage, domestic exits (§21.10-21.12). Rescaling for reference prices resulting from the CWD RPM after storage discounts, by 0 multiplying entries and exits for the respective constant. This operation is performed to guarantee the recovery of the allowed revenue with respect to forecasted contracted capacity (§21.15-21.16). No benchmarking is applied. 0 For domestic exits (delivery points) within 15 km from the national network, a tariff corresponding to 90% of the tariff for domestic exits over 15 km is applied. To avoid cross-subsidies between domestic exits and other exit points, the tariff for points over 15 km is determined in order to keep the overall revenue from domestic exits unchanged (§21.27-21.19). 50% discount for storage, no discount for LNG (§21.13-21.14) Since the Italian system is characterised by the same entry charge and exit charge for multiple TSOs, an inter-TSO compensation mechanism is in place, in order to ensure each TSO a revenue consistent with its allowed costs (§26). Articles 26(1)(a)(i) **[B]** Justification of the parameters used that are related to the technical characteristics of the system 30(1)(a)(i-v)

[A] ART. 26(1)(A): PROPOSED REFERENCE PRICE METHODOLOGY

	<ul> <li>Capacity cost driver: forecasted contracted capacity in a calendar year, determined as weighted average of the forecasted contracted capacity for the two gas years relevant for the calendar year. This estimation includes also short-term capacity and interruptible capacity.</li> <li>Distance cost driver: given the peculiarities of the Italian system, characterised by two classes of transmission services, on national and regional networks, distance is calculated according to the following criteria:         <ul> <li>for the national network, the physical distance on the shortest route from one entry/cluster of entry point to one exit/cluster of exit point;</li> <li>for the regional network, the average distance from the national network of delivery points belonging to an exit area, weighted by the forecasted contracted capacity in those same delivery points.</li> </ul> </li> <li>Reference to consultation document(s). §21.5 and §21.6</li> </ul>		
Articles 26(1)(a)(i) 30(1)(a)(i)	[C] Technical capacity at entry and exit points. Values	Associated assumptions	
	Not applicable.	Not applicable.	
Articles 26(1)(a)(i) 30(1)(a)(ii)	[D] Forecasted contracted capacity at entry and exit points. Values	Associated assumptions	
	Reference to consultation document(s). Chapter 29, Table 7	Capacity is based on a forecast by the TSO Snam Rete Gas on gas years 2019-20 and 2020-21. It also includes: (i) a forecast on short-term bookings, given the respective level of multiplier; (ii) a forecast on interruptible capacity, given the respective level of discount. For each tariff year, assumptions and data on forecasted capacity are provided by Snam Rete Gas and subject to approval by ARERA. Reference to consultation document(s): §21.5	
Articles 26(1)(a)(i) 30(1)(a)(iii)	[E] The quantity and the direction of the gas flow for entry and exit points. Values	Associated assumptions	
	Not applicable.	Not applicable.	
Articles 26(1)(a)(i) 30(1)(a)(iv)	[F]Structural representation of the transmission network with an appropriate level of detail	Associated assumptions	
	Reference to consultation document(s): Chapter 29, Figure 1 For a more detailed representation of the network, see also the following webpages: http://www.snam.it/it/trasporto/Processi_Online/ReteSnamReteGas/inf ormazioni/rete-srg/index_rete.html http://www.snam.it/it/trasporto/Processi_Online/ReteSnamReteGas/in formazioni/rete-nazionale-gasdotti/1_rete-naz-gasd.html.	Reference to consultation document(s):	
Articles 26(1)(a)(i)	[G] Additional technical information about the transmission network, such as: the length and the diameter of pipelines and the power of compressor stations	Associated assumptions	

30(1)(a)(v)							
	Reference to consultation methodology, but inclu	document(s). Not ap ded in Tables 8, 9 ar	plicable for nd 10 (Chap	the oter 29)	Reference to Chapter 29 and 10	consultation docume 9, footnotes to Table	ent(s). s 8, 9
[2] The va 26(1)(	alue of the proposed adjuation and the proposed adjuation of the proposed adjuation and the proposed adjuation adjuation and the proposed adjuation adjuation and the proposed adjuation adjuati	stments for capacit	y-based tra	ansmission	tariffs pursuant	to Article 9 [Art.	
Articles 26(1)(a)(ii)	[A]Proposed discount(s) at entry points from and exit points to storage facilities						
9(1)							
	Yes, namely: 50% at entry points from storage facilities and 50% at exit points to storage facilities compared to the initial result of the RPM (§21.13).			red to			
Articles 26(1)(a)(ii)	[B] Proposed disco	unt(s) at entry poin	ts from LN	IG facilitie	es		
9(2)							
	Not applicable (§21.14).						
Articles 26(1)(a)(ii) 9(2)	[C]       Proposed discount(s) at entry points from and exit points to infrastructure developed with the purpose of ending the isolation of Member States			the			
	Not applicable.						
[3] Indica	ntive reference prices subj	ect to consultation	[Art. 26(1)	(a)(iii)]			
Article	[A]Indicative reference [	orices at each entry	and at eac	h exit poir	nt		
26(1)(a)(iii)	Reference to consultation document(s). Chapter 31, Tables 12 and 13						
	restricter to consultation document(5). Chapter 51, Tables 12 and 15						
[4] Cost a	Illocation assessment [Art	. 26(1)(a)(iv), Art.5	]				
According allocation Agency re- together w when the c the NRA n	According to Article 27(2)(b) the Agency shall assess the compliance of Article 7. Given that Article 7(c) refers to the cost allocation assessment, the Agency's analysis of compliance applies to the cost allocation assessment. For this purpose, the Agency request the NRA/TSO responsible for the consultation to submit a justification of the cost allocation assessment together with the rest of the consultation documentation once the consultation is launched. This applies only for the case when the cost allocation ratio exceeds 10%. This justification is requested by the Agency independently of its inclusion in the NRA motivated decision described in Article 27(4).						
Articles 26(1)(a)(iv)	[A]Results of the cost all	ocation assessment					
5	Capacity cost allocation assessment Commodity cost allocation assessment		,				
	Capacity cost allocation co	omparison index: 1.2	28%	Commodit	y cost allocation c	comparison index: 1.	31%
	[B] Components of Canacity cost al	the cost allocation	assessment t	t Ce	ommodity cost all	location assessment	
	Components of the calcula	ation:		Componer	nts of the calculation	on	, 
	Revenue <sup>intra</sup> cao	€ 1.741.324.257			Revenue <sup>intra</sup> comm	€ 300.436.270	
	Revenue <sup>cross</sup> cap	€ 16.419.481		-	Revenue <sup>cross</sup> comm	€ 626.212	
	Driver <sup>intra</sup> cap	541.882.179			Driver <sup>intra</sup> comm	167.829	
	Driver <sup>cross</sup> cap	5.044.790			Driver <sup>cross</sup> comm	354	
	Ratio <sup>intra</sup> cap	0,32%			Ratio <sup> intra</sup> comm	179013,84%	
	Ratio <sup>cross</sup> cap	0,33%			Ratio <sup>cross</sup> <sub>comm</sub>	176680,67%	
	Comp <sub>cap</sub>	1,28%		[	Comp <sub>comm</sub>	1,31%	

	Reference to consultation document(s). Chapter 32, Table 16	Reference to consultation document(s). Chapter 32, Table 16	
	[C] Details of components of the cost allocation a	ssessment	
	Capacity cost allocation assessment	Commodity cost allocation assessment	
	Capacity cost driver: forecasted contracted capacity	Commodity cost driver: withdrawn volume of gas	
[5] Assess (EC) N	ment of the proposed reference price methodology in a No 715/2009 [Art. $26(1)(a)(v)$ ].	accordance to Art.7 and Art. 13 of the Regulation	
The Agence the purpose exhaustive	y will evaluate the compliance of the RPM against the set e of making explicit the criteria that will be used for this a list of suggestions to follow in the assessment	of principles laid out in Article 7 [Art.27(2)(b)(1)]. For nalysis, the template provides the following non-	
Quantitativ	e will be reviewed based on the explanations provided.	gency as evidence. When such proofs are not available,	
Articles			
26(1)(a)(v)			
7	[A] The RPM should: enable network users to re	produce the calculation of reference prices and their	
,	accurate forecast.		
13 [Reg. (EC)			
NO /15/2009]	The proposed RPM is sufficiently clear and transparent	as it is mainly based on the CWD methodology described	
	in the TAR NC, with adjustments as previously describe	d in sections 1A and 1B.	
	Moreover, the introduction of a flow-based complementa	ary revenue recovery charge adds stability to capacity-	
	based tariffs.		
	Provide the reference to the consultation document(s): § 2	21.21	
	[B] The RPM shall into account the actual costs considering the level of complexity of the transmiss	incurred for the provision of transmission services ion network.	
	The CWD methodology ensures a high degree of cost-r	eflectivity, as it is based on both the cost drivers of	
	capacity and distance.		
	For the purpose of CWD calculation, grouping of entry points from production facilities and domestic exit points		
	is a necessary step given the complexity of the network		
	while avoiding the allocation of regional network costs	(which are only used for serving domestic customers) to	
	cross-border points.	(which are only used for serving domestic customers) to	
	Provide the reference to the consultation document(s): §2	1.22	
	[C] The RPM shall ensure non-discrimination ar by taking into account the cost allocation assessment	nd shall prevent undue cross-subsidisation including	
	The RPM does not create cross-subsidies among netwo	rk users as shown also by the results of the cost	
	allocation assessments. As the methodology takes dista	nce as a relevant cost driver, the degree of cross	
	subsidisation is limited when compared to other method	lologies which do not take distance into account – and	
	which result in more homogenous sets of tariffs. The in	clusion of the regional network does not result in an	
	undue cross-subsidisation between domestic and cross-	border points. Discounts for storage and LNG	
	(respectively, 50% and zero) has been set at the lowest	possible level in order to limit the extent of cross-	
	subsidies.	a sinta) the seal arms do such a former subsidiartion	
	between final customers in different areas is resulting (2)	points), though some degree of cross-subsidisation	
	tariffs as a result of the CWD, which do not seem reaso	nable in terms of cost-reflectivity and are only related to	
	the simplified approach implied in the CWD methodolo	by Also, it must be considered that such equalisation	
	does not affect the outcome of the cost allocation assess	sment as it only operates on a group of points which are	
	for intra-system use.		
	Provide the reference to the consultation document(s): §2	1.23	
	[D] The RPM shall ensure that significant volum	e risk related particularly to transports across an	
	with reference to the volume risk, the DDM suprostees	within that entry-exit system.	
	The volume risk for final customers within the Italian e	e system, related to the potential volatility of transit	
	flows, is indeed very low as the volumes of natural gas	for exports only represent a small share of the total	
	volumes (lower than 1%). Therefore, changes in the volu	imes of transit would entail minimal relative variations	
	in the tariff revenue.		
l			

	Provide the reference to the consultation document(s): §21.24
	<b>(E)</b> The RPM shall ensure that the resulting reference prices do not distort cross-border trade.
	On the principle of non-distortion of cross-border trade, it is important to note that, compared to the current
	methodology, the proposed RPM involves a greater alignment of both entry and exit reference prices related to
	cross-border points. With particular reference to entry points, this also reduces distortions in choosing the source
	of supply, fostering market competitiveness.
	Provide the reference to the consultation document(s): §21.25
[6] Comp	arison with the CWD methodology (Art. 8) Accompanied by the indicative reference prices subject to
consul	tation set out in Art.26(1)(a)(iii).
Articles	[A] Where the proposed reference price methodology is other than the conscity weighted distance
26(1)(a)(vi)	reference price methodology detailed in Article 8, a comparison between both methodologies should be
20(1)(d)(VI)	nerformed.
Article 8	performed
	Provide reference to consultation document(s): Chapter 31, Table 12 and §31.4. The only difference between the
	CWD as described in Article 8 of the TAR NC and the proposed RPM is the E/E split. The effect at entry and exit
	points is symmetrical: the 50/50 would yield lower (-44%) reference prices at entry points and higher (+44%)
	reference prices at exit points.
Articles	[B] Comparison of indicative reference prices at each entry point and at each exit point of the
26(1)(a)(vi)	proposed RPM and the CWD detailed in Article 8.
8	
	Reference to consultation document(s). Chapter 31. Table 12 shows the difference between the proposed E/E split
	(28/72) and the E/E split detailed in Article 8 of the TAR NC (50/50). The E/E split is the only element which
	differs from the CWD methodology as described in Article 8.
	[B] ALLOWED OR TARGET REVENUE OF THE TSO [ART, 26(1)(B)]
[7] Indica	tive information set out in Article 30(1)(b)(i), (iv), (v).
Articles	[A]Allowed or target revenue, or both, of the transmission system operator.
26(1)(b)	
30(1)(b)(i)	
50(1)(0)(1)	
	Description: Allowed revenue: 2,101,100,000 €
	Figures presented in this Section B are indicative for year 2020, at system level (all TSO). For a more detailed
	breakdown of revenues for year 2019, please refer to information published in Annex to ARERA's resolution
	306/2018/R/gas of 1 <sup>st</sup> June 2018.
	Reference to consultation document(s). § 30.1 and 30.2; Chapter 30, Table 11
Articles	[B] Transmission services revenue.
26(1)(b)	
30(1)(b)(iv)	
50(1)(0)(1)	
	Description: 2,058,800,000 €
	Reference to consultation document(s). Chapter 30, Table 11
Articles	[C] Capacity-commodity split of the transmission services revenue.
26(1)(b)	Breakdown between the revenue from capacity-based transmission tariffs and the revenue from
30(1)(b)(y)(1	commodity-based transmission tariff.
30(1)(0)(1)(1	
	Revenue from recovered from <u>capacity-based</u> transmission tariffs: 1,757,700,000 €
	Revenue from recovered from <u>capacity-based</u> transmission tariffs: 1,757,700,000 € Revenue from recovered from <u>commodity-based</u> transmission tariffs: 301,100,000 €
	Revenue from recovered from <u>capacity-based</u> transmission tariffs: 1,757,700,000 € Revenue from recovered from <u>commodity-based</u> transmission tariffs: 301,100,000 €
	Revenue from recovered from <u>capacity-based</u> transmission tariffs: 1,757,700,000 € Revenue from recovered from <u>commodity-based</u> transmission tariffs: 301,100,000 € Reference to consultation document(s). Chapter 30, Table 11
Articles	)       Revenue from recovered from capacity-based transmission tariffs: 1,757,700,000 €         Revenue from recovered from commodity-based transmission tariffs: 301,100,000 €         Reference to consultation document(s). Chapter 30, Table 11         [D]       Entry-exit split of the transmission services revenue.
Articles 26(1)(b)	<ul> <li>Revenue from recovered from <u>capacity-based</u> transmission tariffs: 1,757,700,000 €</li> <li>Revenue from recovered from <u>commodity-based</u> transmission tariffs: 301,100,000 €</li> <li>Reference to consultation document(s). Chapter 30, Table 11</li> <li>[D] Entry-exit split of the transmission services revenue. Breakdown between the revenue from capacity-based transmission tariffs at all entry points and the</li> </ul>
Articles 26(1)(b)	<ul> <li>Revenue from recovered from <u>capacity-based</u> transmission tariffs: 1,757,700,000 €</li> <li>Revenue from recovered from <u>commodity-based</u> transmission tariffs: 301,100,000 €</li> <li>Reference to consultation document(s). Chapter 30, Table 11</li> <li>[D] Entry-exit split of the transmission services revenue. Breakdown between the revenue from capacity-based transmission tariffs at all entry points and the revenue from capacity-based transmission tariffs at all exit points.</li> </ul>

30(1)(b)(v)(2)	
	Revenue from capacity-based transmission tariffs at <u>all entry points</u> : 492,200,000 €
	Revenue from capacity-based transmission tariffs at <u>all exit points</u> : 1,265,600,000 €
	Reference to consultation document(s). Chapter 30, Table 11
Articles	<b>[E]</b> Intra-system/cross-border split of the transmission services revenue.
26(1)(b)	Breakdown between the revenue from domestic network users at both entry points and exit points and
30(1)(b)(v)(3)	the revenue from cross-border network users at both entry points and exit points calculated as set out in Article 5.
	Revenue from domestic network users at entry points and exit points: 2,052,623,000 €
	Revenue from cross-border network users at entry points and exit points: 6,176,400 €
	Reference to consultation document(s). Chapter 30, Table 11

### [C] INFORMATION ON COMMODITY BASED AND NON-TRANSMISSION TARIFFS [ART. 26(1)(C)]

Following Article 27(2), the Agency shall analyse the compliance of the criteria used for setting commodity-based tariffs as set out in Article 4(3), and of the criteria used for setting non-transmission tariffs as set out in Article 4(4). The analysis of compliance will be based on the terms listed in this section.

[8] Flow ba	[8] Flow based charge. Information on commodity-based transmission tariffs referred to in Article 4(3):			
Articles	[A]The manner in which they are set.			
26(1)(c)(1)(1)				
4(3)(a)				
	ARERA proposes a single flow-based charge, levied for the purpose of covering operating costs (including fuel costs, unaccounted-for gas, network losses), applied to all exit points. The cost driver for such charge is the volume of gas withdrawn at exit points, based on historical average of year <i>y</i> -2.			
	Reference to consultation document(s). §19.2 - §19.4			
Articles	<b>[B]</b> The share of the allowed or target revenue forecasted to be recovered from such tariffs.			
26(1)(c)(1)(2)				
4(3)(a)				
	Share of transmission service revenue (allowed or target revenue) to be recovered by flow based charges: 15%			
	Reference to consultation document(s). Chapter 30, Table 11			
Articles	[C] The indicative flow-based charge.			
26(1)(c)(i)(3)				
4(3)(a)				
	<i>CV</i> charge: 0.0035 €Scm			
	Reference to consultation document(s) Chapter 30 Table 11			
[9] Comple	mentary revenue recovery charge: Information on commodity-based transmission tariffs referred to in			
Article	4(3):			
Articles	[A] The manner in which they are set.			
26(1)(c)(i)(1)				
4(3)(b)				
	ARERA proposes a complementary revenue recovery charge, levied for the purpose of managing revenue			
	under- and over-recovery, applied to exit points other than interconnection points.			
	Reference to consultation document(s) 8195 and 8196			
Articles	[B] The share of the allowed or target revenue forecasted to be recovered from such tariffs.			
26(1)(c)(i)(2)				
4(3)(b)				
	The share of transmission service revenue (allowed or target revenue) to be recovered by complementary			
	revenue recovery charges is not assessable at the moment, given that reconciliation of past accounts will take			
Articles	[C] The indicative complementary revenue recovery charge.			
26(1)(c)(i)(3)	Log			
4(3)(b)				
	The charge $CV_{FC}$ is not assessable at the moment.			
[10] Informa	ation on non-transmission services provided to network users:			

Articles	[A]Non-transmission service tariff methodologies;		
26(1)(c)(ii)(1)			
4(1)			
.(1)			
	There are two non-transmission tariffs to cover for the metering service:		
	<ul> <li>(i) A capacity-based tariff (<i>CM<sup>T</sup></i>) applied to all delivery points in the system, to cover for the cost of meter and meter reading on the transmission network; it is determined as the ratio between CAPEX+OPEX and forecasted contracted capacity at delivery points. The tariff is a single tariff at national level, with a compensation mechanism between TSOs.</li> <li>(ii) A capacity-based tariff (<i>CM<sup>CF</sup></i>) applied only to delivery points where the metering facility is owned by the TSO (instead of the final customer), to cover for the cost of the metering activity on such delivery points; it is computed as the ratio between CAPEX+OPEX related to such meter activity and forecasted contracted capacity on such delivery points.</li> </ul>		
	Reference to consultation document(s). Chapters 24 and 25		
Article	<b>[B]</b> Share of the allowed or target revenue forecasted to be recovered from such tariffs;		
26(1)(c)(ii)(2)			
	Share of the allowed or target revenue forecasted to be recovered from non-transmission service tariffs: 2%		
	Reference to consultation document(s): Chapter 30, Table 11		
Article	[C] The manner in which the associated non-transmission services revenue is reconciled as referred		
26(1)(c)(ii)(3)	to in Article 17(3);		
17(3)			
	ARERA proposes the introduction of a specific reconciliation account for the metering service (called $FC^{W}$ ), in		
	order to compensate for the differences (if any) between reference metering service revenues in year y and		
Article	The directing service revenues for the same year.		
26(1)(c)(ii)(4)	[1] Indicative non-transmission tarms for non-transmission services to network users;		
20(1)(0)(1)(4)	The indicative $CM^T$ tariff for year 2020 is 0.0903 $\neq y/Scm/day$		
	The $CM^{CF}$ tariff will be determined following further analysis by ARERA, concerning in particular the		
	assessment of the costs borne by the TSO for such activity.		
	Reference to consultation document(s): § 25.2; Chapter 30, Table 14		

## [D] COMPARED TARIFFS AND TARIFF MODEL [ART. 26(1)(D)]

### [11] The indicative information set out in Article 30(2)

The comparison should be based on indicative reference prices. Whenever the data necessary for this comparison is not available at the time of the consultation on the RPM (e.g.: multipliers and seasonality), provide the date and the source where the information will be available.

Articles 26(1)(d) 30(2)(a)(i)	<ul> <li>[A]Comparison between transmission tariffs applicable for:</li> <li>prevailing tariff period, and for</li> <li>tariff period for which the information is published.</li> <li>Explain the difference between the level of transmission tariffs</li> </ul> The comparison is shown in Table 12 (Chapter 31). The difference in the level of transmission tariffs approved for the year 2019 and the indicative rates for the year 2020 largely depends on the adoption of a different RPM (the matrix methodology for the year 2019, the CWD methodology for the year 2020). Unlike the matrix methodology currently used, the CWD methodology assigns, being equal the distance, the same weight to all the routes between entry points and exit points. The reason is that it does not consider (i) the different unit investment cost associated with the relevant pipelines on a given route; (ii) the allocation of a reduced cost share for the pipeline sections which, in the relevant flow scenario, are backhaul. As a consequence, the allocation of costs between points changes, in particular resulting in a convergence of reference prices towards the average value.	Comparison with past tariff period
Articles 26(1)(d) 30(2)(a)(ii)	<ul> <li>Reference to consultation document(s). Chapter 31, Table 12.</li> <li>[B] Comparison between transmission tariffs applicable for <ul> <li>tariff period for which the information is published, and for</li> <li>each tariff period within the remainder of the regulatory period.</li> <li>Estimated difference in the level of transmission tariffs.</li> </ul> </li> <li>The current tariff period ends in 2019, hence refer to the previous answer (11.A).</li> </ul>	Comparison with upcoming tariff periods
Articles 26(1)(d) 30(2)(b)	<ul> <li>[C] At least a simplified tariff model, updated regularly, enabling network users to calculate the transmission tariffs applicable for the prevailing tariff period and to estimate their possible evolution beyond such tariff period.</li> <li>The simplified model will be made available by the TSO Snam Rete Gas, in a dedicated section of its website. ARERA will also provide the link on the consultation webpage.</li> <li>Reference to consultation document(s). §33.1</li> <li>Link to information on TSO/NRA website. www.snam.it</li> </ul>	Tariff model for prevailing tariffs and future tariff periods
Articles 26(1)(d) 30(2)(b)	Explanation of how to use the simplified tariff model	
	Explanation will be provided within the model. Reference to consultation document(s): §33.1	

# **[E]** FIXED PAYABLE PRICE UNDER PRICE CAP REGIME [ART. 26(1)(E)]

[12] Where the fixed payable price referred to in Art.24(b) is offered under a price cap regime for existing capacity			
Article	[A]Provide proposed index		
26(1)(e)(i)			
	Not applicable.		
Article	[B] Provide proposed calculation for the risk premium		
26(1)(e)(ii)			

	Not applicable.
Article 26(1)(e)(ii)	[C] How is the revenue derived from the risk premium used?
	Not applicable.
Article 26(1)(e)(iii)	[D] At which IPs is such approach is proposed?
	Not applicable.
Article 26(1)(e)(iii)	[E] For which tariff period(s) is such approach proposed?
	Not applicable.
Article 26(1)(e)(iv)	[F] The process of offering capacity at an IPs where both fixed and floating payable price approaches referred to in Article 24 are proposed
	Not applicable.