Autorità di regolazione per Energia, Reti e Ambiente (ARERA, Italy)
Enti Rregullator i Energjise (ERE, Albania)
Ρυθμιστική Αρχή Αποβλήτων, Ενέργειας και Υδάτων (RAAEY, Greece)

Approval of an amendment to “*TAP Network Code*”

Proposed by TAP AG on 8 October 2025

Whereas[1]:

On August 29th 2011, TAP AG submitted to the Italian Ministry of Economic Development and on August 31st 2011 to the Regulatory Authority for Energy [former RAE of Greece, recently renamed to Regulatory Authority for Energy, Waste and Water, (RAAEY)] an “Exemption Application for Trans Adriatic Pipeline”, as foreseen by Article 36 of the Gas Directive 2009/73/EC. On September 1st 2011, TAP AG submitted to the Energy Regulatory Entity (ERE) of Albania an “Exemption Application for Trans Adriatic Pipeline”, in accordance with Article 22 of the Gas Directive 2003/55/EC.

In June 2013 the Italian Ministry, RAE and ERE took the decision on the exemption, adopting the *Final Joint Opinion* (hereafter: “the FJO”), a document jointly written by ARERA, ERE and RAE (hereafter: “the Authorities”) and amended to comply with the Commission Decision [C(2013)2949 final] dated 16th of May 2013 and to take note of the Opinion 1/2013 of the Energy Community Secretariat dated 14th of May 2013.

In the aforementioned document an exemption from the provisions of Articles 9 (Unbundling), 32 (TPA) for the Initial Capacity of 10bcm/y, and 41.6, 41.8, 41.10 (Regulated Tariffs) of the Gas Directive has been granted to TAP AG for a period of 25 years starting from the beginning of the Commercial Operation Date, under several conditions.

Among others, according to Article 4.7.1 of the FJO, TAP AG is obliged to submit for approval to the Authorities the *TAP Network Code* no later than 12 months prior to its Commercial Operation Date. The TNC shall be compatible with the European regulatory framework on gas, provided that it is not in conflict with the terms of the FJO.

The TNC shall be applicable to all Shippers on a non-discriminatory basis, both Shippers who hold Initial Capacity and possible future Shippers for the Expansion Capacity.

Following FJO obligations, after the public consultation, the Network Code was first approved by the Authorities in 2020 (ARERA Deliberation 218/2020/R/gas, ERE Decision N. 97 dated 15.06.2020) RAE (Decision 1036/2020 - Government Gazette B’ 2928/17.07.2020).

The TAP Network Code was then further amended in 2022 (ARERA Deliberation 104/2022/R/gas, ERE Decision N. 45 dated 18 March 2022, RAE Decision 265/2022 - Government Gazette B’1768/12.4.2022), in 2023 (ARERA Deliberation 127/2023/R/gas, ERE Decision N. 115 dated 30 March 2023, RAE Decision 199/2023 - Government B’2438/12.4.2023), in 2024 (ARERA Deliberation 455/2024/R/gas, ERE Decision N. 237 dated 5 Novembre 2024, RAAEY Decision E-242/2024 - Government Gazette B’6867/16.12.2024) and in 2025 (ARERA Deliberation 317/2025/R/gas, ERE Decision No. 145 dated 08.07.2025, RAAEY Decision E-164/2025, Government Gazette B’4549/20.08.2025).

[1] Hereafter the definitions of the *Final Joint Opinion* and of EU Regulation 2017/459 apply.

With letter sent on the 8th of October 2025, (TAP's reference: LT-TAP-NRA-00069) TAP AG requested to the Authorities the approval of amendments to the TNC as set out in the attached TAP AG's Final Decision and its annexes.

TAP undertook a public consultation on the Revision Proposal for the TNC lasting 45 days and closing on 15 September 2025. TAP has not received any comments on the Revision Proposal during public consultation. This Revision Proposal introduces a set of further amendments to the version of the TNC that was approved by the Regulatory Authorities in the summer of 2025 and published on TAP AG's website on the 25th of September 2025, defining a cost pass-through allocation mechanism for costs related to (i) Compression Electricity (ii) Compliance with the Methane Emission Regulation (MER) (and any replacement or similar law applicable to TAP in relation to the reduction of methane emissions).

The main intended revisions of TNC are summarised hereafter:

a. Update of "Electric Power" definition: the update is needed to contain both (a) "*Compression Electricity*", which is defined as the "*electricity used at Compressor Stations for the purposes of compressing the Natural Gas in the TAP Transportation System*" and (b) "*Non-Compression Electricity*", which is defined as "*electricity used at Compressor Stations and the other facilities and equipment comprising the TAP Transportation System including those facilities and equipment set out in Appendix 1, excluding Compression Electricity*"; the former definition of Electric Power is therefore replaced by Non-Compression Electricity, and the corresponding cost allocation for Non-Compression Electricity remains aligned with that of the previous Electric Power definition.

b. *Procurement of Electric Power*: Procedures to procure Electric Power are outlined in Section 15.1 of the TAP Network Code, in order for the Network Code to give flexibility to TAP to be able to decide the optimal method to procure both Compression Electricity and Non-Compression Electricity, which may consist of:
   i. transparent and market-based procedures applying to the purchase of Electric Power; and/or
   ii. long-term power purchase agreements (procured on a transparent and market-based basis);

c. *Method for allocation of Compression Electricity costs:* based on a flow-weighted distance approach, which ensures that Compression Electricity costs are allocated to Shippers according to all forward flows entering or exiting TAP; the calculation will be done for every Shipper and for every month, based on actual daily quantities;

d. *Costs related to Methane Emission Regulation (MER):* a new Section 16.6 is introduced to define cost allocation of MER. The new section:
   i. replicates what it is already provided as Allocation of UFG (Unaccounted For Gas) to Shippers;
   ii. allocates costs on the basis of the Allocated Quantities to all TAP Shippers who have booked Forward Capacity and Commercial Reverse Capacity,

in respect of the aggregate of the absolute values of Allocated Quantities of each Shipper at all Interconnection Points in each calendar year and proportionally to the aggregate of the absolute values of Allocated Quantities of all Shippers at all Interconnection Points in each calendar year;

iii. regarding the frequency of cost allocation, the Network Code provides that TAP will include the full MER related costs incurred in each calendar year as part of the reconciliation to be included in the next Annual Statement following the end of that calendar year; the choice to allocate costs at year-end is justified by
    I. preventing disproportionate cost allocation on the Shippers active on TAP only during any short period of time;
    II. ensuring full cost reflectivity by allocating costs on an actual cost basis

Whereas:

The proposed TAP Network Code is compliant with the FJO and with relevant provisions of European Gas Network Codes, as required by Article 4.7.1 of the FJO.

The changes come into effect within 60 days after the publication of the approved amendments of the TAP Network Code on TAP AG website

the Authorities jointly

approve, to the extent applicable, the amended "*TAP Network Code*" proposed by TAP AG with letter sent on the 8th October 2025 and attached as Annex B.