PROPOSAL FOR REGULATION (“CIRCULAR”) OF THE NATIONAL MARKETS AND COMPETITION COMMISSION (CNMC) ESTABLISHING THE METHODOLOGY IN THE GAS SYSTEM CONCERNING ACCESS TARIFFS RELATED TO THE TRANSMISSION NETWORK, LOCAL NETWORKS AND LNG FACILITIES

Directive 2009/73/CE of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC establishes as one of the main elements for the creation of an internal market in natural gas markets the implementation of a system of access tariffs to the transmission. To this effect, Recital 23 and article 41 of the Directive determine the need to adopt measures to “ensure transparent and non-discriminatory tariffs for access to transport” and that National Regulatory Authorities shall have duty to fix or approve, in according with transparent criteria, transmission or distribution tariffs or their methodologies. The Directive also contains provisions concerning monitoring of tariffs on a non-discriminatory basis and ensuring that there are no cross-subsidies between transmission, distribution, storage, LNG and supply activities.

Regulation (EC) Nº 715/2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) Nº 1775/2005 aims at setting non-discriminatory rules for access conditions to natural gas transmission systems with a view to ensuring the proper functioning of the internal market in gas.

Article 13 of the afore-mentioned Regulation establishes that tariffs, or the methodologies used to calculate them, shall comply with the principles of transparency and non-discrimination among users, will avoid cross-subsidies and provide incentives for investment maintain or create interoperability for transmission networks and facilitate efficient gas trade. Additionally, tariffs for networks shall be set separately for every entry point into or exit point out of the transmission system. Lastly, the Regulation indicates that where differences in tariff structures or balancing mechanisms would hamper trade across transmission systems, and notwithstanding Article 41(6) of Directive 2009/73/EC, transmission system operators shall, in close cooperation with the relevant national authorities, actively pursue convergence of tariff structures and charging principles, including in relation to balancing.

Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas establishes harmonised rules on this field and imposes several duties on National Regulatory Authorities concerning proceedings to set the methodology as well as the associated consultation and publication requirements.

Moreover, the above-mentioned Regulation determines that at the same time that the final consultation process is carried out according to article 26, the National Regulatory Authority will launch a consultation with regard to the principles of an effective compensation mechanism among system operators and its impact on tariff levels.
On the other side, article 28 indicates that at the same time as the final consultation carried out in accordance with Article 26(1), the national regulatory authority shall conduct a consultation with the national regulatory authorities of all directly connected Member States and the relevant stakeholders on: the level of multipliers; if applicable, the level of seasonal factors; the levels of discounts applicable to standard capacity products for interruptible capacity and the entry points from LNG facilities, and at entry points from and exit points to infrastructure developed with the purpose of ending the isolation of Member States.


To this effect, Law 3/2013, of 4 June, empowered CNMC with the duty to establish by Regulation (“Circular”), after public consultation and following criteria of economic efficiency, transparency, objectivity and non-discrimination the structure and the methodology to calculate network tariffs of access services devoted to cover the associated revenue of the use of transmission and distribution network and LNG facilities.

Consequently, article 92 of Law 34/1998, of 7 October, on the hydrocarbons sector, points out that CNMC will approve by resolution transmission tariffs of access to the transmission and distribution networks and LNG facilities, according to the methodology and structure settled by CNMC, while the Government will determine the methodology for the calculation of tariffs concerning storage facilities. The Ministry for Ecologic Transition, prior to the agreement of the Government Commission for Economic Affairs, will approve the process concerning access services to these facilities.

Additionally, it is provided that access tariffs will include the costs incurred by the use of facilities in a way to optimise the use of infrastructures and that could be differentiated by pressure levels, types of consumption and contract duration. These prices must comply with the principle of economic and financial sustainability of the gas system and must be sufficient to cover the costs for the use of the transmission and distribution network and LNG facilities. Finally, as a general fact, network tariffs and general costs of the system will be fixed annually allocating the responsibility to approve network tariffs concerning transmission and distribution networks tariffs in the CNMC.

Article 59 of Law 18/2014, 15 October, on the approval of urgent measures for growth, competitiveness and efficiency, lays down that CNMC will determine the methodology for the calculation of network tariffs to transmission and distribution network and LNG facilities abiding by the principle of economic and financial
sustainability of the gas system. Tariffs must be also sufficient to cover the associated costs for the use of facilities.

The methodology for the calculation of transmission tariffs fixed in this Regulation consists on the definition of explicit rules in order to assign LNG, transmission and distribution costs in an objective, transparent and non-discriminatory manner and following efficiency criteria in the use of infrastructures. To this effect, different tariffs are established considering the different services rendered and the affected infrastructures. Moreover, the structure of tariffs is settled taking into account the cost drivers considered for each service provided individually considered.

According to article 7(1)(d) of Law 3/2013, of 4 June, prior public consultation, and also consultation provided for in Commission Regulation (EU) 2017/460 of 16 March 2017 concerning ACER and the National regulatory Authorities of France and Portugal, the Board of CNMC has agreed to adopt the following Regulation (“Circular”)

CHAPTER I. GENERAL PROVISIONS

Article 1. Scope of this Regulation (“Circular”)

The purpose of this Regulation (“Circular”) is the establishment of the methodology for the calculation of tariffs for basic services for access to gas infrastructures: transmission and distribution networks and LNG facilities.

Likewise, the purpose of this Regulation (“Circular”) is the establishment of the compensation mechanism among the transmission system operators, in accordance with the provisions of Article 10(3) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas.

Article 2. Definitions

For the purposes exclusively of the provisions of this Regulation (“Circular”), the definitions in Article 3 of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas shall apply. In addition, the following definitions shall apply:

1. ‘Transmission system’ means the trunk network provided for in article 59(2)(a)(1st) of Law 34/1998, of 7 October, on the hydrocarbons sector, in accordance with the definition of transmission established in Regulation (EC) No. 715/2009.

2. ‘Local networks’, which include the following facilities, in the terms of Law 34/1998, of 7 October, article 59(2)(a)(2nd), (3) and (4):
   a) The primary transmission gas pipelines (design pressure equal to or greater than 60 bar) used for the local supply of natural gas.
   b) The secondary transmission networks are formed by the pipelines with maximum design pressure between 60 and 16 bar.
The distribution network, which includes gas pipelines with maximum design pressure equal to or less than 16 bar and those that, regardless of their maximum design pressure, are intended to drive the gas to a single customer from a gas pipeline of the transmission system, local influence network or secondary transmission networks.

3. ‘Simplified network model’ means a schematic representation of the trunk network. The network model determines the distance from each of the connection points of the transmission system to each of the connection points adjacent to it.

4. ‘Demand for transported gas’ means the volume of gas circulating through the transmission system. It does not include, therefore, the demand of customers supplied from LNG satellite facilities.

5. ‘Equivalent forecasted contracted capacity of service S’ means the foreseen contracted capacity that incorporates the impact of multipliers applicable to contracts of less than one year duration. It will be calculated in accordance with the provisions of article 4 of this Regulation (“Circular”).

6. ‘Tariff pressure levels’ means the pressure levels that are considered for the purposes of the methodology for allocating the revenue of the local influence network, secondary transmission network and distribution network. In particular NP0 (pressure level ≤ 4 bar), NP1 (pressure level > 4 bar and ≤ 16 bar), NP2 (pressure level > 16 bar and ≤ 60 bar), NP3 (pressure level > 60 bar).

7. ‘Tariff group’ means the gathering of supplies with the same characteristics regardless of their connection pressure.

8. ‘Regulatory period’ means the time period for which the methodology remains in force.

9. ‘Tariff period’ means the time period during which a particular level of tariffs is applicable.

10. ‘Gas year’ means the time period between 1 October of a given year and 30 September of the following year.

11. ‘Consumption profile’ means the hourly or daily demand for gas over a period, typically one gas year.

12. ‘Average operating time’ means the interval, in hours, between the moment when the ship is docked and ready for offloading at a LNG facility and the moment when the disconnection of the offloading arms occurs.

**Article 3. General principles**

The allocation methodology of this Regulation (“Circular”) is based on the following principles:

a) **Sufficiency.** The tariffs of each of the activities must guarantee the recovery of the revenue corresponding to such activity, in compliance with the forecasts made.
b) **Efficiency.** The tariffs calculated with the methodology of this Regulation ("Circular"), must allocate the infrastructure costs to each tariff group according to the causality principle, avoiding cross-subsidies between tariff groups and encouraging efficiency in supply.

c) **Transparency and objectivity.** The criteria for allocating the allowed revenue to infrastructure, the input information and the parameters applied in the methodology are explicitly defined in this Regulation ("Circular") and are public.

d) **Non-discrimination** among infrastructure users with the same characteristics, regardless of whether they are located within or outside the national territory.

e) The allocation methodology will promote competition and efficient gas trade.

**Article 4. Equivalent contracted capacity**

1. The equivalent contracted capacity corresponding to the service $s$ in the tariff period $n$ results from applying the following formula:

\[ Q_{s,n} = \sum_{i=1}^{m} \frac{Q_{s,i}^d \times D_{i}^d}{\sum D} \times C_d \]

Where:

- $Q_{s,n}$: equivalent forecasted contracted capacity to the service $s$ in the tariff period $n$.
- $Q_{s,i}^d$: forecasted contracted capacity corresponding to the service $s$ of a single contract or group of contracts $i$ with duration $d$ in the year $n$.
- $D_{i}^d$: duration in days of the type of contract $i$, except for the intraday product, that will be calculated in hours.
- $D$: number of days in a year, that will be 365 or 366 in case of leap years. In case of intraday products, the duration of the contract will be set in hours, so $D$ will take the value of 8760 or 8784 instead of 365 or 366, respectively.
- $C_d$: short-term multiplier applicable to the contracts with duration $d$.

2. In case of interruptible products, the multiplier will be the result of considering both the short-term coefficient and the discount of the interruptible product with respect to the firm product.

3. The equivalent contracted capacity of the injections of manufactured gases and gases from unconventional sources as well as the injections and extractions from or towards non-basic storages will be affected by the coefficient established in article 26(2)(ii).
CHAPTER II. TRANSMISSION SYSTEM ACCESS TARIFFS

Article 5. Scope of transmission tariffs

1. This chapter shall apply to the determination of the billing charges of transmission tariffs applicable to:

   a) The final customer of gas that are supplied from the transmission system or from the local networks, in the terms of the definitions established in Article 2 of this Regulation ("Circular"), excluding those supplied from LNG satellite facilities.

   b) Retailers, in accordance with Law 34/1998, article 58(d).

   c) Qualified direct customers in the market.

2. Transmission tariffs will not apply to customers supplied from LNG satellite facilities.

Article 6. Revenues included in transmission tariffs

1. The transmission tariffs include the following concepts:

   a) The annual revenue of the transmission system established by Resolution of The National Markets and Competition Commission.

   b) The revisions, where appropriate, of the annual revenue of the transmission system corresponding to previous years.

   c) The differences between the initially forecasted income and the actual income resulting from the application of the transmission tariffs corresponding to previous years.

   d) Interruptibility revenues paid to network users corresponding to previous years, in accordance with the provisions of article 15.

   e) Other incomes or chargeable realisable costs as provided in current regulations, different from the previous ones.

2. In determining the transmission tariffs, the earned capacity auction premiums of entry and exit points of the transmission system shall be included.

Article 7. Definition of services provided by transport infrastructure

1. Transport infrastructure provides the following transmission services:

   a) Entrance into the transmission system: includes the right to use the facilities that are necessary to transport gas from the entry point into the transmission system to the virtual exchange point of the transmission system.
b) **Exit out of the transmission system**: includes the right to use the facilities that are necessary to transport gas from the virtual exchange point of the transmission system to the exit point out of the transmission system.

The exit from the transmission system to LNG facilities is defined as a product of conditional capacity subject to the existence of entries into the transmission system exceeding the technical minimum of re-gasification.

2. Transport infrastructure does not provide any service not related to transmission.

**Article 8. Structure of transmission tariffs**

1. In accordance with the provisions of the Regulation (EU) 2017/460, article 4, the structure of transmission tariffs is defined as follows:

   a) **Entrance tariff to the transmission system**: it consists of a fixed charge of contracted capacity expressed in €/(MWh/day)/year, and a variable charge for volume, expressed in €/MWh.

   b) **Exit tariff from the transmission system**: it consists of a fixed charge of contracted capacity expressed in €/(MWh/day)/year, and a variable charge for volume, expressed in €/MWh.

2. In the case of supply points not required to have a measuring equipment that allows the daily register of the maximum flow demanded, the fixed charge of contracted capacity, expressed in €/(MWh/day)/year, is replaced by a fixed charge per customer, expressed in €/customer and year, calculated on the basis of the expected load factor for each of the categories of customers established in article 21. For these purposes, the conditions established in article 22 shall apply.

**Article 9. Allocation of the revenue associated with the transmission system to the services provided**

1. The allowed revenue arising from transmission activity, set aside the revenue concerning the operating gas, is allocated to fixed charges of contracted capacity of the entrance and exit tariffs, in accordance with Regulation (EU) 2017/460, article 4(2).

2. Set aside the allowed revenue concerning the operating gas, 50% of the allowed revenue to transmission is allocated to the fixed charge of contracted capacity of the entrance tariff and 50% to the fixed charge of contracted capacity of the exit tariff.

3. The allowed revenue arising from the operating gas is allocated to the variable charge for volume, in accordance with Regulation (EU) 2017/460, article 4(3).
Article 10. Fixing of capacity-based transmission tariffs at entry and exit points on an annual basis

1. Transmission tariffs based on capacity will be fixed according to the capacity weighted distance methodology established in Regulation (EU) 2017/460, article 8, detailed in Annex I.

2. For the purposes of the application of capacity weighted distance methodology, the following parameters are defined:

a) Entry points into transmission system:
   i) International connections with third countries through pipelines.
   ii) Entry points from LNG facilities.
   iii) Entry points from conventional and non-conventional production facilities connected to transmission system.
   iv) Entry points from underground storages.
   v) Any other point injecting gas in the transmission system.

b) Exit points from the transmission system:
   i) International connections with third countries through pipeline.
   ii) Virtual exit to each of the LNG facilities.
   iii) Each of the exits from the transmission system to the local networks.
   iv) Exit points to underground storages.
   v) Any other point where a gas delivery of the transmission system occurs.

c) Simplified network model:
   The simplified network model corresponds with the trunk network, with the following simplifications:
   i) Doubled gas pipelines will be considered as one gas pipeline incorporating all entry and exit points.
   ii) The LNG facility of Barcelona will be considered as one only entry point into and exit point out of the transmission system, as a result of clustering together the two connections between that LNG facility and the transmission system.
   iii) Several entries and exit points may be grouped together in a single point if they are close to each other respectively.

d) The forecasted contracted capacity in each entry and exit point will correspond with the equivalent contracted capacity of each entry point and each exit point.

e) The minimum distance between each entry and exit point will be established taking into account the existing non-bidirectional gas pipelines in the transmission system.
**Article 11. Fixing of yearly capacity-based transmission tariff at virtual interconnection points**

1. In accordance with article 22 of the Commission Regulation (EU) 2017/460, the capacity-based transmission tariffs at entry and exit points at a virtual interconnection point are calculated according to the following formula:

\[ P_{VIP} = \frac{\sum_{i=1}^{n} (P_i \times CAP_i)}{\sum_{i=1}^{n} CAP_i} \]

Where:
- \( P_{VIP} \): capacity-based transmission tariff applicable to the virtual point
- \( P_i \): capacity-based transmission tariff applicable to the physical point that make up the virtual point, resulting from the methodology described in article 9.
- \( CAP_i \): Forecasted capacity for each of the physical points that make up the virtual point, considered in the application of the methodology described in article 9.
- \( i = 1 \ldots n \): each of the physical points that make up the virtual point.

2. If the capacity-based transmission tariff at an entry point or cluster of points were undetermined, motivated because the forecasted contracted capacity was null, the capacity-based transmission tariff for this point or cluster of points shall correspond to the one that would have resulted from applying the methodology considering the capacity contracted for this point was equal to 1 MWh/day.

**Article 12. Adjustments in yearly capacity-based transmission tariff resulting from capacity weighted distance methodology**

1. In accordance with article 22 of the Commission Regulation (EU) 2017/460, a homogeneous tariff is established for the next cluster of entry or exit points.
   a) Entries in the transmission network from LNG facilities.
   b) Entries in the transmission network from storage facilities.
   c) Exits from the transmission network to LNG facilities.
   d) Exits from the transmission network to storage facilities.
   e) Exits from the transmission network to local network, secondary transmission network or distribution network.

2. The capacity-based transmission tariff in each cluster of entry and exit points shall be determined by applying the formula established in article 11.
If the capacity-based transmission tariff at an entry point or cluster of points were undetermined, motivated because the forecasted contracted capacity was null, the capacity-based transmission tariff for this point or cluster of points shall correspond to the one that would have resulted from applying the methodology considering the capacity contracted for this point was equal to 1 MWh/day.

3. In accordance with article 9(1) of the Commission Regulation (EU) 2017/460, a discount of 100% is established to entry and exit capacity-based transmission tariff from and to storage facilities.

4. The capacity-based transmission tariff at entry point and exit point different from storage facilities, will be adjusted to ensure their sufficiency.

**Article 13. Commodity-based transmission tariff**

1. The commodity-based transmission tariff will be the same at all entry points and all exit points.

2. The commodity-based transmission tariff is the quotient between the operating gas revenue and the sum of the forecast entry and exit flows.

3. The Annex I detailed the methodology to be applied to calculate the commodity-based transmission tariff.

**Article 14. Multipliers applicable to non-yearly contracts**

1. The multipliers applicable to the quarterly, monthly and daily contracts, given the forecast daily consumption profile for the service, will be the value that makes the billing of each of the referred contracts equal to the billing of the equivalent yearly contract.

2. The multipliers applicable to the within-day contracts will be the result of the product of the daily multiplier, determined in the previous point, by a coefficient that will depend of the number of hours of the within-day contract.

   The coefficient of a within-day contract of “h” hours, given the forecasted hourly consumption profile for the service s and year n, will be the value that makes the billing of the equivalent daily contract equal to the billing the combined daily and within-day contracts of “h” hours.

3. The multipliers applicable to the exits in the transmission network to local network, secondary transmission network or distribution network, include seasonal factors, that will be determinate applying the following:

   a) Monthly coefficient:

   $$C_{M,m} = \left[ (Q_{m,a} \times 12)^n \right] \times M_M$$

   Where:
- $C_{M,m}$ is the coefficient to be applied to yearly capacity-based transmission tariff to obtain the monthly standard capacity tariff, of the month $m$.

If the arithmetic mean of the monthly coefficients exceeds the value of the multiplier, they must be adjusted.

- $Q_{m,a}$ is the proportion that represents month $m$ in the year $a$.

El $Q_{m,a}$ coefficient will be determinate considering the average profile of the last four years for which complete information is available.

- $N$ is the maximum power such that none $C_{M,m}$ is lower to 1. It will take a value between 0 and 2.

- $M_M$ is the level of the monthly multiplier determined in the article 14(1).

b) Quarterly coefficient

$$C_{T,t} = C_{T0,t} \times M_T$$

Where:

- $C_{T,t}$ is the coefficient to be applied to yearly capacity-based transmission tariff to obtain the quarterly standard capacity tariff, of the quarter $t$.

If the arithmetic mean of the quarterly coefficients exceeds the value of the multiplier, they must be adjusted.

- $C_{T0,t}$ is the initial value of the coefficient of the quarter $t$. It will be taken an initial value, either the arithmetic mean of the respective seasonal factors applicable for the three relevant months, or a value no less than the lowest and no more than the highest of the coefficients applicable to the three corresponding months.

- $M_T$ is the level of the quarterly multiplier determined in the article 14(1).

c) Daily coefficient

$$C_{D,m} = C_{M,m} \times M_D$$

Where:
- $C_{D,m}$ is the coefficient to be applied to yearly capacity-based transmission tariff to obtain the daily standard capacity tariff, of the month $m$.

If the arithmetic mean of the daily coefficients exceeds the value of the multiplier, they must be adjusted.

- $C_{M,m}$ is the coefficient to be applied to yearly capacity-based transmission tariff to obtain the monthly standard capacity tariff, of the month $m$.

- $M_D$ is the level of the daily multiplier determined in the article 14(1).

d) Within-day coefficient

$$C_{I,m,h} = C_{M,m} \times M_{ih}$$

Where:

- $C_{I,m,h}$ is the coefficient to be applied to yearly capacity-based transmission tariff to obtain the within-day standard capacity tariff, of the month $m$ for a contract of $h$ hours.

If the arithmetic mean of the within-day coefficients exceeds the value of the multiplier, they must be adjusted.

- $C_{M,m}$ is the coefficient to be applied to yearly capacity-based transmission tariff to obtain the monthly standard capacity tariff, of the month $m$.

- $M_{ih}$ is the level of the within-day multiplier for a contract of $h$ hours determined in the article 14(2).

4. The multipliers applicable to the quarterly and monthly contracts, resulting from the above, shall be no less than 1 and no more than 1.5.

5. The multipliers applicable to the daily contracts, resulting from the above, shall be no less than 1 and no more than 3.

6. The multipliers applicable to the quarterly, monthly and daily contracts will be round to one decimal.

7. For booking non-yearly exit transmission tariff the customer supplied shall have remote metering equipment installed and in use.

**Article 15. Interruptible capacity tariffs**

1. In the international interconnections with France and Portugal, if the capacity interruptions have been caused by physical congestion during the preceding
gas year to the year of determination of the transmission tariffs, the interruptible capacity tariffs will be calculated by applying the following:

a) Interruptible capacity-based transmission tariff

\[ P_{i, s, p, h} = (1 - D_{\text{ex ante}, s, h}) \times P_{s, p, h} \]

Where:

- \( P_{i, s, p, h} \) is the interruptible capacity-based transmission tariff applicable to service \( s \), entry or exit point \( p \), and duration \( h \) (yearly, quarterly, monthly, daily or within-day)
- \( D_{\text{ex ante}, s, h} \) is the \textit{ex-ante} discount applicable to service \( s \), and duration \( h \) (yearly, quarterly, monthly, daily or within-day)
- \( P_{s, p, h} \) is the capacity-based transmission tariff applicable to service \( s \), entry or exit point \( p \), and duration \( h \) (yearly, quarterly, monthly, daily or within-day)

b) The \textit{ex-ante} discount will be calculated by applying the following formula:

\[ D_{\text{ex ante}, s, h} = Pro_{s, h} \times A \times 100\% \]

Where:

- \( Pro_{s, h} \): interruption probability, that will be calculated by applying the following formula

\[ Pro_{s, h} = \left( \frac{N \times D_{\text{int}}}{D_h} \times \frac{\text{Cap}_{\text{int}, h}}{\text{Cap}_h} \right) \]

Where

- \( N \) is the expectation of the numbers of interruptions
- \( D_{\text{int}} \) is the average duration of the expected interruptions expressed in hours
- \( D_h \) is the total duration of the respective product of standard capacity of duration “h” (yearly, quarterly, monthly, daily or within-day) express in hours.
- \( \text{Cap}_{\text{int}, h} \) is the expected average amount of interrupted capacity for the respective product of duration “h” (yearly, quarterly, monthly, daily or within-day).
- \( \text{Cap}_h \) is the expected capacity for the respective product of duration “h” (yearly, quarterly, monthly, daily or within-day)
- A is the adjustment factor, which reflects the estimated economic value of the interruption, which shall be no less than 1.

2. In the international interconnections with France and Portugal, if the capacity interruptions have not been caused by physical congestion in the preceding gas year to the year of determination of the transmission tariffs or there have been no interruptions, and in the rest of entry and exits points, there is no interruptible capacity.

However, the user has the right to an *ex-post* compensation, for each day on which an interruption occurred, which will be calculated according to the following formula:

\[
CI_{\text{ex-post},s,p} = 3 \times \left( \frac{\text{Cap}_{\text{int},s,p} \times M_s \times P_{s,p}}{365} \right)
\]

**Donde:**
- \( CI_{\text{ex-post},s,p} \) is the interruptible compensation applicable to service “s” and connection point “p”.
- \( \text{Cap}_{\text{int},s,p} \) is the interrupted capacity at connection point “p” attributable to service “s”.
- \( M_s \) is the daily multiplier of service “s”.
- \( P_{s,p} \) is the yearly capacity-based transmission tariff applicable to service “s” and connection point “p”.

For leap years, the figure 365 will be replaced with the figure 366.

3. Article 24 regulates the applicable conditions so that national customers have the right to compensation for interruptibility.

**Article 16. Transmission tariffs billing conditions**

1. The billing of the transmission tariffs will be carried out by the following agents:
   a) Technical Manager of the System will be responsible of billing the entry and exit transmission tariff from and to the LNG facilities, and storage facilities.
   b) The owners of the transmission facilities will be responsible of billing the entry and exit transmission tariff from and to the rest of the points, with the exception of the exit to national customers supplied from the distribution network.
   c) The distribution system operator will be responsible of billing the exit transmission tariff to national customers supplied from the distribution network.

2. The billing of the transmission tariff will be carried out monthly by the agent responsible for it.
3. The transmission tariffs include a capacity-based billing charge, or client-based billing charge, and a commodity-based billing charge, and, where appropriate, a billing charge by delivered capacity, which will be determined according to the following.

a) The billing by contracted capacity will be carried out in accordance with the following formulas.

i) In the case of yearly, quarterly or daily contracts.

\[ FC_{s,p,t} = Q_{s,p,t} \times \left( \frac{M_{s,p,t} \times TC_{s,p}}{365} \right) \times D \]

Where:

- \( FC_{s,p,t} \) is the billing for contracted capacity of service “s”, entry or exit point “p”, and duration “t” (yearly, quarterly, monthly, daily or within-day), expressed in euros, with two decimal places.
- \( Q_{s,p,t} \) is the contracted capacity of service “s”, entry or exit point “p”, and duration “t” (yearly, quarterly, monthly, daily or within-day), expressed in MWh/day, with three decimal places.
- \( M_{s,p,t} \) is the multiplier of service “s”, entry or exit point “p”, and duration “t” (yearly, quarterly, monthly, daily or within-day). For yearly contract a multiplier of 1 shall be use.
- \( TC_{s,p} \) is the yearly capacity-based transmission tariff of service “s” and entry or exit point “p”, expressed in €/(MWh/day) per year.
- \( D \) is the duration of the respective capacity contract, in days.

For leap years, the figure 365 will be replaced with the figure 366.

ii) In the case of within-day contracts

\[ FC_{s,h,p} = Q_{s,p} \times \left( \frac{M_{s,p,h} \times TC_{s,p}}{8760} \right) \times H \]

Where:

- \( FC_{s,h,p} \) is the billing for within-day contracted capacity of service “s” of “h” hours and entry or exit point “p”, expressed in euros, with two decimal places.
- \( Q_{s,p} \) is the within-day contracted capacity of service “s” and entry or exit point “p”, expressed in MWh/day, with three decimal places.
- $M_{s,p,h}$ is the multiplier of service “$s$”, and entry or exit point “$p$”, and within-day contract of “$h$” hours.
- $TC_{s,p}$ is the yearly capacity-based transmission tariff of service “$s$” and entry or exit point “$p$”, expressed in €/(MWh/day) per year.
- $H$ is the duration of the within-day contract expressed in hours.

For leap years, the figure 8760 will be replaced with the figure 8764.

b) Billing by client: If the supply point does not have metering equipment that allows the registration of the maximum delivered capacity, the capacity-based billing charge, detailed in point 3(a) of this article, will be replaced by:

$$FCL = \frac{N}{365} \times TCL_i$$

Where:
- $FCL$ is the monthly billing amount per customer expressed in euros, with two decimal places
- $TCL_i$ is the client-based transmission tariff, expressed in €/year, applicable to customers of category $i$.
- $N$: Number of days of the month.

For leap years, the figure 365 will be replaced with the figure 366.

c) Billing by volume: the billing by volume will be carried out according to the following formula

$$FV_{s,p} = V_{s,p} \times TV$$

Where:
- $FV_{s,p}$ is the billing by volume of service “$s$” and entry or exit point “$p$”, expressed in euros, with two decimal places.
- $V_{s,p}$ is the volume associated to service “$s$” and entry or exit point “$p$”, expressed in MWh, with three decimal places.
- $TV$ is the commodity-based transmission tariff, expressed in €/MWh.

d) Billing by delivered capacity

i) The billing by delivered capacity will only be applicable to the exit from transmission network to national customers. In the rest of entry and exit
points of the transmission network, the agents cannot nominate quantities higher than its contracted capacity.

ii) When, for a gas day, the maximum delivered capacity by a national customer is higher than the sum of contracted capacity, the transmission system operator or distribution system operator will generate automatically a daily contract. The contracted capacity of this contract will be the difference between maximum delivered capacity and the sum of contracted capacity.

For the above purposes, the contracted capacity of the within-day contracts will be multiplied by the number of hours of the contract, and will be divided by 24.

iii) The billing of this daily contract will be the result of multiplying by five the invoicing that will result to apply the formula established in point 3.a.i above, with the purpose to encourage the adequate contracting of capacity by network users.

**Article 17. Information to publish**

1. The National Markets and Competition Commission will publish on their website, the information referred in article 36 and the information referred in article 30 of the Commission Regulation (EU) 2017/460.

2. The transmission companies will publish on the platform referred to in point 3.1.1(1)(h) of Annex I to Regulation (EC) No 715/2009, the information referred in article 31(2) of the Commission Regulation (EU) 2017/460, previous verification by The National Markets and Competition Commission.

**CHAPTER V. OTHER PROVISIONS**

**Article 36. Publication of the tariffs**

1. The National Markets and Competition Commission shall fix annually, by means of a Resolution, the access tariffs to transmission system, local networks and LNG facilities, and publish these values in the “State Official Gazette” in accordance with Law 3/2013 of 4 June, article 7(1bis).

2. In addition, The National Markets and Competition Commission shall publish on its website the following information:

   a) The Resolution establishing the allowed revenue to transmission and distribution and the access tariffs to transmission system and distribution network.

   b) Justifying impact assessment accompanying the Resolution.

   c) Demand for transported natural gas, broken down by entry and exit points, differentiating between conventional demand and demand intended for electricity generation.
d) Contracted capacity, equivalent contracted capacity and volume foreseen for the tariff period, broken down by entry and exit points.

e) Forecasts on the number of clients, contracted capacity, equivalent contracted capacity and consumption volume, broken down by tariff group.

f) Forecasts on the billing variables of the tariffs to access LNG facilities.

g) Forecast on the revenue of the transmission activity, broken down by network type: trunk, local influence and secondary.

h) Forecast on the revenue of the distribution activity for the exercise considered.

i) Forecast on the revenue of the re-gasification activity for the exercise considered.

3. Regarding access tariffs to transmission system, the Resolution shall be published, at the latest, 30 days before the start date of the annual yearly capacity auction established in the article 11(4) of the Regulation (EU) 2017/459, of 16 March 2017, establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013.

Nevertheless, by means of a Resolution of the National Markets and Competition Commission, transmission tariffs applicable to entry and exit points different from interconnections with France and Portugal, may be modified up to 30 days before its entry into force when circumstances so warrant.

4. The Resolution fixing tariff values to local networks and LNG facilities shall be published, at least, 30 days before its entry into force.

5. Exceptionally, transmission tariffs may be modified once the gas year has begun, respecting the conditions established by article 12(3) of the Regulation (EU) 2017/460.

**Article 37. Information requirements**

1. The information that serves as the basis for the calculation of the access tariffs to the gas facilities will be updated annually based on the information provided by the agents to the National Markets and Competition Commission.

2. The Technical Manager of the System, transport companies, distribution companies and LNG facilities holders must provide annually within the established deadlines to the National Markets and Competition Commission, the following information for the tariff year prior to the fixing of tariffs, forecast for the current tariff year and for the tariff year for which tariffs are being calculated, together with the description of the associated assumptions:

   a) The Technical Manager of the System must provide the following information:
i) Simplified network model, taking into account the facilities with scheduled start-up between the submission of information date and the end of the tariff year for which tariffs are calculated.

ii) Daily demand for each connection point considered in the transmission network defined in point (i) for to the last year with complete information.

iii) Municipalities that are supplied from each connection point of the transmission system considered in point (i), indicating those supplied from more than one connection point.

iv) Identification of customers with remote metering installed and in use for each connection point considered in the transmission network defined in point (i).

v) Injection and withdrawal capacities for each underground storage.

vi) Technical capabilities of each physical point of the interconnection points with France and Portugal.

vii) Hourly demand for each entry and exit point, with the exception of exits to national customers that will be sent aggregated.

viii) Daily demand for LNG truck loading.

ix) Hourly volume stored in LNG tanks.

x) Transported natural gas demand, for each entry and exit points, distinguishing between conventional demand and demand for electricity generation.

xi) Contracted capacity, for each entry and exit point and contract duration.

xii) Volume of natural gas, contracted capacity, number of cargoes unloaded, number of LNG trucks loaded, number of LNG cargoes loaded, ship-to-ship transfers and cooling down, broken down, where appropriate, by cargo size and distinguishing, where appropriate, between individualized and aggregated products. Additionally, the average operating time of the previous services and the average duration of formalized contracts of aggregate services will be included.

xiii) Contracted capacity and volume of injected/withdrawn gas in underground storages.

xiv) Daily load curve of the gas system, distinguishing between conventional demand and demand for electricity generation.

xv) Information regarding interruption orders that the Technical Manager of the Gas System has applied to this tariff group customers. At least, the following information will be sent: number of affected customers,
duration of the interruption, date of interruption, capacity interrupted and compliance or not with said interruption.

xvi) Any other information that the National Markets and Competition Commission considers necessary for the application of this methodology.

b) The transmission and distribution operators must provide:
   i) Energy balance (entries-exits) of their company, disaggregated by pressure levels, for the last complete year and for the day of maximum demand.
   ii) Daily load curves, for each design pressure of those customers with remote metering installed and in use, excluding combined cycles, thermal power stations and interruptible tariffs corresponding to the last complete year.
   iii) Daily load curves for each combined cycle, thermal power plant and customer with interruptible tariffs, corresponding to the last complete year.
   iv) Forecasts on the number of customers, contracted capacity and consumption volume, for each tariff group.
   v) Individualized forecast for combined cycles, thermal power plants, and interruptible customers connected to their networks.
   vi) Additionally, distribution operators will send information regarding the costs of the distribution facilities, for each pressure level, distinguishing between those supplied from LNG satellite facilities and form the general network, according to their analytical accounts.
   vii) Any other information the National Markets and Competition Commission considers necessary for the application of this methodology.

c) The LNG facility holders must provide:
   i) Volume of natural gas, contracted capacity, number of cargoes unloaded, number of LNG trucks loaded, number of LNG cargoes loaded, ship-to-ship transfers and cooling down, disaggregated, where appropriate, by cargo size. Additionally, the average operating time of the previous services will be indicated.
   ii) Any other information that the National Markets and Competition Commission considers necessary to provide for the application of this methodology.

3. The National Markets and Competition Commission may supervise the criteria and quality of the requested information, if deemed necessary, its review from the corresponding agents.
4. The National Markets and Competition Commission will publish on its website before November of each year the electronic forms including, when appropriate, the criteria to follow for filling the requested information, indicating the submission method and deadlines.

**Additional Provision One. Tariff period**

1. Until October 1, 2020, the period between January 1 and September 30 of that year will be considered as a tariff period.

2. From October 1, 2020, the gas year, that is, the period between October 1 of a year and September 30 of the following year, will be considered as the tariff period.

**Additional Provision Two. Review of the methodology**

1. As a general rule, the methodologies established in the present Regulation ("Circular") will be reviewed in October 2026.

2. The methodologies established in the present Regulation ("Circular") may be reviewed, on exceptional basis, if duly justified special circumstances occur, in particular regulatory changes that affect the structure or the components listed in Articles 6, 19 and 28 of the present Regulation ("Circular"), or modifications in the European regulation with an impact on it, whether direct or indirect.

3. Prior to May 31, 2024, a public consultation will be held on the methodology applicable to the calculation of the transmission networks tariffs, in accordance with the provisions of Article 27(5) of the Regulation (EU) 2017/460.

**Additional Provision Three. Settlement system of transmission, local networks and LNG facilities tariffs in the framework of Transitional Provision 4 of Law 3/2013, 4 June.**

1. For the purposes of the settlement system, the income from the application of tariffs for access to transmission, local networks and LNG facilities, as well as other legally established revenues, will be considered income subject to settlement. In the particular case of income (positive or negative) whose origin is linked to the previous integral system, these will be distributed by activity according to their allowed revenues.

To that effect, income from access tariffs will be those resulting from the application of the Resolution establishing them, regardless of their effective billing and collection by the subjects obliged to collect them and without deducting possible discounts agreed upon them.

For the purposes of the settlement system, the allowed revenues to transmission, distribution and LNG activities are considered costs subject to settlement.
The CNMC will carry out 14 provisional monthly settlements on account of the Definitive Settlement of each year. In each of these provisional settlements by activity, all income from access tariffs declared by the collecting agents will be considered. These incomes will be used to cover the allowed revenues of each subject, in proportion to their recognized costs.

The CNMC will carry out a Definitive Settlement by activity for each year, which will be done, prior to December 1 of the year following the corresponding year, considering the items incorporated to the system to that date.

Any income or cost incorporated once the Definitive Settlement of an exercise is finished will be considered income or cost of the year in which the incorporation takes place.

Deviations (both positive and negative) which occur in the Definitive Settlement of each year will be considered in the fixing of the natural gas access tariffs for the following years, in accordance with the provisions of Articles 6, 19 and 28 of the present Regulation (“Circular”).

The settlement system of the transmission activity constitutes the inter-transmission system operator compensation mechanism, as provided in Article 10 of the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonized transmission tariff structures for gas.

2. The National Markets and Competition Commission will determine, by means of a circular of those foreseen in Article 30(2) of the Law 3/2013, of June 4, the content and format of the information that will be requested to the agents in order to carry out the settlement of the transmission, local networks and LNG facilities tariffs, as well as the requirements and the deadlines to that effect.

**Transitional Provision One. Entry into force of the system for the settlement of the transmission, local networks and LNG facilities tariffs**

The settlement of the transmission, local networks and LNG facilities tariffs in the manner provided for in the Additional Provision Three of the present Regulation (“Circular”) will take place once the Government establishes the methodologies foreseen in Article 59(8) of the Law 18/2014, of October 15, approving urgent measures for growth, competitiveness and efficiency.

In any case, the settlement of the transmission, local networks and LNG facilities tariffs in the terms of the mentioned Additional Provision Three, as established by the Circular referred to in paragraph 2 of said Additional Provision, will be carried out from the first complete gas year in which the charges, tariffs and levies apply.
Transitional Provision Two. Transitional regulation during the adaptation of the billing systems

1. The transmission and distribution operators as well as the Technical Manager of the Gas System will have three months from the entry into force of the present circular to adapt their billing systems to the billing conditions defined in the Circular.

The Resolution establishing the prices of the tariffs will publish, as the case may be, the applicable tariffs during the corresponding period.

2. If due to publication of information requirements set by Article 32 of Regulation (EU) 2017/460, the values of the tariffs established in the Resolution fixing the tariffs for the access to transmission facilities, local network and GNL facilities were not applicable on January 1, 2020, the tariffs in force will be extended until the deadline set forth in the aforementioned Article 32 and in the said Resolution the procedure will be indicated for billing the contracts initiated before the date of application of the values, and finalize after the application of the values established in the aforementioned Resolution.

Transitional Provision Three. Transitional period

1. During the transitional period established in the Final Provision Three of the Royal Decree-Law 1/2019, variations in tariffs for access to local networks and LNG facilities may be limited, ensuring in any case the sufficiency of the tariffs to recover the recognised remuneration for the activity.

2. During the same period, and in the case of the LNG facilities tariffs, the possible difference between the billing of the tariffs resulting from the Circular and the one resulting from applying the transitional tariffs will be recovered by means of the other regasification costs tariff.

Repealing Provision. Repealing

Any administrative provisions that oppose the provisions of this Regulation (“Circular”) are repealed.

Final Provision. Entry into force

The present Regulation (“Circular”) will enter into force the day after its publication in the “State Official Gazette”, notwithstanding that the methodology provided hereby, will not apply, in any case, until January 1, 2020.
ANNEX I. APPLICABLE METHODOLOGY TO DETERMINE CAPACITY-BASED TRANSMISSION TARIFFS FOR EACH PHYSICAL POINT

1. Costs to be recovered through capacity-based transmission tariffs:

The transmission costs to be recovered through the transmission tariffs will be calculated by applying the following formula:

\[
CTC_n = R_{T,n} \pm DR_{T,n} \pm IC_{T,n} + CI_T - PR_T \pm OF_{T,n}
\]

Where:

- \( CTC_n \): Transmission costs to be recovered through capacity-based transmission tariffs in tariffs period \( n \), expressed in €.
- \( R_{T,n} \): Annual allowed revenue for the transmission network excluding the revenues for operating gas of said facilities, established in the corresponding Resolution of The National Markets and Competition Commission, for tariff period \( n \), expressed in €.
- \( DR_{T,n} \): Amendments of the allowed revenues for transmission network excluding the revenues for operating gas of said facilities for previous exercises, established in the corresponding Resolution of The National Markets and Competition Commission, when appropriate, for tariff period \( n \), expressed in €.
- \( IC_{T,n} \): Difference between initial forecasted revenues and real revenues resulting from the application of the capacity-based transmission tariffs corresponding to previous exercises, for tariff period \( n \), expressed in €.
- \( CI_T \): Compensations to network users for incurred interruptions of the transmission network corresponding to previous years, expressed in €.
- \( PR_T \): Obtained premiums in capacity auctions for entry and exit points of the transmission network, expressed in €.
- \( OF_{T,n} \): Other incomes or costs to be recovered through capacity-based transmission tariffs, as established in applicable regulations, different from the previous ones.
- \( n \): Tariff period for which transmission tariffs are calculated.

2. Costs to be recovered through commodity-based transmission tariffs:

The transmission costs to be recovered through the transmission tariffs will be calculated by applying the following formula:

\[
CTV_n = RGO_{T,n} \pm DRGO_{T,n} \pm IV_{T,n} \pm OV_{T,n}
\]

Where:
- \( CTV_n \): Transmission costs to be recovered through commodity-based transmission tariffs in tariffs period \( n \), expressed in €.

- \( RGO_{T,n} \): Annual allowed revenue for operating gas of the transmission network facilities, established in the corresponding Resolution of The National Markets and Competition Commission, for tariff period \( n \), expressed in €.

- \( DRGO_{T,n} \): Amendments of the allowed revenues for operating gas of the transmission network facilities for previous exercises, established in the corresponding Resolution of The National Markets and Competition Commission, when appropriate, for tariff period \( n \), expressed in €.

- \( IV_{T,n} \): Difference between initial forecasted revenues and real revenues resulting from the application of the commodity-based transmission tariffs corresponding to previous exercises, for tariff period \( n \), expressed in €.

- \( OV_{T,n} \): Other incomes or costs to be recovered through commodity-based transmission tariffs, as established in applicable regulations, different from the previous ones.

- \( n \): Tariff period for which transmission tariffs are calculated.

3. Allowed revenues to be recovered though fixed capacity charges applicable at entry and exit points

1. The allowed revenues to be recovered through the fixed capacity charge at entry tariffs, shall be determined according to the following formula:

\[
R_{\Sigma En} = 0,5 \times CTC_n
\]

Where:

- \( R_{\Sigma En} \) is the part of the transmission services revenue to be recovered from capacity-based transmission tariffs at all entry points.

- \( CTC_n \): Transmission costs to be recovered through capacity-based transmission tariffs in tariffs period \( n \).

2. The allowed revenues to be recovered through the fixed capacity charge at exit tariffs, shall be determined according to the following formula:

\[
R_{\Sigma Ex} = 0,5 \times CTC_n
\]

Where:

- \( R_{\Sigma Ex} \) is the part of the transmission services revenue to be recovered from capacity-based transmission tariffs at all exit points.

- \( CTC_n \): Transmission costs to be recovered through capacity-based transmission tariffs in tariffs period \( n \).
4. **The calculation of capacity-based transmission tariffs for each entry point comprises the following steps:**

a) Weighted average distance calculation from each entry point of the transmission network to all exit points.

\[
AD_{En} = \frac{\sum_{all\ Ex} CAP_{Ex} \times D_{En,Ex}}{\sum_{all\ Ex} CAP_{Ex}}
\]

Where:

- \( AD_{En} \) is the weighted average distance for an entry point or a cluster of entry points, expressed in km.
- \( CAP_{Ex} \) is the forecasted contracted capacity at a physical exit point, expressed in MWh/day.
- \( D_{En,Ex} \) is the minimum distance between an entry point and an exit point, expressed in km.

b) Weight of cost for each entry point calculation.

\[
W_{c,En} = \frac{CAP_{En} \times AD_{En}}{\sum_{all\ En} CAP_{En} \times AD_{En}}
\]

Where:

- \( W_{c,En} \) is the weight of cost for a given entry point.
- \( AD_{En} \) is the weighted average distance for an entry point, expressed in km.
- \( CAP_{En} \) is the forecasted contracted capacity for each physical entry point in accordance with the provisions of Article 4 of present Regulation, expressed in MWh/day.

c) Part of revenue to be recovered from capacity-based transmission tariffs at each entry point calculation

\[
R_{En} = W_{c,En} \times R_{\Sigma En}
\]
Where:

- \( R_{En} \) is the part of the transmission services revenue to be recovered from capacity-based transmission tariffs at an entry point, expressed in €.
- \( W_{c,En} \) is the weight of cost for a given entry point.
- \( R_{\Sigma En} \) is the part of the transmission services revenue be recovered from capacity-based transmission tariffs at all entry points, expressed in €.

d) Capacity-based transmission tariff at each physical entry point

\[
T_{En} = \frac{R_{En}}{CAP_{En}}
\]

Where:

- \( T_{En} \) is the capacity-based transmission tariff applicable at a physical entry point, expressed in €/(MWh/day)/year with six decimal places.
- \( CAP_{En} \) is the forecasted contracted capacity at an entry point, expressed in MWh/day.
- \( R_{En} \) is the part of the transmission services revenue to be recovered from capacity-based transmission tariffs at an entry point, expressed in €.

5. The calculation of capacity-based transmission tariffs for each exit point comprises the following steps:

a) Weighted average distance calculation from each exit point of the transmission network to all entry points.

\[
AD_{Ex} = \frac{\sum_{all \ Ex} CAP_{En} \times D_{En,Ex}}{\sum_{all \ En} CAP_{En}}
\]

Where:
AD\textsubscript{Ex} is the weighted average distance for an exit point or a cluster of exit points, expressed in km.

\text{CAP}\textsubscript{En} is the forecasted contracted capacity at an entry point, expressed in MWh/day.

D\textsubscript{En,Ex} is the minimum distance between an entry point and an exit point, expressed in km.

b) Weight of cost for each exit point calculation.

\[ W_{c,Ex} = \frac{CAP\textsubscript{Ex} \times AD\textsubscript{Ex}}{\sum_{all\ Ex} CAP\textsubscript{Ex} \times AD\textsubscript{Ex}} \]

Where:

\begin{itemize}
  \item – \( W_{c,Ex} \) is the weight of cost for a given exit point.
  \item – \( AD\textsubscript{Ex} \) is the weighted average distance for an exit point, expressed in km.
  \item – \( CAP\textsubscript{Ex} \) is the forecasted contracted capacity for an exit point, expressed in MWh/day.
\end{itemize}

c) Part of revenue to be recovered at each exit point calculation.

\[ R_{Ex} = W_{c,Ex} \times R_{\Sigma Ex} \]

Where:

\begin{itemize}
  \item – \( W_{c,Ex} \) is the weight of cost for a given exit point.
  \item – \( R_{\Sigma Ex} \) is the part of the transmission services revenue to be recovered from capacity-based transmission tariffs, in €.
  \item – \( R_{Ex} \) is the part of the transmission services revenue to be recovered from capacity-based transmission tariffs at an exit point or a cluster exit points, expressed in €.
\end{itemize}
d) Capacity-based transmission tariff at each physical exit point

\[
T_{Ex} = \frac{R_{Ex}}{CAP_{E_{nx}}}
\]

Where:

- \(T_{Ex}\) is the capacity-based transmission tariff applicable at a physical exit point, expressed in €/(MWh/day)/year with six decimal places.

- \(CAP_{Ex}\) is the forecasted contracted capacity at an exit point, expressed in MWh/day.

- \(R_{Ex}\) is the part of the transmission services revenue to be recovered from capacity-based transmission tariffs at an exit point or a cluster exit points, in €.

6. The calculation of commodity-based transmission tariffs

Commodity-based transmission tariffs, applicable to entry and exit points of the transmission network, shall be determined according to the following formula:

\[
TV_n = \frac{CTV_n}{V_{E_{n,n}} + V_{E_{x,n}}}
\]

Where:

- \(TV_n\) is the commodity-based transmission tariff applicable at entry and exit point of the transmission network for tariff period n, expressed in €/MWh with six decimal places.

- \(CTV_n\) is the allowed revenues of transmission to be recovered through commodity-based transmission tariffs in tariffs period n, in €.

- \(V_{E_{n,n}}\) is the forecasted volume to be injected through entry points of the transmission network for tariff period n, in MWh.

- \(V_{E_{x,n}}\) is the forecasted volume to be withdrawn through exit points of the transmission network for tariff period n, in MWh.