

**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 FALICITIES**

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) N° 715/2009 of the Parliament and the Council, of 13 July 2009, on conditions for access to the natural gas transmission networks and repealing Regulation (EC) N° 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.

Royal Decree-Law 1/2019, of 11 January, adopting urgent measures in order to assign the National Markets and Competition Commission (CNMC) the duties requested by Directive 2009/12/EC and Directive 2009/73/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and natural gas, amended Law 3/2013, of 4 June, for the creation of CNMC; Law 34/1998, of 7 October, on the hydrocarbons sector; and Law 18/2014, of 15 October, on the approval of urgent measures for growth, competitiveness and efficiency, in order to transfer the duties conferred to the National Regulatory Authority by European Law.

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, 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, said Article establishes that, 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, as well as LNG facilities, in the CNMC.

Article 59 of Law 18/2014, 15 October, 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 transmission tariffs methodology established 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 provided and the affected infrastructures. Moreover, the structure of tariffs is settled taking into account the cost drivers considered for each service provided individually considered.

The Regulation complies with the principles of better regulation foreseen in Article 129 of the Law 39/2015, of 1 October, of the Common Administrative Procedure of Public Administrations, given that it responds to the principles of necessity and proportionality, being the more adequate instrument to ensure the achievement of the objectives pursued.

The proportionality of the Regulation derives from the fact that it contains the essential regulation to determine the methodology for the calculation of the access tariffs. That is, establishes the general principles applicable to the methodology for the calculation, the formulas to determine the tariffs for the access to the transportation, distribution and LNG facilities and the procedures to be followed and the information to be provided by the different agents for the determination of the tariffs.

The transparency principle is fulfilled by clearly defining the objectives of the Regulation and its justification. During the procedure, all legal requirements regarding the rights of consultation and audience of interested parties have been met.

On the other hand, the Regulations seeks to reduce the administrative burdens on the stakeholders, and to generate less indirect costs, encouraging the rational use of the necessary resources.

This Regulation displaces the provisions prior to the Royal Decree-law 1/2019, of 11 January, which regulated the methodology for the calculation of the tariffs of transportation and distribution of natural gas, provisions that, in the matters that are subject to this Regulation, become inapplicable, as established in the abovementioned Royal Decree-law. As the National Markets and Competition Commission exercises this competence for the first time, the Regulation does not include a repealing provision. This effect is produced without prejudice to the fact that, through, eventually, of cooperation mechanisms, a validity table could be articulated to facilitate the knowledge of the dispositions applicable in this matters, as well as that publicity is provided, through the appropriate web pages, to the compendium of applicable norms, structured by subjects.

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, in its session of XX 2020, 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’** in accordance with the definition of transmission established in Regulation (EC) No. 715/2009, will be the trunk network provided for in Article 59(2)(a)(1st) of Law 34/1998, of 7 October.
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.
  - c) 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. **‘Transported gas demand’** 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  $\leq$  4 bar), NP1 (pressure level  $>$  4 bar and  $\leq$  16 bar), NP2 (pressure level  $>$  16 bar and  $\leq$  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 of 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:

- $m$ : number of contracts
  - $Q_{s,n}$ : 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 tariff period  $n$ .
  - $D_i^d$ : duration in days of the type of contract  $i$ , except for the within-day 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 within-day 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.

## **CHAPTER II. TRANSMISSION SYSTEM ACCESS TARIFFS**

#### **Article 5. Scope of transmission tariffs**

1. This chapter shall apply to the determination of the terms of transmission tariffs applicable to users with the right of access to facilities, in accordance with the provisions of article 61 of Law 34 / 1998, of October 7.
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. The transmission tariffs shall include, where appropriate, the earned capacity auction premiums of entry and exit points of the transmission system.

### ***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 of 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 conditional capacity product 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  $\text{€}/(\text{kWh}/\text{day})/\text{year}$ , and a variable charge for volume, expressed in  $\text{€}/\text{kWh}$ , both with six decimal places.
  - b) **Exit tariff from the transmission system:** it consists of a fixed charge of contracted capacity expressed in  $\text{€}/(\text{kWh}/\text{day})/\text{year}$ , and a variable charge for volume, expressed in  $\text{€}/\text{kWh}$ , both with six decimal places.

2. In the case of supply points not required to have a measuring equipment that allows the daily register of the maximum demanded capacity, the fixed charge of contracted capacity, expressed in €/(kWh/day)/year, is replaced by a fixed charge per customer, expressed in €/customer and year with two decimal places, 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 of the transmission activity, excluding the operating gas revenues, is allocated to the capacity-based charge entry and exit tariffs, in accordance with Regulation (EU) 2017/460, article 4(2).
2. Excluding the operating gas allowed revenues, 50% of the transmission allowed revenues is allocated to the tariff and 50% to the exit tariff.
3. The operating gas allowed revenues is allocated to the variable commodity-based tariff, 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. Capacity-based transmission tariffs 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.
  - $i = 1 \dots n$  : 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 kWh/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.

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. In accordance with article 9(2) of the Commission Regulation (EU) 2017/460, a discount of 13.9% is established to entry capacity-based transmission tariff from LNG facilities.
5. 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 entry and exit forecasted 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 forecasted daily consumption profile for the service  $s$ , will be the value that makes the billing of each of the referred contracts equal to the billing of the equivalent yearly contract. The multipliers will be the result of averaging those that result for the last four years with complete information.
2. The multiplier applicable to the within-day contracts will be the result of the product of the daily multiplier, determined in the previous point, by the coefficient that result for a contract of 12 hours of duration.

The coefficient will be the result from the average of the coefficients of the previous four years. The coefficient for the year  $n$  and a within-day contract of 12 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 of daily and within-day contracts of 12 hours combination.

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:

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

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

$$C_{I,m} = C_{M,m} \times M_I$$

Where:

- $CI_{,m}$  is the coefficient to be applied to yearly capacity-based transmission tariff to obtain the within-day standard capacity tariff, of the month  $m$ .

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  $m$ .
  - $M_I$  is the level of the within-day multiplier for a contract 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. The within-day multiplier applicable to within-day contracts whose duration is equal to 24 hours will be the one corresponding to the daily contract.
  8. 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, according to article 2 (1) (23) of Regulation (CE) n° 715/2009, the interruptible capacity tariffs will be calculated by applying the following:

- a) Interruptible capacity-based transmission tariff

$$Pi_{s,p,h} = (1 - Di_{exante,s,h}) \times P_{s,p,h}$$

Where:

- $Pi_{s,p,h}$  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)
- $Di_{exante,s,h}$  is the *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 *ex-ante* discount will be calculated by applying the following formula:

$$Di_{exante,s,h} = Pro_{s,h} \times A \times 100\%$$

Where:

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

$$Pro_{s,h} = \left( \frac{N \times D_{int}}{D_h} \times \frac{Cap_{int,h}}{Cap_h} \right)$$

Where

- $N$  is the expectation of the numbers of interruptions
  - $D_{int}$  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.
  - $Cap_{int,h}$  is the expected average amount of interrupted capacity for the respective product of duration “ $h$ ” (yearly, quarterly, monthly, daily or within-day).
  - $Cap_h$  is the expected capacity for the respective product of duration “ $h$ ” (yearly, quarterly, monthly, daily or within-day)
  - $A$  is the adjustment factor, which reflect 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, there is no interruptible tariffs.

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:

$$CI_{ex-post,s,p} = 3 \times \left( \frac{Cap_{int,s,p} \times M_s \times P_{s,p}}{365} \right)$$

Donde:

- $CI_{ex-post,s,p}$  is the interruptible compensation applicable to service “ $s$ ” and connection point “ $p$ ”.

- $Cap_{int,s,p}$  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.

The ex post compensation will be paid by the responsible of billing the transmission tariff of the supply points entitled to it and will be incorporated into the settlement mechanism of transmission activity.

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. In those cases, in which the owner of the transmission facility has transferred the management to an independent transmission operator, this one will be responsible for the billing.
  - 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, with the exception of consumers who, in accordance with the provisions of article 51.2 of Royal Decree 1434/2002, of December 27, or regulation that replaces it, have a bimonthly measurement period.
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, monthly 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 €, 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 kWh/day.
- $M_{s,p,t}$  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 €/(kWh/day) per year.
- $D$  is number of contract days that belong to the period of service that is being billed.

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

For these purposes, contracts of indefinite duration will have the same treatment as contracts of annual duration.

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” and entry or exit point “p”, expressed in €, with two decimal places.
- $Q_{s,p}$  is the within-day contracted capacity of service “s” and entry or exit point “p”, expressed in kWh/day, with three decimal places.
- $M_{s,p,h}$  is the multiplier of service “s”, and entry or exit point “p”.
- $TC_{s,p}$  is the yearly capacity-based transmission tariff of service “s” and entry or exit point “p”, expressed in €/(kWh/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 €, with two decimal places.
- $TCL_i$  is the client-based transmission tariff, expressed in €/year, applicable to customers of category i.
- N is number of contract days that belong to the period of service that is being billed.

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

- c) Billing by volume: the billing by volume will be carry 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 €, with two decimal places.
- $V_{s,p}$  is the volume associated to service “s” and entry or exit point “p”, expressed in kWh.
- TV is the commodity-based transmission tariff, expressed in €/kWh.

- 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) Billing by delivered capacity:

- (1) Consumers with remote metering

For each day of gas in which the maximum delivered capacity by a consumer is greater than the sum of the contracted capacities in each of the contracts that, if applicable, such consumer could have, the transporter or distributor will invoice the excess according to the following formula:

$$FEQ_d = 3 \times \left[ \left( QM_d - \sum_{t=i}^n QC_{t,d} \right) \times \left( \frac{MD_d \times TC}{365} \right) \right]$$

Where:

- *FEQ<sub>d</sub>*: is the billing for demanded capacity in the day of gas d, expressed in €, with two decimal places.
- *QM<sub>d</sub>*: Maximum demanded capacity in the day d, expressed in kWh/day.
- *QC<sub>t,d</sub>*: Contracted capacity corresponding to the contract of duration *t* yearly, quarterly, monthly or daily) in the day of gas d, expressed in kWh/day. For the above purposes, the contracted capacity associated with within-day contracts will be multiplied by the number of hours contracted and divided by 24.
- *MD<sub>d</sub>*: Multiplier corresponding to a daily contract.
- *TC*: Capacity-based charge for national exits for annual contracts, in €/(kWh/day)/year.

- (2) Consumers without remote metering, but with the obligation to have measurement equipment that allows the daily registration of the maximum delivered capacity, in accordance with the obligations established by the Government.

If the maximum delivered capacity by a consumer during the billing period exceeds the sum of the contracted capacities in each of the contracts that, if applicable, such consumer could have, the transporter or distributor will invoice the excess in accordance with the following formula:

$$FEQ = 3 \times \left[ (QM - QC) \times \left( \frac{TC}{365} \right) \times D \right]$$

Donde:

- *FEQ*: is the billing for demanded capacity, expressed in €, with two decimal places.
- *QM*: Maximum demanded capacity during the billing period, expressed in kWh/day.

- *QC*: Contract capacity, expressed in kWh/day resulting from the aggregation of the contracted capacity of each of the contracts formalized by the consumer.
- *TC*: Capacity-based charge for national exits for annual contracts, in €/(kWh/day)/year.
- *D*: Number of days included in billing period.

**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 III. LOCAL NETWORK ACCESS TARIFFS**

**Article 18. Scope of local network access tariffs**

1. This chapter shall apply to the determination of the charges of local network access tariffs applicable to users with the right of access to facilities, in accordance with the provisions of article 61 of Law 34/1998, of October 7.
2. For these purposes, all consumers are considered to be supplied from local networks, in accordance with Order IET/2434/2012, of November 7, which determines the facilities of the basic natural gas network belonging to the natural gas trunk network.
3. Gas injections of renewable origin, such as biogas, connected to the local network are exempted from the payment of local networks access tariffs.

**Article 19. Revenues included in local network access tariffs**

Local networks tariffs will include the following concepts:

1. The annual allowed revenue of the primary transmission network of local influence, established in the corresponding Resolution of the National Commission of Markets and Competition.
2. The annual allowed revenue of the secondary transmission network, established in the corresponding Resolution of the National Commission of Markets and Competition.
3. The annual allowed revenue of the distribution network, established in the corresponding Resolution of the National Commission of Markets and Competition.

4. The revisions, where appropriate, of the allowed revenue of the primary transmission network of local influence, of the secondary transmission network and distribution network.
5. The differences between the initially forecast and the actual income resulting from the application of local networks access tariffs corresponding to previous years.
6. Interruption compensation paid to network users corresponding to previous years, in accordance with the provisions of article 28.
7. Other income or costs established in current regulations, different from the previous ones.

**Article 20. Definition of services provided by local network**

The service provided by local networks includes the right to use the infrastructure necessary to transport the gas from the exit points of the transmission network to the final consumers or from the LNG satellite plants to the final consumers and biogas injections into local networks.

**Article 21. Structure of local network access tariffs**

1. Local networks access tariffs are differentiated by volume of consumption and consist of a fixed capacity-based charge, expressed in  $\text{€}/(\text{kWh}/\text{day})/\text{year}$ , and an energy-based charge, expressed in  $\text{€}/\text{kWh}$ , both with six decimal places.

The local network access tariffs of customers that are not required to have equipment capable of measuring the maximum demanded capacity for a given period, consist of a fixed charge per customer, expressed in  $\text{€}/\text{customer}$  and year, and an energy-based charge, expressed in  $\text{€}/\text{kWh}$ , both with six decimal places.

2. Local networks access tariffs differ in the following tariff groups according to annual consumption:
  - a) Tariff RL.1: Consumption equal to or less than 5,000 kWh/year
  - b) Tariff RL.2: Consumption greater than 5,000 kWh/year and less than or equal to 15,000 kWh/year
  - c) Tariff RL.3: Consumption greater than 15,000 kWh/year and less than or equal to 50,000 kWh/year
  - d) Tariff RL.4: Consumption greater than 50,000 kWh/year and less than or equal to 300,000 kWh/year.
  - e) Tariff RL.5: Consumption greater than 300,000 kWh/year and less than or equal to 1,500,000 kWh/year.

- f) Tariff RL.6: Consumption greater than 1,500,000 kWh/year and less than or equal to 5,000,000 kWh/year.
- g) Tariff RL.7: Consumption greater than 5,000,000 kWh/year and less than or equal to 15,000,000 kWh/year.
- h) Tariff RL.8: Consumption greater than 15,000,000 kWh/year and less than or equal to 50,000,000 kWh/year.
- i) Tariff RL.9: Consumption greater than 50,000,000 kWh/year and less than or equal to 150,000,000 kWh/year.
- j) Tariff RL.10: Consumption greater than 150,000,000 kWh/year and less than or equal to 500,000,000 kWh/year.
- k) Tariff RL.11: Consumption greater than 500,000,000 kWh/year.

**Article 22. Determination of the local network access tariffs**

The local network access tariff shall be determined through the application of the following methodology, whose details are in the Annex II of this Circular.

1. Allocation of the allowed revenue of local networks by cost driver:
  - a) The cost driver of the allowed revenue of the primary transmission network of local influence and the secondary transmission network is the capacity.
  - b) The cost driver of the distribution network is the capacity and the number of customers.
  - c) The distribution allowed revenue and, where appropriate, revisions of previous years are assigned based on the cost driver (number of consumers or capacity), in accordance with the percentages set out in section 1.a) of Annex IV.
2. Allocation of the allowed revenue of local networks whose cost driver is capacity:
  - a) Allocation of allowed revenue by pressure levels:
    - i) The annual allowed revenue of the primary transmission network of local influence and, where appropriate, revisions of previous years, will be allocated to the pressure level of more than 60 bar (NP3).
    - ii) The annual allowed revenue of the secondary transmission network and, where appropriate, revisions of previous years will be allocated to the pressure level between 16 bar and 60 bar (NP2).
    - iii) The allowed revenue of the distribution network and, where appropriate, revisions of previous years will be allocated by pressure level according to the percentages set out in point 1.b) of Annex IV.

- iv) The rest of the concepts referred to in article 19 of this Circular will be allocated by pressure level proportionally to the allowed revenue allocated by pressure level.
- b) Allocation of the allowed revenue of local networks whose cost driver is the capacity, excluding the operating gas revenue, of each pressure level at the pressure level itself and at lower pressure levels.

The allowed revenue to be recovered by the local networks access tariffs, excluded the operating gas, shall be allocated to consumers of the pressure level itself and to the consumers connected to lower pressure levels depending on a model of simplified network corresponding to the peak day of the last year with available information.

- c) Allocation of allowed revenue whose cost driver is the capacity to the fixed and variable charges of each level of pressure:

The allowed revenue associated to the pressure in which the consumers are connected is allocated to the capacity charge of the local networks access tariff.

The allowed revenue associated with pressure levels higher than those consumers are connected is allocated to energy charge of the local networks access tariff.

- d) Allocation of the allowed revenue to be recovered through the capacity charge by tariff group.

The allowed revenue to be recovered through the capacity charge of each level of pressure will be allocated by tariff group based on the distribution of the equivalent contracted capacity forecast for each pressure level by tariff group.

- e) Allocation of the allowed revenue to be recovered through the energy charge by tariff group.

The allowed revenue that must be recovered through the energy charge of each pressure level, excluded operating gas, will be allocated by tariff group based on the distribution of consumption of each pressure level by tariff group.

- 3. Allocation of distribution allowed revenue whose cost driver is the number of customers:

- a) The distribution allowed revenue whose cost driver is the number of customers will be allocated proportionally to the number of consumers connected in the distribution network.
- b) The distribution allowed revenue whose cost driver is the number of customers will be allocated by tariff group based on the number of distribution customers included in each tariff group.

- c) The previous allowed revenue will be assigned to the capacity charge of the local networks access tariff.
4. Allocation of the allowed revenue for operating gas.
- The allowed revenue associated with the operating gas will be allocated based on the forecasted consumption.
5. Determination of the capacity charge
- The capacity charge of each tariff group will be the result of dividing the sum of the remuneration allocated to the corresponding tariff group, result of points 2.d) and 3.c) above, by the equivalent contracted capacity forecasted for the tariff group.
6. Determination of the energy charge
- The energy charge of each tariff group shall be the result of dividing the sum of the variable allowed revenue allocated to the corresponding tariff group, resulting from points 2.e) and 4 above, by the forecasted volume of the tariff group.
7. Determination of the fixed charge by customer
- The fixed charge per customer of a tariff group shall be calculated in a manner that is equal to the total billing that results from applying the tariff obtained in accordance with points 5 and 6 to the larger consumer of the immediately preceding tariff group.
- The difference between the remuneration assigned to the tariff group and the invoicing for the client term of the tariff group, is allocated to the energy charge.
- For the RL.1 tariff group, the same fixed variable structure is imposed as the one for the RL.2 tariff group.

**Article 23. Multipliers applicable to non-yearly contracts**

1. The same short-term multipliers as those applicable to the exit of the transmission network to the local transmission network, secondary transmission network or distribution network shall apply.
2. The application of short-term local network access tariffs will require to have remote metering installed and operational.

**Article 24. Interruptible local network access tariffs**

1. The conditions for national consumers to be entitled to the interruptibility compensation shall be:

- a) National consumer requirements:
    - i) Annual consumption exceeding 10 GWh/year and daily consumption exceeding 26,000 kWh/day.
    - ii) Supply pressure greater than 4 bar.
    - iii) Operational remote metering.
    - iv) Compliance with the geographical and technical criteria assessed by the Technical Manager of the Gas System and, where appropriate, the Electric System Operator.
    - v) Signing of an agreement between the consumer, the supplier, if applicable, and the System Technical Manager. In the event that the consumer is an electric generator, the Electric System Operator must also sign.
  - b) Conditions for the application of interruptibility: those established in articles 12 and 23 of the Resolution of July 25, 2006, of the General Directorate of Energy Policy and Mines, which regulate the allocation conditions and the procedure for application of interruptibility in the gas system or regulation that replaces it.
  - c) Causes of interruption: those established in article 10 of the Resolution of July 25, 2006, of the General Directorate of Energy Policy and Mines, which regulates the conditions of allocation and the procedure for applying interruptibility in the gas system or regulation that replaces it.
  - d) Criteria for the execution of interruptions: those established in Article 15 of the Resolution of July 25, 2006, of the General Directorate of Energy Policy and Mines, which regulate the allocation conditions and the application procedure of the interruptibility in the gas system or standard that replaces it.
  - e) Communication:
    - i) The Technical Manager of the Gas System will notify the consumer, the supplier and the owner of the facilities to which the consumer is connected the request to make the interruption.
    - ii) Failure to comply with the interruption instructions given by the Technical Manager of Gas System by a consumer under this type of access will mean that the consumer has to pay three times the compensation for interruptibility that he would have received in case of complying with the instruction given. Furthermore, the breach will mean the automatic cancellation of the agreement.
2. Consumers connected to the local influence network shall be entitled to an ex post compensation for each day an interruption occurred which shall be calculated according to the following formula:

$$CI_{ex-post,i} = 3 \times \left( \frac{Cap_{int,i} \times M \times TC_i}{365} \right)$$

Where:

- $CI_{ex-post,i}$ : Interruptible compensation for the consumer i
- $CAP_{int,i}$ : Capacity interrupted to the consumer i.
- M: Daily multiplier for local network access charges
- $TC_i$ : Capacity -based charge of local network access tariff

In the case of leap years, the figure for 365 is replaced by 366.

The ex post compensation will be paid by the responsible of billing the local network access tariff of the supply points entitled to it and will be incorporated into the settlement mechanism.

3. If, after application of the interruption, it is concluded that the cause is attributable to the supplier, the supplier shall pay to the Technical Manager of the System the following amounts, which will be considered settlement mechanism incomes:
  - i) A quantity equivalent to the volume of the interrupted gas multiplied by 5 per cent of the reference price set out in paragraph 9.6 of the Chapter "System Normal Operation" of the System Technical Management Standards, approved by Order ITC/3126/2005 of 5 October or that replacing it.
  - ii) The amount of the interruptibility compensation paid in accordance with Articles 15 and 24.1 of this Circular.

Such payments shall be without prejudice to the liabilities resulting from the interruption.

4. As long as there are zonal congestion problems in the gas system, the Technical System Manager will propose annually to the National Commission of Markets and Competition the areas with the possibility of congestion and the capacity to be hired under the interruptibility regime. The National Commission of Markets and Competition will approve by Resolution the areas and specific values of capacity to be contracted, after communicating to the General Directorate of Energy and Mining Policy.

#### **Article 25. General conditions of application of local networks access tariffs**

1. The operators of the local networks will determine the tariff group to each supply point connected to their networks in accordance with the following rules:

- a) In the case of existing supply points, the tariff will be determined by the total consumption recorded at the supply point resulting from adding all contracts, regardless of their number and duration, in the immediately preceding gas year.

In the event that the consumption recorded in the immediately preceding year of gas was not available, the consumption recorded in the twelve months prior to the determination of the tariff group will be considered. Failing that, the provisions of section b shall apply.

The determination of the tariff group applicable to the supply point will be carried out on the first invoice issued after having the consumption corresponding to the year of gas or, failing that, to the previous twelve months.

- b) In the case of new supply points, the tariff will be determined based on the expected consumption. The load factor resulting from the relationship between the expected consumption and the contracted capacity at the supply point may not exceed 80%.

In the event that, in accordance with current regulations, they have no obligation to have measurement equipment that allows the daily registration of the maximum delivered capacity, the applicable tariff group for the use of the networks will be determined based on their forecasted consumption.

Twelve months after contracting, if the actual consumption recorded does not correspond to the applied tariff group, the supply point will be relocated to the tariff group corresponding to the actual consumption.

2. If the actual consumption recorded in the immediately preceding year of gas does not correspond to the tariff group considered in the billing, the operator will proceed to invoice again the tariff that would have corresponded considering the actual consumption. In the case of not having the actual consumption recorded in the immediately preceding gas year, the consumption recorded in the previous twelve months will be taken.

The previous rule will not apply to consumers who do not have a measuring device that allows the daily registration of the maximum flow demanded.

3. The resulting invoices will be transferred through the supplier with whom the supply point has a valid access contract at the time of issuance of the invoice.
4. The contracts made will be considered binding for the parties during the entire period contracted, and the holder of the contracted capacity must pay all the tariff that correspond in accordance with current regulations, even in the case of non-use of the capacity. In the particular case of contracts of an indefinite nature, the contracted capacity may only be reduced, except in the case of unsubscribe, once a year has elapsed since its contracting or since its last modification.

5. The invoicing of tariffs corresponding to periods in which there has been variation thereof, will be calculated by dividing the total consumption of the invoiced period proportionally to the time in which each of them has been in force, except for consumers in which perform daily measurement, for which billing will be carried out in accordance with these measures.

**Article 26. Local network access tariffs billing conditions**

1. The billing of local networks access tariffs will be carried out with the periodicity established in Royal Decree 1434/2002, of December 27, or regulation that replaces it, by the owner of the facilities to which they are directly connected the supply points.
2. The local network access tariffs applicable to consumers of groups RL.5 to RL.11 and for all those consumers who have measuring equipment that allows the daily registration of the maximum delivered capacity in accordance with the regulations in force, regardless of the group to which they belong, consist of a capacity charge, a energy charge and, where appropriate, a capacity demanded charge, which will be determined according to the following:
  - a) Billing for contracted capacity of each contract will be calculated in accordance with the following formulas:
    - i) In the case of yearly, quarterly or daily contracts.

$$FC_t = Q_t \times \left( \frac{M_t \times TC_{GT}}{365} \right) \times D$$

Where:

- $FC_t$  is the billing for contracted capacity of contract of duration  $t$  (yearly, quarterly or daily), expressed in €, with two decimal places.
- $Q_t$ : contracted capacity of the contract of duration  $t$  (yearly, quarterly or daily), expressed in kWh/day.
- $M_t$ : Multiplier applicable to the contract of duration  $t$  (yearly, quarterly or daily). For annual contracts a multiplier of 1 shall be considered.
- $TC_{GT}$ : capacity-based charge of the local network access tariff, expressed in €/(kWh/day)/year corresponding to the tariff group GT.
- $D$ : Number of the days of the contract included in the billing period.

In the case of leap years, the figure for 365 is replaced by 366.

For these purposes, contracts of indefinite duration will have the same treatment as contracts of annual duration.

i) In the case of within-day contracts

$$FC_{i,h} = Q_i \times \left( \frac{M_h \times TC_{GT}}{8760} \right) \times H$$

Where:

- FC<sub>i</sub>: is the billing for capacity of a within-day contract of “h” hours, expressed in euros, with two decimal places.
- Q<sub>i</sub>: is the within-day contracted capacity, expressed in kWh/day.
- M<sub>h</sub>: Multiplier applicable to a within-day contract.
- TC<sub>GT</sub>: capacity-based charge, expressed in €/(kWh/day)/year with six decimal places, corresponding to the tariff group GT.
- H: Duration of the contract, expressed in hours.

In the case of leap years, the figure for 8,760 is replaced by 8,784.

b) Billing for volume will be calculated in accordance with the following formula:

$$FV = V \times TV_{GT}$$

Where:

- FV: Billing for volume, expressed in euros with two decimal places.
- V: Volume, expressed in kWh.
- TV<sub>GT</sub>: energy charge for consumers that have metering equipment that allows the registration of the maximum delivered capacity corresponding to the tariff group GT, expressed in €/kWh with six decimal places.

c) Billing for delivered capacity:

i) Consumers with remote metering

For each day of gas in which the maximum delivered capacity by a consumer is greater than the sum of the capacities contracted in each of the contracts that, if applicable, such consumer could have, the transporter or distributor will invoice the excess according to the following formula:

$$FEQ_d = 3 \times \left[ \left( QM_d - \sum_{t=i}^n QC_{t,d} \right) \times \left( \frac{MD_d \times TC_{GT}}{365} \right) \right]$$

Where:

- $FEQ_d$ : is the billing for demanded capacity in a day of gas d, expressed in euros, with two decimal places.
- $QM_d$ : Maximum demanded capacity in the day d, expressed in kWh/day.
- $QC_{t,d}$ : Contracted capacity corresponding to the contract of duration  $t$  (yearly, quarterly or daily), expressed in kWh/day. For the above purposes, the contracted capacity associated with within-day contracts will be multiplied by the number of hours contracted and divided by 24.
- $MD_d$ : Multiplier corresponding to a daily contract.
- $TC_{GT}$ : Capacity-based charge of the local network access tariff, expressed in €/(kWh/day)/year with six decimal places, corresponding to tariff group GT.

- ii) Consumers without remote metering, but with the obligation to have measurement equipment that allows the daily registration of the maximum delivered capacity, in accordance with the obligations established by the Government.

If the maximum delivered capacity by a consumer during the billing period exceeds the sum of the capacities contracted in each of the contracts that, if applicable, such consumer could have, the transporter or distributor will invoice the excess in accordance with the following formula:

$$FEQ = 3 \times \left[ (QM - QC) \times \left( \frac{TC_{GT}}{365} \right) \times D \right]$$

Where:

- $FEQ$ : is the billing for demanded capacity, expressed in euros, with two decimal places.
- $QM$ : Maximum demanded capacity during the billing period, expressed in kWh/day.
- $QC$ : Contract capacity, expressed in kWh/day resulting from the aggregation of the contracted capacity of each of the contracts formalized by the consumer.
- $TC_{GT}$ : Capacity-based charge of the local network access tariff, expressed in €/(kWh/day)/year corresponding to tariff group GT.

- D: Number of days included in billing period.
  - iii) When the same consumer has formalized contracts with more than one supplier, the invoicing for the capacity demanded will be transferred to the supplier with which the consumer has the highest contracted capacity.
2. Local networks access tariffs applicable to consumers of tariff groups RL.1, RL.2, RL.3, RL.4, RL.5 and RL.6 that do not have measuring equipment that allows the daily record of the maximum delivered capacity consists of a fixed charge per customer and an energy charge, which will be determined according to the following:

a) Billing by client:

$$FCL = \frac{N}{365} \times TCL_{GT}$$

Where:

- FCL: is the monthly billing amount per customer expressed in euros, with two decimal places.
- $TCL_{GT}$ : is the client-based local network access tariff, expressed in €/year with six decimal places, applicable to customers of category GT.
- N: Number of days of the billing period.

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

b) Billing for volume will be calculated in accordance with the following formula:

$$FV = V \times TV_{GT}$$

Where:

- FV: Billing for volume, expressed in euros with two decimal places.
- V: Volume, expressed in kWh.
- $TV_{GT}$ : energy charge for consumers that don't have metering equipment that allows the registration of the maximum delivered capacity corresponding to the tariff group GT, expressed in €/kWh with six decimal places.

## CHAPTER IV. REGASIFICATION FACILITIES ACCESS TARIFFS

### ***Article 27. Scope of regasification facilities access tariffs***

This chapter shall apply to the determination of the terms of regasification facilities access tariffs applicable to users with the right of access to facilities, in accordance with the provisions of article 61 of Law 34 / 1998, of October 7.

### ***Article 28. Revenues included in regasification facilities access tariffs***

Regasification facilities tariffs will include the following concepts:

1. The annual allowed revenue of regasification activity established in the corresponding Resolution of the National Commission of Markets and Competition.
2. The revisions, where appropriate, of the allowed revenue of regasification activity corresponding to previous years.
3. The differences between the initially forecast and the actual income resulting from the application of regasification access tariffs corresponding to previous years.
4. Compensation for interruptibility paid to suppliers or direct customers corresponding to previous years, in accordance with the provisions of article 33.
5. If applicable, the premiums resulting from the capacity allocation procedures attributable to the regasification activity.
6. Other incomes or costs established in current regulations, different from the previous ones.

### ***Article 29. Definition of services provided by local network***

1. Regasification plants will provide the following individual services:
  - a) Ship unloading: The LNG unloading service includes the right to use the facilities necessary for unloading LNG from a ship in a regasification plant.
  - b) LNG storage: The LNG storage service includes the right to use the facilities necessary for the storage of LNG in the virtual balance tank of the regasification plants.
  - c) Regasification: The regasification service includes the right to use the facilities necessary for LNG regasification.
  - d) Truck loading: The truck loading service includes the right to use the facilities needed for loading LNG to a tanker truck from the LNG facilities.
  - e) Loading of LNG from plant to ship: This service includes the right to use the facilities necessary to transfer LNG from a regasification plant to a ship.

- f) LNG transshipment: this service includes the right to use the facilities of the LNG facility needed to transfer LNG from one vessel to another vessel.
  - g) Cooling down: this service includes the right to use the facilities needed to put under the appropriate safety conditions of an LNG carrier without cargo to receive LNG from the regasification plants and/or gassing up of the ship. The loaded volume associated with the cooling down service may not exceed the heel of the vessel. The heel is the minimum amount of LNG to be stored in the tanks of an LNG carrier to maintain the operating temperature. This value will depend on the construction characteristics of the tanks and its value may not exceed 2.5% of the total storage capacity of the LNG carrier.
  - h) Virtual liquefaction: this service allows a virtual transformation of natural gas from the point of exit from the transmission network to a regasification plant as LNG. LNG shall be recognised in LNG facilities.
2. For the purposes of this Circular, the LNG facilities will offer some of the previous services on an aggregated basis:
- a) Ship unloading, LNG storage and regasification includes the right to use the facilities needed for unloading LNG from a vessel to an LNG facility, storing all or part of the LNG unloaded until it is all vaporized, and the corresponding regasification service at a constant sent out, according to the conditions established in Circular 8/2019, of 12th of December of the CNMC establishing the methodology and access conditions and capacity allocation mechanism of the natural gas system.
  - b) LNG storage and regasification service: provides the right to use the facilities needed for storing LNG until it is all vaporized and the corresponding regasification service at a constant sent out, according to the conditions established in Circular 8/2019, of 12th of December of the CNMC establishing the methodology and access conditions and capacity allocation mechanism of the natural gas system.
  - c) Ship unloading, LNG storage and LNG ship reloading: includes the right to use the facilities needed for unloading LNG from a vessel to an LNG facility, storing the LNG unloaded, to a maximum defined value and to use the facilities needed for reloading the LNG in vessels from such LNG facility, according to the conditions established in Circular 8/2019, of 12th of December of the CNMC establishing the methodology and access conditions and capacity allocation mechanism of the natural gas system.

**Article 30. Structure regasification facilities access tariffs**

1. The regasification facilities access tariffs for the individual services provided at the plant will have the following structure:
  - a) Ship unloading tariff: consists in a fixed term determined by the size of the ship, expressed in €/ship, and a variable term expressed in €/kWh, both with six decimal places. In particular, the following are considered:
    - i. S: Ship size of 40.000 m<sup>3</sup> LNG or less
    - ii. M: A ship size exceeding 40.000 m<sup>3</sup> LNG and less than or equal to 75.000 m<sup>3</sup> LNG.
    - iii. L: A ship size exceeding 75.000 m<sup>3</sup> LNG and less than or equal to 150.000 m<sup>3</sup> LNG.
    - iv. XL: A ship size exceeding 150.000 m<sup>3</sup> LNG and less than or equal to 216.000 m<sup>3</sup> LNG.
    - v. XXL: Ship size exceeding 216.000 m<sup>3</sup> LNG.

For the above purposes, the size of the vessel shall be determined by the volume contracted or discharged.
  - b) LNG storage tariff consists of a fixed term, expressed in €/kWh/day and a variable term expressed in €/kWh, both with six decimal places.
  - c) Regasification tariff consists of a fixed term, expressed in €/kWh/day and a variable term expressed in €/kWh, both with six decimal places.
  - d) Truck loading tariff consists of a fixed term, expressed in €/kWh/day and a variable term expressed in €/kWh, both with six decimal places.
  - e) Loading of LNG from plant to ship tariff consists of a variable term, expressed in €/kWh, with six decimal places.
  - f) LNG transshipment tariff consists of a variable term expressed in €/kWh, with six decimal places.
  - g) Cooling down tariff consists of a variable term expressed in €/kWh, with six decimal places.
  - h) Virtual liquefaction tariff consists of a fixed term, expressed in €/kWh/day, with six decimal places.
2. The aggregated services provided at the LNG plant shall have the structure resulting from the aggregation of tariffs for each of the individual services that make up the relevant aggregated service.
3. The tariff associated with the recovery of other regasification costs consists of a fixed term expressed in €/(kWh/day)/year, with six decimal places, with the exception of that applicable to retailers or direct consumers for the volume charged in cistern for own satellite LNG facility that consist of a variable term, expressed in €/kWh with six decimal places.

**Article 31. Allocation of the revenue associated with regasification facilities to the services provided**

The methodology for determining regasification facilities access tariffs consists of the following stages, whose details are in the Annex III of this Circular:

1. Determination of the remuneration to be recovered through regasification facilities access tariffs
  - a) The remuneration for regasification activity to be recovered through regasification facilities access tariffs will be determined in accordance with Article 28.
  - b) The allowed revenue of the regasification activity associated with the investment, operating costs, lifetime extension and the incentives shall be recovered through tariffs associated with the use of the facilities.
  - c) The allowed revenue of the regasification activities related to continuity of supply, installations in special administrative status and the effects which may arise from judgments of the courts, as well as the impact that may arise from the establishment of the transitional period of convergence, will be recovered through the tariff associated with the recovery of other regasification costs.
2. Allocation of fixed remuneration linked to the investment, to operational costs, to the lifetime extension and to incentives for each of the elements of the regasification plant.
3. Allocation of the fixed remuneration of each of the element to each of the services provided at the LNG plant.
4. The allocation of variable remuneration to each of the services provided in the LNG plant.
5. Determination of the terms of individual services tariffs:
  - a) The fixed remuneration is allocated to the fixed term of the relevant service tariff, with the exception of Loading of LNG from plant to ship, LNG transshipment and Cooling down services.
  - b) The variable remuneration is assigned to the energy term of the corresponding service tariff.
6. Determination of term associated with the recovery of other regasification costs tariff.
  - a) The remuneration to be recovered through the tariff associated with the recovery of other regasification costs is distributed to consumers supplied from own satellite LNG facilities and the rest, in proportion to the volume.

- b) The variable term of the tariff associated with the recovery of other regasification costs corresponds to the variable term obtained in subparagraph (a) above.
- c) The remuneration associated with other regasification costs to be recovered through consumers supplied from local networks is allocated for tariff groups proportionally to the number of customers and it is recovered through a capacity-based charge or a charge per customer.

**Article 32. Multipliers applicable to non-yearly contracts**

- 1. The multipliers applicable to the quarterly, monthly and daily contracts, given the daily consumption profile provided for the service s, will be the value that makes the billing of each of the referred contracts equal to the billing that resulting of the equivalent yearly contract. The multipliers will be the result for the last four years with complete information.
- 2. The multiplier applicable to the within-day contracts shall be the result of the product of the daily multiplier determined in the previous point by the coefficient that results for a duration of the within-day contract of 12 hours.

The previous coefficient will result from the average of the coefficients of the previous four years. The coefficient for the year n and a within-day contract of 12-hour contract, given the hourly consumption profile registered in year n for the service s, will be the value that makes, the billing of daily contract equal to the billing of daily and within-day contracts of 12 hours combination.

- 3. The multipliers applicable to the quarterly, monthly contracts, resulting from the foregoing, shall not be less than one, nor greater than 1.5.
- 4. The multipliers applicable to daily contracts, resulting from the foregoing, shall not be less than one, nor greater than 3.
- 5. The multipliers applicable to quarterly, monthly and daily contracts will be rounded to one decimal place.
- 6. The within-day multiplier applicable to within-day contracts whose duration is equal to 24 hours will be the one corresponding to the daily contract.

**Article 33. Interruptible regasification facilities access tariffs**

- 1. In the event that a supplier or direct consumer has hired an interruptible service and an interruption occurs, he will be entitled to ex post compensation, for each day in which an interruption has occurred, which will be calculated according to the following formula:

$$CI_{ex-post,i,s} = 3 \times \left( \frac{Cap_{int,i,s} \times M_s \times TC_s}{365} \right)$$

Where:

- $Cl_{\text{ex-post},i,s}$  : Interruptible compensation for the supplier or direct consumer  $i$  corresponding to service  $s$
- $CAP_{\text{int},i,s}$  : Capacity interrupted to the supplier or direct consumer  $i$  corresponding to service  $s$ .
- $M_s$ : Daily multiplier applicable to interrupted service  $s$
- $TC_i$ : capacity-based charge for service  $s$

In the case of leap years, the figure for 365 is replaced by 366.

2. The ex post compensation will be paid by the responsible for billing the interruptible tariff for the service that has been interrupted and will be incorporated into the settlement mechanism.
3. The *ex post* compensation shall not apply to virtual liquefaction tariff.

**Article 34. General conditions of application of regasification facilities access tariffs**

1. As a general rule, no nominations may be made in excess of the contracted capacity.

However, in the case of aggregated services, Article 33 of Circular 8/2019 of 12 December, the Comisión Nacional de los Mercados y la Competencia, establishing the methodology and conditions for access to and allocation of capacity in the natural gas system shall be taken into account.

2. In the case of the LNG storage tariff, a volume of stored gas greater than that contracted cannot be available in the storage tank.

However, in the case of aggregated services, Article 33 of Circular 8/2019 of 12 December, the Comisión Nacional de los Mercados y la Competencia, establishing the methodology and conditions for access to and allocation of capacity in the natural gas system shall be taken into account.

3. It will be considered Cooling down when the LNG tankship berthing at the plant and loading an amount not greater than its heel.

In the event that a higher amount of LNG is uploaded, two different operations are deemed to be carried out: Cooling down and Loading of LNG from plant to ship, with the associated tariff being applied to each of them.

4. The invoicing of services relating to the Loading of LNG from plant to ship, LNG transshipment and Cooling down contracted/scheduled viable and not carried out for causes attributable to the trader will be made by taking account of the volume contracted.
5. The tariffs applicable to the aggregate services will be the result of applying the corresponding tariffs to the individual services that integrate the

corresponding aggregate service, additionally applying what is established in article 35 in order to determine the corresponding billing variables.

**Article 35. Regasification facilities access tariffs billing conditions**

1. Individual services

a) *Ship unloading tariff*

The invoicing of the Ship unloading tariff shall be carried out monthly by the transmission company which owns the LNG facilities according to the following formula:

$$F_B = TV_{descarga} \times V_D + \sum_{i=s}^{XXL} TF_{descarga,i} \times N_{buques,i}$$

Where:

- $F_B$  is the billing for the ship unloading, expressed in € to two decimal places.
- $TV_{descarga}$ : volume-based charge of ship unloading tariff, in €/kWh, to six decimal places
- $V_D$ : kWh downloaded.
- $TF_{descarga,i}$ : Fixed term of the ship unloading tariff to the ship of size  $i$ , in €/ship.
- $N_{buques,i}$ : Number of ships unloaded in size  $i$ .
- $i$ : The size of the ship as laid down in Article 29 of this Circular.

In the case of ships shared by several traders, the amount for the ship unloading service is distributed on the traders in proportion to the quantity unloaded by each of them.

b) *LNG storage, regasification and virtual liquefaction tariffs*

The invoicing of LNG storage, regasification and virtual liquefaction tariffs shall be carried out monthly by the System Technical Operator, in accordance with the following formula:

i) Billing for contracted capacity

(1) In the case of annual, quarterly or daily contracts

$$FC_{s,t} = Q_{s,t} \times \left( \frac{M_{s,t} \times TC_s}{365} \right) \times D$$

Where:

- $FC_{s,t}$  is the billing per contracted capacity for the service  $s$ , and duration  $t$  (annual, quarterly, monthly or daily), expressed in euro, with two decimal places.
- $Q_{s,t}$ : Contracted capacity for service  $s$  and duration  $t$  (annual, quarterly, monthly or daily), expressed in kWh/day.
- $M_{s,t}$ : Multiplier applicable to the service  $s$ , and duration  $t$  (annual, quarterly, monthly or daily). For annual contracts a multiplier of 1 shall be considered.
- $TC_s$ : Capacity-based charge of the tariff for the service  $s$ , in the €/kWh/day.
- $D$ : is number of contract days that belong to the period of service that is being billed.

In the case of leap years, the figure for 365 is replaced by 366.

(2) In the case of within-day contracts:

$$FC_s = Q_s \times \left( \frac{M_s \times TC_s}{8760} \right) \times H$$

Where:

- $FC_s$  is the billing per contracted capacity for the service  $s$ , expressed in euros, to two decimal places.
- $Q_s$ : Contracted capacity for service  $s$ , expressed in kWh/day.
- $M_s$ : Multiplier applicable to the service  $s$ .
- $TC_s$ : Capacity-based charge applicable to service  $s$  in €/(kWh/day)/year.
- $H$ : Duration of the contract expressed in hours.

In the case of leap years, the figure for 8760 is replaced by 8784.

ii) Billing by volume, applicable to LNG and regasification services

$$FV_s = V_s \times TV_s$$

Where:

- $FV_s$  is the billing by volume of service  $s$ , expressed in euros, to two decimal places.
- $V_s$ : volume associated to service  $s$ , expressed in kWh
- $TV_s$ : energy-based charge of the service  $s$ , expressed in €/kWh.

In the case of LNG storage tariff, the sum of the gas volumes stored in the last hour of the gas day of each of the days included in the billing period shall be considered.

c) *Truck loading tariff*

The invoicing for truck loading shall be carried out monthly by the company owning these facilities, according to the following formula:

i) Billing by contracted capacity:

$$FC_{cisternas,t} = Q_{cisternas,t} \times \left( \frac{M_{cisternas,t} \times TC_{cisternas}}{365} \right) \times D$$

Where:

- $FC_{cisternas,t}$  is the billing for truck loading service corresponding to the contract of duration  $t$  (annual, quarterly, monthly or daily), expressed in €, to two decimal places.
- $Q_{cisternas,t}$  is the contracted capacity for truck loading service of a contract of duration  $t$  (annual, quarterly, monthly or daily), €/kWh/day, with the exception of the truck loading for satellite distribution facilities, for which the contracted capacity corresponds to the capacity used, in accordance with Article 22 of Circular 8/2019 of 12 December, assuming a duration of the annual contract.
- $M_{cisternas,t}$  is the multiplier applicable to the duration of the truck loading service (annual, quarterly, monthly or daily). For annual contracts a multiplier of 1 shall be considered.
- $TC_{cisternas}$  is the capacity-based charge of the truck loading service, expressed in €/(kWh/day)/year.
- $D$  is number of contract days that belong to the period of service that is being billed.

In the case of leap years, the figure for 365 is replaced by 366.

ii) Billing by volume:

$$FV_{cisternas} = V_{cisternas} \times TV_{cisternas}$$

Where:

- $FV_{cisternas}$  is the billing by the volumen, expressed in euro with two decimal places.
- $V_{cisternas}$  Loaded volume, expressed in kWh.
- $TV_{cisternas}$ : energy-based charge of the truck loading service, expressed in €/kWh.

d) *LNG ship reloading, LNG transshipment and Cooling down tariffs*

The billing for the LNG ship reloading, LNG transshipment and Cooling down services shall be carried out monthly by the company which owns the LNG facility, according to the following formula:

$$FV_s = V_s \times TV_s$$

Where:

- $FV_s$  is the billing for service s, expressed in €, with two decimal places.
- $V_s$ : Volume applicable to the service s, expressed in kWh.
- $TV_s$ : energy-based charge of service s, expressed in €/kWh.

e) *Other regasification costs tariff*

The invoicing of tariff associated with the recovery of other regasification costs shall take place on a monthly basis, in accordance with the following conditions:

- i) The company owning the regasification facilities shall charge distributors and direct consumers for the volume of gas loaded in trucks, with the exception of those having as their destination a satellite distribution plant, in accordance with the following formula:

$$FV_{oc} = V_{oc} \times TV_{oc}$$

Where:

- $FV_{oc}$  is the billing by other regasification costs expressed in € with two decimal places.
- $V_{oc}$ : Volume loaded, expressed in kWh.
- $TV_{oc}$  is the energy-based charge, expressed in €/kWh.

- ii) The operator of transmission or distribution facilities shall invoice the tariff for other regasification costs to consumers connected to their networks, including consumers supplied from satellite distribution facilities, in accordance with the invoicing conditions set out in Article 26 (2) (a) and 26.3) (a), replacing in the formula the fixed term of the local networks access tariff by the fixed term of other regasification costs tariff.

2. Aggregated services shall be invoiced by the system operator, subject to the following conditions:

- a) Each individual service within the relevant aggregated service shall be invoiced, as set out in point 1, taking into account in the billing by capacity of the regasification service daily contracts and a multiplier of 1 and for in

the billing by capacity of the LNG storage service daily contracts and the multiplier applicable for the service.

- b) The billing variables of the corresponding tariffs will be those established in Circular 8/2019 of 12 December 2013 of the Comisión Nacional de los Mercados y la Competencia, establishing the methodology and conditions for access to and allocation of the natural gas system.

## CHAPTER V. OTHER PROVISIONS

### ***Article 36. Publication of the tariffs***

1. The National Markets and Competition Commission shall fix annually, and publish these values in the "State Official Gazette" by means of a Resolution, the access tariffs to transmission system, local networks and LNG facilities, in accordance with Law 3/2013, of 4 June, Article 7(1bis). Said publication will take place at least 30 days before the date of the start of the annual yearly capacity auction established in Article 11(4) of the Regulation (EU) 2017/459 of the Commission of 16 March 2017, establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013.
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. Tariffs applicable to local networks and LNG facilities may be modified once the gas year has started if duly justified exceptional circumstances occur.
4. Transmission tariffs may be modified once the gas year has started, under 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, transmission operators, distribution operators 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 ships unloaded, number of LNG trucks loaded, number of LNG ships loaded, LNG transshipments 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 CNMC 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 from 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 ships unloaded, number of LNG trucks loaded, number of LNG ships loaded, LNG transshipments 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 CNMC considers necessary to provide for the application of this methodology.
3. The CNMC may supervise the criteria and quality of the requested information, if deemed necessary, its review from the corresponding agents.
4. The CNMC 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***

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 rule, the methodologies established in the present Regulation (“Circular”) will be reviewed every six years.
2. The methodologies established in the present Regulation (“Circular”) may be reviewed, on exceptional basis, if duly justified special circumstances occur: 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.***

Within the framework of the Additional Disposition 8, second paragraph, letter c) and the Transitional Disposition 4 of the Law 3/2013, of 4 June, the settlement system developed in the Order ECO 2692/2002, of 28 October, has, in accordance with Regulation (EU) 2017/460, of 16 March, the consideration of inter-transmission system operator compensation mechanism and reconciliation of revenue procedure.

***Transitional Provision One. 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 until 30 September 2020 to adapt their billing systems to the billing conditions defined in this Regulation.
2. The capacities contracted by the users with third-party access rights to the facilities will be maintained as long as they do not modify them in their contracts.
3. Users with third-party access rights to the facilities may adapt the capacities contracted at no cost, regardless of whether they had made a modification in the previous twelve months.
4. Suppliers will inform clearly and transparently to the consumers of the new structure of the tariffs with each of the invoices issued from the entry into force of this Regulation until the effective application of the prizes resulting for the application of the same.

***Transitional Provision Two. Gradual impact of the application of the methodology***

1. During the transitional period established in the Final Provision Three of the Royal Decree-Law 1/2019, of 11 January, variations in tariffs for access to transmission networks, to local networks and to LNG facilities may be limited, ensuring in any case the sufficiency of the tariffs to recover the recognised remuneration for the activity.
2. The National Markets and Competition Commission will determine in the Resolution establishing the access tariffs to the transmission system, local networks and LNG facilities, foreseen in Article 7(1) bis of the Law 3/2013, of 4 June, the procedure to transfer the variations of the prices of the tariffs during said transitional period.

***Transitional Disposition Three. Multipliers applicable to within-day contracts of access tariffs to LNG facilities in case of lack of information for its calculation***

In case of absence of the necessary information for the calculation of within-day access tariffs of some of the services provided in LNG facilities, in accordance with the provisions of Article 32 of the present Regulation, the within-day multipliers of the regasification service will be temporarily applicable.

***Transitional Disposition Four. Tariffs applicable for the gas year 2020-2021.***

In the event that the Resolution foreseen in Article 36 could not be published within the deadlines established in Article 32 of the Regulation (EU) 2017/460:

1. The access tariffs to the transmission network applicable to international interconnections with France and Portugal will be those established in the Order IET/2446/2013, of 27 December.
2. Access tariffs to transmission networks other than the abovementioned, access tariffs to local networks and access tariffs to LNG facilities will be published before 1 September 2020.

***Final Provision. Entry into force***

The present Regulation (“Circular”) will enter into force the day after its publication in the “State Official Gazette”.

## ANNEX I. 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 kWh/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 kWh/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 to 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 €/(kWh/day)/year with six decimal places.
- $CAP_{En}$  is the forecasted contracted capacity at an entry point, expressed in kWh/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:

- $AD_{Ex}$  is the weighted average distance for an exit point or a cluster of exit points, expressed in km.
- $CAP_{En}$  is the forecasted contracted capacity at an entry point, expressed in kWh/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 exit point calculation.

$$W_{c,Ex} = \frac{CAP_{Ex} \times AD_{Ex}}{\sum_{all\ Ex} CAP_{Ex} \times AD_{Ex}}$$

Where:

- $W_{c,Ex}$  is the weight of cost for a given exit point.
- $AD_{Ex}$  is the weighted average distance for an exit point, expressed in km.
- $CAP_{Ex}$  is the forecasted contracted capacity for an exit point, expressed in kWh/day.

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

$$R_{Ex} = W_{c,Ex} \times R_{\Sigma Ex}$$

Where:

- $W_{c,Ex}$  is the weight of cost for a given exit point.
- $R_{\Sigma Ex}$  is the part of the transmission services revenue to be recovered from capacity-based transmission tariffs, in €.
- $R_{Ex}$  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 €.

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

$$T_{Ex} = \frac{R_{Ex}}{CAP_{Enx}}$$

Where:

- $T_{Ex}$  is the capacity-based transmission tariff applicable at a physical exit point, expressed in €/(kWh/day)/year with six decimal places.
- $CAP_{Ex}$  is the forecasted contracted capacity at an exit point, expressed in kWh/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:

$$TV_n = \frac{CTV_n}{V_{En,n} + V_{Ex,n}}$$

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 €/kWh 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 €.
- $V_{En,n}$  is the forecasted volume to be injected through entry points of the transmission network for tariff period n, in kWh.
- $V_{Ex,n}$  is the forecasted volume to be withdrawn through exit points of the transmission network for tariff period n, in kWh.

## ANNEX II. METHODOLOGY TO DETERMINE LOCAL NETWORKS ACCESS TARIFFS

### 1. Fixed revenues included in local network tariffs

The fixed revenues to be recovered through the local network tariffs shall be calculated applying the following formula:

$$CD_n = RL_n + RS_n + RD_n \pm DRL_n \pm DRS_n \pm DRD_n + CI_n \pm IC_{D,n} - IV_{D,n} \pm O_{D,n}$$

Where:

- $CD_n$ : Revenues to be recovered through the local network tariffs in the tariff period n, expressed in €.
- $RL_n$ : Annual allowed revenue of the local influence network excluding the revenues for the operating gas of said facilities, established in the corresponding Resolution of The National Markets and Competition Commission, for tariff period n, expressed in €.
- $RS_n$ : Annual allowed revenue of the secondary transmission network excluding the revenues for the operating gas of said facilities, established in the corresponding Resolution of The National Markets and Competition Commission, for tariff period n, expressed in €.
- $RD_n$ : Annual revenues of distribution activity, established in the corresponding Resolution of The National Markets and Competition Commission, for tariff period n, expressed in €.
- $DRL_n$ : Amendments of allowed revenues of the local influence network, including the revenues for the operating gas of said facilities, established in the corresponding Resolution of The National Markets and Competition Commission, for tariff period n, expressed in €.
- $DRS_n$ : Amendments of allowed revenues of secondary transmission network, including the revenues for the operating gas of said facilities, established in the corresponding Resolution of The National Markets and Competition Commission, for tariff period n, expressed in €.
- $DRD_n$ : Amendments of allowed revenues of distribution activity, established in the corresponding Resolution of The National Markets and Competition Commission, for tariff period n, expressed in €.
- $CI_n$ : Compensation to network users for incurred interruptions of the transmission network corresponding to previous years attributable to local networks, expressed in €.
- $IC_{D,n}$ : Difference between initial forecasted revenues and real revenues for distribution activity resulting from the application of the local networks tariffs corresponding to previous exercises to tariff period n, expressed in €.

- $IV_{D,n}$ : Difference between initial forecasted revenues and real revenues associated with the recovery of variable revenue which will be calculated in accordance with the provisions of point 4 of this annex, expressed in €.
- $O_{D,n}$ : Other incomes or cost established in current regulations, different from the previous ones
- n: Tariff period for which local networks tariff are calculated.

## 2. Allocation of distribution revenues by cost driver

The distribution revenues, including, where appropriate, reviews of previous years shall be disaggregated by cost driver according to the following formulas:

$$RD_{cliente,n} = (RD_n \pm DRD_n) \times C_{cliente}$$

$$RD_{capacidad,n} = (RD_n \pm DRD_n) \times C_{capacidad}$$

Where:

- $RD_{cliente,n}$ : Distribution revenues whose cost driver is the customer, corresponding to tariff period n.
- $RD_{capacidad,n}$ : Distribution revenues whose cost driver is the capacity, corresponding to tariff period n.
- $C_{cliente}$ : Proportion of the cost of distribution networks whose cost inducer is the customer, established in point 1.a) of Annex IV of this Circular.
- $C_{capacidad}$ : Proportion of the cost of distribution networks whose cost inducer is the capacity, established in point 1.a) of Annex IV of this Circular.

## 3. Breakdown of the fixed revenue whose cost inducer is the capacity per pressure level

The revenues to be recovered through the application of local networks tariffs shall be calculated by applying the following formulas:

- a) The fixed remuneration attributable to 60 bars' network shall be determined by applying the following formula:

$$CDF_{n,60bar} = (RL_n \pm DRL_n) + \left( \frac{RL_n \pm DRL_n}{RL_n + RS_n + RD_{capacidad,n} \pm DRL_n \pm DRS_n} \right) \times (CI_n \pm IC_{D,n} - IV_{D,n} \pm O_{D,n})$$

Where:

- $CDF_{n, 60 \text{ bar}}$ : Fixed revenue attributable to the 60 bar network to be recovered with local networks access tariffs.
- b) The fixed revenues attributable to a pressure network between 16 and 60 bar shall be determined by applying the following formula:

$$CDF_{n,16-60\text{bar}} = (RS_n \pm DRS_n) + \left( \frac{RS_n \pm DRS_n}{RL_n + RS_n + RD_{capacidad,n} \pm DRL_n \pm DRS_n} \right) \times (CI_n \pm IC_{D,n} - IV_{D,n} \pm O_{D,n})$$

Where:

- $CDF_{n,16-60 \text{ bar}}$ : Fixed revenues attributable to the network between 16 and 60 bar to be recovered with local networks access tariffs.
- c) The attributable revenues to a pressure network between 4 and 16 bar and less than 4 bar shall be determined by applying the following formula:

$$CDF_{n,NP} = \left\{ RD_{capacidad,n} + \left( \frac{RD_{capacidad,n}}{RL_n + RS_n + RD_{capacidad,n} \pm DRL_n \pm DRS_n} \right) \times (CI_n \pm IC_{D,n} - IV_{D,n} \pm O_{D,n}) \right\} \times C_{NP}$$

Where:

- $CDF_{n,NP}$ : Fixed remuneration attributable to the level pressure NP to be recovered with the local networks access tariffs corresponding to the tariff period n.
- $C_{NP}$ : Proportion of distribution networks costs corresponding to Pressure level NP, established in point 1.b) of Annex IV of this Circular.
- NP: Pressure levels. In particular, the following will be considered:
  - Pressure level less than 4 bar
  - Pressure level between 4 and 16 bar

#### 4. Variable revenues that includes the local networks access tariffs.

The variable revenues to be recovered by applying the local networks access tariffs shall be determined by applying the following formula:

$$CDV_n = RGO_{D,n} \pm DRGO_{D,n} \pm IV_{T,n}$$

Where:

- $CDV_n$ : Variable revenue to be recover from local networks access tariffs.
- $RGO_{D,n}$ : Operating gas annual revenues associated with local networks, established in the corresponding Resolution of the National Commission of Markets and Competition in the tariff period n
- $DRGO_{D,n}$ : Amendments, where appropriate, of the operating gas annual revenues associated with local networks corresponding to previous years, established in the corresponding Resolution of the National Commission of Markets and Competition, corresponding to said facilities in the tariff period n.
- $IV_{T,n}$ : Income difference associated with the recovery of variable remuneration that shall be calculated according to the following formula

$$IV_{T,n} = \sum_{j=n-1}^{n-2} CDV u_j \times (V - \widehat{V}_j)$$

Donde

- $IV_{T,n}$ : Income differences associated with the recovery of variable remuneration
- $CDV u_j$ : Unit variable cost for year j established in in the corresponding Resolution of the National Commission of Markets and Competition
- $V_j$ : Real demand of consumers connected to the local network corresponding to year j
- $\widehat{V}_j$ : Demand of consumers connected to the local network corresponding to year j considered when the local networks access tariffs of that year were established.
- n: Tariff period for which network access tariffs are calculated

#### **5. Allocation of fixed revenues whose cost driver is the capacity of each pressure level at the pressure level itself and at lower pressure levels**

The fixed local network revenues, is assigned by pressure levels considering the gas flow to lower pressure levels on the day of highest demand in the last year with available information. In general, the cost of the network for the level of pressure  $NP_i$  shall be divided between the pressure levels by  $NP_j$   $j \leq i$ , according to coefficients  $\alpha_j^i$ :

$$CDF_{NPi}^{NPj} = CDF_{n,NPi} * \alpha_j^i$$

The coefficients  $\alpha_j^i$ :

$$\alpha_0^0 = 1$$

$$\alpha_1^1 = \frac{Q_1}{Q_1 + \omega_0^1}$$

$$\alpha_0^1 = \frac{\omega_0^1}{Q_1 + \omega_0^1}$$

$$\alpha_2^2 = \frac{Q_2}{Q_2 + \omega_1^2 + \omega_0^2}$$

$$\alpha_1^2 = \frac{\omega_1^2}{Q_2 + \omega_1^2 + \omega_0^2} * \alpha_1^1$$

$$\alpha_0^2 = \frac{\omega_1^2}{Q_2 + \omega_1^2 + \omega_0^2} * \alpha_0^1 + \frac{\omega_0^2}{Q_2 + \omega_1^2 + \omega_0^2}$$

$$\alpha_3^3 = \frac{Q_3}{Q_3 + \omega_2^3 + \omega_1^3 + \omega_0^3}$$

$$\alpha_2^3 = \frac{\omega_2^3}{Q_3 + \omega_2^3 + \omega_1^3 + \omega_0^3} * \alpha_2^2$$

$$\alpha_1^3 = \frac{\omega_2^3}{Q_3 + \omega_2^3 + \omega_1^3 + \omega_0^3} * \alpha_1^2 + \frac{\omega_1^3}{Q_3 + \omega_2^3 + \omega_1^3 + \omega_0^3} * \alpha_1^1$$

$$\alpha_0^3 = \frac{\omega_2^3}{Q_3 + \omega_2^3 + \omega_1^3 + \omega_0^3} * \alpha_0^2 + \frac{\omega_1^3}{Q_3 + \omega_2^3 + \omega_1^3 + \omega_0^3} * \alpha_0^1 + \frac{\omega_0^3}{Q_3 + \omega_2^3 + \omega_1^3 + \omega_0^3}$$

Where,

- $\omega_j^i$ : Gas Flow from design pressure level i to lower design pressure level j, on the day of highest demand in the last year with available information.
- $Q_i$ : Demanded capacity in the pressure level i on the day of highest demand
- $CDF_{n,NPi}$ : Fixed revenue attributable to the level of pressure NP<sub>i</sub> to recover with charge to local networks access tariffs corresponding to the tariff period n.

## 6. Unit variable cost

The unit variable cost shall be calculated according to the following formula:

$$CDVu_n = CDV_n \times 1/V_n$$

Where:

- $CDVu_n$ : Variable unit cost corresponding to the tariff period n.
- $CDV_n$ : Variable revenues to be recover from local networks access tariffs.
- $V_n$ : Consumer demand connected to the local network corresponding to the tariff period n.

## 7. Breakdown of the revenues of each pressure level which cost driver is the capacity assigned fixed and variable charges.

The fixed remuneration to be recovered by the agents connected to a pressure level associated with said pressure level is assigned to the fixed charge of local networks access tariffs:

$$CDTF_{NPi} = CDF_{NPi}^{NPi}$$

Where:

- $CDTF_{NPi}$ : Fixed revenues associated with the NPi pressure level to be recovered through the corresponding fixed tariff charge.
- $CDF_{NPi}^{NPi}$ : Cost of the pressure level i attributable to the agents connected to the pressure level i, calculated in accordance with the provisions of point 4 of this annex.

The fixed remuneration to be recovered by the agents connected to a pressure level associated with the rest of the pressure levels is assigned to the variable charge of the local networks access tariffs:

$$CDTV_{NPi} = \sum_{j < i} CDF_{NPi}^{NPj}$$

Where:

- $CDTV_{NPi}$ : Fixed revenues associated with the NPi Pressure Level to be recovered by the corresponding variable tariff charge.

- $CDF_{NPi}^{NPj}$ : Cost of the pressure level i attributable to the supplies connected to the pressure level j, with  $j < i$  calculated in accordance with the provisions of point 4 of this annex.

## 8. Revenue allocation whose cost driver is the capacity of each pressure level by the fix charge of each tariff group

The fixed revenues to be recovered by the fixed charge attributable to each pressure level will be allocated by tariff group based on the distribution of the forecasted contracted capacity of each pressure level by tariff group:

$$CDTF_{GTk} = \sum_{NPi} CDTF_{NPi} \times \frac{Qce_{NPi}^{GTk}}{Qce^{GTk}}$$

Where:

- $CDTF_{GTk}$ : Revenues to be recovered by the fixed charge of the local network access tariffs k.
- $CDTF_{NPi}$ : Fixed revenues associated with the NPi Pressure Level to be recovered through the corresponding fixed tariff charge.
- $Qce_{NPi}^{GTk}$ : Equivalent contracted capacity of the agents of the tariff group k supplied from the Pressure Level i, in MWh/day.
- $Qce^{GTk}$ : Equivalent contracted capacity of the agents of the tariff group k, in MWh/day.

## 9. Allocation of distribution network which cost driver is the customer

- a) The remuneration of the distribution whose cost driver is the customer shall be allocated proportionally to the number of customers connected in the distribution network, according to the following formula.

$$CU_{cliente,n} = \frac{RD_{cliente,n}}{NCd_n}$$

Where:

- $CU_{cliente,n}$ : Unit cost of distribution whose cost driver is the customer, corresponding to the tariff period n.
- $RD_{cliente,n}$ : Distribution revenue whose cost driver is the customer, corresponding to the tariff period n
- $NCd_n$ : Number of customers connected in the distribution network in the tariff period n.

- b) The distribution revenue whose cost inducer is the customer will be allocated by tariff group based on the number of distribution customers included in each tariff group

$$CDFC_{GTk,n} = Ncd_{GTk,n} \times CU_{cliente,n}$$

Where:

- $CDFC_{GTk,n}$ : Distribution cost whose cost driver is the customer that shall be recovered through the fixed charge of the tariff group k, corresponding to the tariff period n.
- $Ncd_{GTk,n}$ : Number of customers connected in the distribution network included in the tariff group k in the tariff period n.
- $CU_{cliente,n}$ : Unit cost of distribution whose cost driver is the customer, corresponding to the tariff period n

#### 10. Allocation of the revenues to be recovered by the variable charge of each tariff group

The fixed revenues of each pressure level shall be assigned by tariff group based on the distribution of the forecasted contracted capacity of each pressure level by tariff group:

$$CDTV_{GTk} = (CDVu_j \times V^{GTk}) + \sum_{NPi} CDTV_{NPi} \times \frac{V_{NPi}^{GTk}}{V^{GTk}}$$

Where:

- $CDTV_{GTk}$ : Revenues to be recovered by the variable charge of the local network access tariffs k.
- $CDVu_j$ : Variable unit cost corresponding to the tariff period n.
- $CDTV_{NPi}$ : Fixed revenues associated with the NPi pressure Level to be recovered by the corresponding variable tariff charge.
- $V_{NPi}^{GTk}$ : Consumption of the customers included in the tariff group k supplied from the pressure level i, in kWh.
- $V^{GTk}$ : Consumption of the customers included in the tariff group k, in kWh.

#### 11. Capacity charge calculation

The capacity-based charge, expressed in €/(kWh/day) per year, with six decimal places, shall be calculated according to the following formula

$$TC_{GTk} = \frac{CDTF_{GTk} + CDFC_{GTk,n}}{Qce^{GTk}}$$

Where:

- $TC_{GTk}$ : Capacity-based charge, expressed in €/(kWh/day) per year
- $CDTF_{GTk}$ : Revenues to be recovered by the fixed charge of the local network access tariffs k, expressed in €.
- $CDFC_{GTk,n}$ : Distribution cost whose cost driver is the customer that shall be recovered through the fixed charge of the tariff group k, corresponding to the tariff period n.
- $Qce^{GTk}$ : Equivalent contracted capacity of the agents of the the tariff group k, in kWh/day.

## 12. Determination of the variable charge

The variable charge by volume, expressed in € / kWh, shall be calculated according to the following formula:

$$TV_{GTk} = \frac{CDTV_{GTk}}{V^{GTk}}$$

Where:

- $TV_{GTk}$ : Variable charge by volume of the tariff group k, expressed in € / kWh
- $CDTV_{GTk}$ : Revenues to be recovered through the variable charge of the tariff group k
- $V^{GTk}$ : Consumption of consumer of the tariff group k, in kWh.

## 13. Calculation of billing terms in case of billing by customer

The billing terms in case of billing by customer shall be calculated according to the following formula:

a) Billing charges applicable to all tariff groups except RL.1

a) Customer-based charge to all tariff groups except RL.1

The charge per customer applicable to the GTk tariff group, where  $k > 1$ , shall be determined by applying the following:

$$TCL_{GTk} = \frac{TC_{GTk-1} \times Qce^{GTk-1}}{NCL_{GTk-1}} + TV_{GTk-1} \times V_{k-1,max}$$

Where:

- $TCL_{GTk}$ : Customer-based charge of the tariff group k, expressed in €/customer and year.
- $TC_{GTk-1}$ : Capacity-based charge of the tariff group k-1, expressed in €/(kWh/day) and year.
- $Qce^{GTk-1}$ : Equivalent contracted capacity of the agents of the tariff group k-1, in kWh/day.
- $TV_{GTk-1}$ : Commodity-based charge of the tariff group k-1, with six decimal places.
- $V_{k-1,max}$ : Maximum consumption of the k-1 tariff group, in kWh, in accordance with the provisions of article 21 of the Circular.
- $NCL_{GTk-1}$ : Number of customers in the K-1 tariff group

b) Commodity-based charge

The commodity-based charge applicable to the GTk tariff group, where  $k > 1$ , shall be determined by applying the following:

$$TVCL_{GTk} = \left( \frac{1}{V^{GTk}} \right) \times \left\{ (TC_{GTk} \times Qce^{GTk} + TV_{GTk} \times V^{GTk}) - (TCL_{GTk} \times NCL_{GTk}) \right\}$$

Where:

- $TVCL_{GTk}$ : Commodity-based charge applicable to agents in case of billing by customer corresponding to the tariff group k, expressed in € / kWh, with six decimal places.
- $TC_{GTk}$ : Customer-based charge of the tariff group k, expressed in €/customer and year.
- $Qce^{GTk}$ : Equivalent contracted capacity of the agents of the tariff group k, in kWh/day.
- $TV_{GTk}$ : Commodity-based charge of the tariff group k in €/kWh, with six decimal places.
- $V^{GTk}$ : Consumption in the tariff group k, in kWh.

- $TCL_{GTk}$ : Customer-based charge of the tariff group k, expressed in €/customer and year.
- $NCL_{GTk}$ : Number of customers in the k tariff group

b) Billing charges applicable to tariff group RL.1

a) Customer-based charge of the tariff group RL.1

Customer-based charge of the tariff group RL.1 shall be determined by applying the following:

$$TCL_{GT1} = \left[ \left( \frac{TCL_{GT2} \times NCL_{GT2}}{TCL_{GT2} \times NCL_{GT2} + TVCL_{GT2} \times V^{GT2}} \right) \times (TC_{GT1} \times Qce^{GT1} + TV_{GT1} \times V^{GT1}) \right] \times \left( \frac{1}{NCL_{GT1}} \right)$$

Where:

- $TCL_{GT1}$ : Customer-based charge of the tariff group RL.1, expressed in €/customer and year.
- $TCL_{GT2}$ : Customer-based charge of the tariff group RL.2, expressed in €/customer and year.
- $NCL_{GT2}$ : Number of customers in the RL.2 tariff group
- $TVCL_{GT2}$ : Commodity-based charge applicable to agents in case of billing by customer corresponding to the tariff group RL.2, expressed in € / kWh, with six decimal place.
- $V^{GT2}$ : Consumption in the tariff group RL.2, in kWh.
- $TC_{GT1}$ : Capacity-based charge of the RL.1 tariff group, expressed in €/(kWh/day) per year
- $Qce^{GT1}$ : Equivalent contracted capacity of the agents of the tariff group RL.1, in kWh/day.
- $TV_{GT1}$ : Commodity-based charge of the tariff group RL.1 in €/kWh, with six decimal places.
- $V^{GT1}$ : Consumption in the tariff group RL.1, in kWh.
- $NCL_{GT1}$ : Number of customers in the RL.1 tariff group

b) Commodity-based charge of the tariff group RL.1

Commodity-based charge of the tariff group RL.1 shall be determined by applying the following:

$$TVCL_{GT1} = \left(1/V^{GT1}\right) \times \{(TC_{GT1} \times Qce^{GT1} + TV_{GT1} \times V^{GT1}) - (TCL_{GT1} \times NCL_{GT1})\}$$

Where:

- $TVCL_{GT1}$ : Commodity-based charge applicable to agents in case of billing by customer corresponding to the tariff group RL.1, expressed in € / kWh, with six decimal places.
- $TC_{GT1}$ : Capacity-based charge of the RL.1 tariff group, expressed in €/(kWh/day) per year.
- $Qce^{GT1}$ : Equivalent contracted capacity of the agents of the tariff group RL.1, in kWh/day.
- $TV_{GT1}$ : Commodity-based charge of the tariff group RL.1 in €/kWh, with six decimal places.
- $V^{GT1}$ : Consumption in the tariff group RL.1, in kWh.
- $TCL_{GT1}$ : Customer-based charge of the tariff group RL.1, expressed in €/customer and year.
- $NCL_{GT1}$ : Number of customers in the RL.1 tariff group.

### ANNEX III. METHODOLOGY TO DETERMINE REGASIFICATION ACCESS TARIFFS

#### I. Determination of the revenues to be recovered through tariffs of regasification activity

1. The regasification allowed revenues to be recovered through the regasification tariffs shall be calculated by applying the following formula, in accordance with Article 31 of this Circular:

$$RR_n = R_{R,n} \pm DR_{R,n} \pm IC_{R,n} + CI_R - PR_R \pm OF_{R,n}$$

Where:

- $RR_n$ : remuneration of regasification activity to be recovered through tariffs in the tariff period n, expressed in €.
- $R_{R,n}$ : annual allowed revenues for regasification activity, established in the corresponding Resolution of the National Commission on Markets and Competition in the tariff period n, expressed in €.
- $DR_{R,n}$ : amendments of allowed revenues for regasification activity, when applicable, for previous exercises, expressed in €.
- $IC_{R,n}$ : difference between the initially forecasted revenue and the real revenue resulting from the application of the regasification tariffs corresponding to previous exercises, expressed in €.
- $CI_R$ : compensations to users of LNG facilities for incurred interruptions, corresponding to previous exercises, expressed in €.
- $PR_R$ : premiums obtained, when applicable, from capacity allocation mechanism attributable to the activity, expressed in €.
- $OF_{R,n}$ : other income or costs to be recovered through regasification tariffs, as set out in the current regulations, other than the previous.
- $n$ : tariff period for which regasification tariffs are calculated.

2. Remuneration of regasification activity associated with investment, operating costs, life extension and incentives will be recovered through tariffs associated with the use of the facilities.
3. The remuneration of the regasification activity for continuity of supply, the remuneration associated with facilities in special administrative situation and the impacts that may arise from court rulings, as well as the impact the establishment of the transitional convergence period will be recovered through the tariff associated with the recovery of other regasification costs.

**II. Allocation of fixed regasification remuneration associated with investment, fixed remuneration associated with operating costs, lifetime extension remuneration and remuneration associated with incentives to each element**

The fixed regasification remuneration associated with investment, fixed remuneration associated with operating costs, lifetime extension remuneration and incentive-associated remuneration shall be broken down by remunerative element for the corresponding tariff year, where necessary, according to the following criteria:

1. The existing facilities in each LNG facility will be valued at the prevailing unit values in the tariff year.
2. The depreciation annuity to be applied shall be calculated given the replacement value calculated in the previous paragraph, considering the regulatory useful life established, for each element, in the current regulation.
3. The tank's depreciation annuity shall be disaggregated, where appropriate, between the tank itself and the associated with the primary pumps considering the information of the investment audits.
4. The annuity of non-standardized units shall be disaggregated, where appropriate, by remunerative element considering the information of the investment audits.
5. The allowed revenue for regasification activity associated with investment remuneration, fixed remuneration associated with operating costs, lifetime extension remuneration and incentive-associated remuneration shall be disaggregated by element proportionally to the annuity calculated according to the replacement value of each remunerative elements included in the LNG facility.

**III. Allocation of the fixed remuneration of each element to each provided service at LNG facilities**

1. The fixed remuneration allocated to each remunerative element, will be allocated to each provided service at the LNG facility for the use of the infrastructures with the following criteria:

- a) **Ship unloading service:** the fixed remuneration will be allocated taking into account that this service includes the conditioning of ports and berths, part of the unloading facilities, part of the LNG pipelines to the tank, part of the LNG tank, part of the torch and combustor, part of Boil-off recovery and treatment facilities, part of the conditioning of land and buildings, part of management and control systems, part of auxiliary services and part of the electricity supply.
- b) **LNG storage service:** the fixed remuneration will be allocated taking into account that this service includes part of the LNG tanks, excluding primary and secondary pumps and tanks pipelines to the vaporizers, part of the torch and combustor, part of Boil-off recovery and treatment facilities, part of the conditioning of land and buildings, part of the foundation and civil works for tanks, part of the management and control systems, part of the auxiliary services and part of the electricity supply.
- c) **Regasification service:** the fixed remuneration will be allocated taking into account that this service includes vaporizers, metering and odourisation facilities, the secondary pump system, facilities interconnecting tanks with vaporizers, part of seawater intake and discharge, part of the LNG tank, part of the primary pumps, part of the torch and combustor system, part of the LNG pipelines to the tank, part of Boil-off recovery and treatment facilities, part of the conditioning of land and buildings, part of the foundation and civil works for tanks, part of the management and control systems, part of auxiliary services, part of the electricity supply and part of the LNG needed for the minimum required level of tanks.
- d) **Truck loading service:** the fixed remuneration will be allocated taking into account that this service includes the truck loading station, part of the LNG tank, part of the primary pumps, part of the torch and combustor system, part of Boil-off recovery and treatment facilities, part of the LNG pipelines to the tank, part of the conditioning of land and buildings, part of the foundation and civil works for tanks, part of the management and control systems, part of the auxiliary services, part of the electricity supply and part of the LNG needed for the minimum required level of tanks.
- e) **LNG ship reloading service:** la retribución fija se asignará teniendo en cuenta que este servicio incluye parte de las instalaciones de descarga, parte de las bombas primarias, parte del sistema de antorcha y combustor, parte de las instalaciones de tratamiento y recuperación de Boil-off, parte de las instalaciones de conducción de GNL hasta el tanque, parte del acondicionamiento de terrenos y edificios, parte de la cimentación y obra civil asociada a los tanques, parte los sistemas de gestión y control, parte del servicios auxiliares, parte del suministro eléctrico y parte del gas talón.
- f) **LNG transshipment service:** the fixed remuneration will be allocated taking into account that this service includes part of the unloading facilities, part of the torch and combustor system, part of Boil-off recovery and treatment facilities, part of the LNG pipelines, part of the conditioning of land and buildings, part management and control systems, part of the auxiliary services, and part of the electricity supply.

- g) **Cooling down service:** the fixed remuneration will be allocated taking into account that this service includes part of the unloading facilities, part of the primary pumps, part of the torch and combustor system, part of Boil-off recovery and treatment facilities, part of the LNG pipelines, part of the conditioning of land and buildings, part of the foundation and civil works for tanks, part of the management and control systems, part of the auxiliary services, and part of the supply electric.
2. Allocation of the remuneration of an element involved in the provision of several services shall be carried out in accordance with the following criteria:
- a) According to the design criteria of the LNG tank
- i. The remuneration associated to the storage of the minimum required level of LNG in the tank is calculated by multiplying the percentage established in Annex IV.2 of the present Circular by the remuneration of the LNG tanks and will be allocated to regasification, truck loading, LNG ship reloading and cooling down services proportionally to the forecasted volume of LNG involved in the services.
  - ii. The remuneration associated to the security stock of the tank is calculated multiplying the percentage established in Annex IV.2 of the present Circular by the remuneration of the LNG tanks and will be allocated to LNG storage service.
  - iii. The remuneration associated to the logistic flexibility stock of the tank is calculated multiplying the percentage established in Annex IV.2 of the present Circular by the remuneration of the LNG tanks and will be allocated to regasification and truck loading services proportionally to the forecasted volume of LNG involved in the services.
- b) Proportionally to the volume of gas involved in the service
- i) The remuneration for the LNG to cover minimum required level and the primary pumps will be allocated to the regasification and truck loading services, in proportion to the forecasted volume of gas involved in the providing such services.
  - ii) The allowed revenues for LNG pipelines will be allocated to ship unloading, truck loading, LNG ship reloading, LNG transshipment and cooling down services proportionally to the forecasted volume of gas involved in such services.
  - iii) The allowed revenue for unloading facilities will be allocated to ship unloading services, LNG ship reloading, and cooling down services proportionally to the forecasted volume of gas involved in such services
  - iv) For the purpose of establishing the prices of each of the service, in the case there is no volume forecasted for the services of LNG ship reloading, LNG transshipment or cooling down 900 GWh, 219 GWh and 19 GWh volumes would be considered respectively, levelling the resulting prices for the purpose of ensuring income sufficiency.

- c) Proportionally to the remuneration of the LNG tank allocated to each service

The allowed revenues for foundations and civil works for the LNG tank will be allocated proportionality to the remuneration of the LNG tank allocated to regasification, truck loading, LNG ship reloading and cooling down, resulting from the application of previous section a).

- d) Proportionally to the boil-off produced providing the service

i) The remuneration for the torch systems and combustor, the boil off compressor for reprocessing in the plant, the boil-off condenser and the boil-off compressor for injections in the network will be allocated to each of the services proportionally to the volume of boil-off produced in each service.

ii) For this purpose, the volume of boil off produced in providing each service will be forecasted considering the theoretical production capacity and the forecasted use of the facilities for the corresponding tariff period.

- e) Proportionally to the allowed revenues for providing other services

The remuneration associated to land infrastructure, conditioning of land and buildings, management and control systems, auxiliary services and electricity supply systems will be allocated proportionally to the remuneration of the other elements allocated to each service.

#### IV. **Allocation of the variable remuneration to each of the provided services at LNG facilities**

The variable remuneration associated to operational costs will be allocated according to the percentages established in section (1)(c) of Annex IV of present Circular.

#### V. **Calculation of the billing terms of the individual regasification services**

The fixed and variable terms for regasification tariffs will result from the application of the following formula:

##### 1. Ship unloading tariffs

- a) Fixed term

$$TF_{Descarga,i} = Coste\ horario \times Tm_i$$

Where:

- $TF_{Descarga,i}$ : fixed term of ship unloading applicable to LNG carriers of size i, expressed in €/ship

- $i$ : size of the LNG carrier according to article 29 of present Circular.
- $Tm_i$ : average unloading time for an LNG carrier size  $i$
- *Coste horario*: determined by:

$$\text{Coste horario} = \frac{RR_{Descarga,f,n}}{\sum_i^n (N_{buques_i} \times Tm_i)}$$

Where,

- $RR_{Descarga,f,n}$ : fixed remuneration of regasification activity allocated to ship unloading service according to section II of present annex for tariff period  $n$ , expressed in €
- $N_{buques_i}$ : forecasted number of ships of size  $i$  unloaded

b) Variable term

$$TV_{descarga} = \frac{RR_{Descarga,v,n}}{V_{Descarga,n}}$$

Where:

- $TV_{descarga}$ : variable term of ship unloading tariff, in €/kWh, with six decimal places.
- $RR_{Descarga,v,n}$ : variable remuneration of regasification activity allocated to ship unloading service according to section IV of present annex, for tariff period  $n$ , expressed in €
- $V_{Descarga,n}$ : forecasted volume of unloads in kWh for tariff period  $n$

2. LNG storage tariff:

a) Fixed term

$$TF_{GNL} = \frac{RR_{GNL,f,n}}{Q_{GNL,n}}$$

Where:

- $TF_{GNL}$ : capacity term of the variable LNG storage tariff, expressed in €/(kWh/day)/year with six decimal places.
- $RR_{GNL,f,n}$ : fixed remuneration allocated to the LNG storage service according to section III of present annex for tariff period  $n$ , expressed in €
- $Q_{GNL,n}$  forecasted equivalent contracted capacity for LNG storage service for tariff period  $n$

b) Variable

$$TV_{GNL} = \frac{RR_{GNL,v,n}}{V_{GNL,n}}$$

Where:

- $TV_{GNL}$ : variable term of the LNG storage tariff, expressed in €/(kWh/day)/year with six decimal places.
- $RR_{GNL,v,n}$ : variable remuneration of regasification activity allocated to LNG storage service according to section IV of present annex, for tariff period n, expressed in €
- $V_{GNL,n}$  Volume of GNL stored for tariff period n

3. Regasification tariff

a) Fixed term:

$$TC_R = \frac{RR_{R,f,n}}{Q_{R,n}}$$

Where:

- $TC_R$ : fixed capacity term of the regasification tariff, expressed in €/(kWh/day)/year with six decimal places.
- $RR_{R,f,n}$ : fixed remuneration allocated to the regasification service according to section III of present annex for tariff period n, expressed in €.
- $Q_{R,n}$  forecasted equivalent contracted capacity for regasification service for tariff period n.

b) Variable term

$$TV_R = \frac{RR_{R,v,n}}{V_{R,n}}$$

Where:

- $TV_R$ : variable term of the regasification tariff, expressed in €/kWh, with six decimal places.
- $RR_{R,v,n}$ : variable remuneration of regasification activity allocated to regasification service according to section IV of present annex, for tariff period n, expressed in €
- $V_{R,n}$ : forecasted regasified volume in kWh for tariff period n.

#### 4. Virtual liquefaction tariff

$$TC_{Lv} = \lambda \times TC_R$$

Where:

- $TC_{Lv}$ : fixed capacity term of the liquefaction tariff, expressed in €/((kWh/day)/year with six decimal places.
- $TC_R$ : fixed capacity term of the regasification tariff, expressed in €/((kWh/day)/year with six decimal places.
- $\lambda$ : percentage of the remuneration allocated to the regasification service,  $RR_{R,f,n}$ , that corresponds to land infrastructure, conditioning of land and buildings, management and control systems auxiliary system and electricity supply system.

#### 5. Truck loading tariff

##### a) Fixed term

$$TC_{cisternas} = \frac{RR_{Cisternas,f,n}}{Q_{Cisternas,n}}$$

Where:

- $TC_{Cisternas}$ : fixed capacity term of the truck loading tariff, expressed in €/((kWh/day)/year with six decimal places.
- $RR_{Cisternas,f,n}$ : fixed remuneration allocated to the truck loading service according to section III of present annex for tariff period n, expressed in €.
- $Q_{Cisternas,n}$ : forecasted equivalent contracted capacity for truck loading service for tariff period n

##### b) Variable term

$$TV_{Cisternas} = \frac{RR_{Cisternas,v,n}}{V_{Cisternas,n}}$$

Where:

- $TV_{Cisternas}$ : variable term of the truck loading tariff, expressed in €/kWh, with six decimal places.
- $RR_{Cisternas,v,n}$ : variable remuneration of regasification activity allocated to truck loading service according to section IV of present annex, for tariff period n, expressed in €.
- $V_{Cisternas,n}$ : forecasted volume of truck loads in kWh for tariff period n

6. LNG ship reloading tariff:

$$TV_{Carga buques} = \frac{RR_{Carga buques,f,n} + RR_{Carga buques,v,n}}{V_{Carga buque,n}}$$

Where:

- $TV_{Carga buques}$ : variable term of the LNG ship reloading tariff, expressed in €/kWh, with six decimal places
- $RR_{Carga buques,f,n}$ : fixed remuneration allocated to the LNG ship reloading service according to section III of present annex for tariff period n, expressed in €
- $RR_{Carga buque,v,n}$ : variable remuneration of regasification activity allocated to LNG ship reloading service according to section IV of present annex, for tariff period n, expressed in €.
- $V_{Carga buque,n}$ : forecasted volume of reloads of LNG in vessels in kWh for tariff period n. In the case there is no volume forecasted for LNG ship reloading, a volume of 900 GWh would be considered.

7. LNG transshipment tariff:

$$TV_{Buque a buque} = \frac{RR_{Buque a buque,f,n} + RR_{Buque a buque,v,n}}{V_{Buque a buque,n}}$$

Where:

- $TV_{Buque a buque}$ : variable term of the LNG transshipment tariff, expressed in €/kWh, with six decimal places
- $RR_{Buque a buque,f,n}$ : fixed remuneration allocated to the LNG transshipment service according to section III of present annex for tariff period n, expressed in €
- $RR_{Buque a buque,v,n}$ : variable remuneration of regasification activity allocated to LNG transshipment service according to section IV of present annex, for tariff period n, expressed in €
- $V_{Buque a buque,n}$ : forecasted volume of LNG transferred from one vessel to another in kWh for tariff period n. In the case there is no volume forecasted for LNG transshipment, a volume of 219 GWh would be considered.

8. Cooling down tariff:

$$TV_{Puesta en frío} = \frac{RR_{Puesta en frío,f,n} + RR_{Puesta en frío,v,n}}{V_{Puesta en frío,n}}$$

Where:

- $TV_{Puesta en frío}$ : variable term of the cooling down tariff, expressed in €/kWh, with six decimal places.

- $RR_{Puesta\ en\ frío,f,n}$ : fixed remuneration allocated to the cooling down service according to section III of present annex for tariff period n, expressed in €.
- $RR_{Puesta\ en\ frío,v,n}$ : variable remuneration of regasification activity allocated to cooling down service according to section IV of present annex, for tariff period n, expressed in €.
- $V_{Puesta\ en\ frío,f,n}$ : forecasted volume loads of LNG to provide cooling down service in kWh for tariff period n. In the case there is no volume forecasted for cooling, a volume of 19 GWh would be considered.

## VI. Calculation of the billing terms of the tariff associated to the recovery of other costs associated to the regasification activity.

The billing term of the term associated to the recovery of other costs of regasification is calculated according to the following:

1. Calculation of the variable term associated to the recovery of other costs of regasification:

The variable term of other regasification costs tariff will be calculated according to the following formula:

$$TV_{OC} = \frac{RR_{OC}}{(V_{CC} + V_{RL})}$$

Where,

- $TV_{OC}$ : variable term of the tariff associated to the recovery of other costs of regasification, expressed in €/kWh, with six decimal places.
  - $RR_{OC,n}$ : allowed revenue for regasification activity to be recovered through the tariff associated to the recovery of other costs of regasification, according to section I.3 of present annex, expressed in €.
  - $V_{CC}$ : forecasted volume of truck loads to supply customers supplied by their own satellite LNG facility expressed in kWh.
  - $V_{RL}$ : demand of customers connected to local network, expressed in kWh.
2. Calculation of the terms applicable to customers supplied through local networks.
    - a) Determination of the allowed revenues to recover through customers supplied from local networks

$$RV_{OC,RL} = TV_{OC} \times V_{RL}$$

Where,

- $RV_{OC,RL}$ : allowed revenue associated to the recovery of other costs of regasification to be recovered by customers supplied from local networks, in €.
- $TV_{OC}$ : variable term of the tariff associated to the recovery of other costs of regasification, expressed in €/kWh, with six decimal places.
- $V_{RL}$ : demand customers connected to local networks, expressed in kWh.

b) Calculation of the allowed revenues to be recovered by each tariff group

$$RV_{OC,RL,GTk} = RV_{OC,RL} \times \frac{NCL_{GTk}}{\sum_{k=RL.1}^{RL.11} NCL_{GTk}}$$

Where,

- $RV_{OC,RL,GTk}$ : allowed revenues associated to the recovery of other costs of regasification to be recovered through customers from tariff group k, in €.
- $RV_{OC,RL}$ : allowed revenues associated to the recovery of other costs of regasification to be recovered through customers supplied by local networks, in €.
- $NCL_{GTk}$ : Number of customers in tariff group k.

c) Contracted capacity terms applicable to customers of tariff groups RL.5 to RL.11 and those customers who have a metering equipment capable of registering maximum daily flow independently of the tariff group:

$$TCoc_{GTk} = \frac{RV_{OC,RL,GTk}}{Qce_{GTk}}$$

Where:

- $TCoc_{GTk}$ : capacity term for tariff group k associated to the recovery of other regasification costs, expressed in €/(kWh/day)/year.
- $RV_{OC,RL,GTk}$ : allowed revenues associated to the recovery of other regasification costs to be recovered by customers from tariff group k, in €.

- $Qce_{GTk}$ : equivalent contracted capacity of customers of tariff group k, expressed in kWh/day.
- d) Charge per customer applicable to customers from tariff groups RL.1, RL.2, RL.3 y RL.4 and those customers who do not have a metering equipment capable of registering the maximum demanded flow:

$$TLoc_{GTk} = \frac{RV_{OC,RL,GTk}}{NCL_{GTk}}$$

Where:

- $TLoc_{GTk}$ : Capacity based term for tariff group associated to the recovery of other regasification costs, expressed in €/customer and year with two decimal places.
- $RV_{OC,RL,GTk}$ : allowed revenues associated to the recovery of other regasification costs to be recovered by customers from tariff group k, in €.
- $NCL_{GTk}$ : Number of customers in tariff group k.

## ANNEX IV. PARAMETERS TO BE APPLIED DURING THE FIRST REGULATORY PERIOD

### 1. Allowed revenues of distribution facilities

- a) The allowed revenues recognized for the distribution activity is allocated by cost driver with following percentages:

Cost driver	Percentage of allowed revenues recognized for the distribution activity by cost driver
Customer	14,46%
Capacity	85,54%

- b) The allowed revenues recognized for the distribution activity whose cost driver is capacity is assigned by pressure level according to the following percentages:

Pressure level		Percentage of allowed revenues recognized for the distribution activity whose cost driver is capacity by pressure level
NP0	Pressure $\leq$ 4 bar	89.5 %
NP1	4 bar < Pressure $\leq$ 16 bar	10.5 %

### 2. Allowed revenues of regasification facilities

- a) The LNG tanks allowed revenue shall be distributed in accordance with the following percentages:

Design criteria	Percentage LNG tanks allowed revenue by design criteria
Minimum required level of LNG in the tank	8.0 %
Security stock	43.2 %
Logistical flexibility stock	48.8 %

- b) The variable remuneration shall be allocated per service applying the following percentages:

<b>Service</b>	<b>Percentage of the variable allowed revenue of regasification by service</b>
LNG ship unloading	9.68 %
LNG storage	3.44 %
Regasification	78.18 %
Truck loading	5.58 %
LNG ship reloading	2.72 %
LNG transshipment	0.27 %
Cooling down	0.13 %

### **3. Review of parameters**

The parameters set out in points 1 and 2 may be updated by Resolution in the event of substantial changes to the cost structure, duly justified, as appropriate.