



**Consultation publique du 14
Février 2019 N°2019-003
relative au cadre de régulation
tarifaire applicable aux
opérateurs d'infrastructures
régulées en France**

Enagás comments
NON-CONFIDENTIAL RESPONSE

31st March 2019

Enagás welcomes CRE's new opportunity to contribute to the public consultation on new tariffs for the use of gas transmission networks of GRTgaz and TIGF.

Enagás participation in the first consultation on the tariff framework for next period is motivated by the measures related to transmission tariffs, which may have a relevant impact on the Spanish system.

As expressed by Enagás in previous ATRT6 public consultations,¹ **tariffs should be the result of the application of a methodology, taking into account costs and expected flows, and not the result of ad hoc decisions on cost allocation applied on top of existing tariff levels.**

For ATRT6, CRE applied an explicit criterion with the purpose of aligning the costs of the two transit routes France-Spain and France-Italy ("*aligner les coûts des deux routes de transit France-Espagne et France-Italie*"), maintaining the overall transit cost constant over the ATRT6 period. This raised two concerns:

1. It denoted that either (1) there was no methodology as such, and *ad hoc* decisions on top of existing TPA tariffs were being made, or (2) the methodology incorporated a restriction to maintain certain tariff levels, that may discriminate between national consumption points and IPs.
2. **Flows exiting at VIP Pirineos are not necessarily originated in Dunkerque and, in fact, due to the restrictions that CRE claims that remain in mid-France, it is physically impossible that all of them are originated in Northern France.** E.g. significant volumes are necessarily served from Fos LNG terminals. It is incorrect to calculate a unit cost per km based on the concept that gas exported to Spain is imported to France through points in the North.

The methodology applied for ATRT7 should not be restricted by the current level of tariffs in ATRT6.

As a general consideration, if a non-discriminatory methodology is applied, **the exit tariff at VIP Pirineos should not significantly differ from the exit tariff from the high-pressure transmission network in the Southern part of France. It is not possible to have a distance-based methodology for transits, but not for national consumption.**

Moreover, it is **incorrect to make reference to transit routes or transit systems where there are no dedicated infrastructures for transit**, regardless the fact that some shippers may be effectively transiting gas from an entry to an exit.

¹ CRE, "[Consultation publique de la CRE relative aux prochains tarifs d'utilisation des réseaux de transport de gaz de GRTgaz et TIGF et aux prochains tarifs d'utilisation des terminaux méthaniers régulés](#)". February 2016

CRE, "[Consultation publique de la CRE du 27 juillet 2016 sur le prochain tarif d'utilisation des réseaux de transport de gaz naturel de GRTgaz et TIGF](#)". July 2016



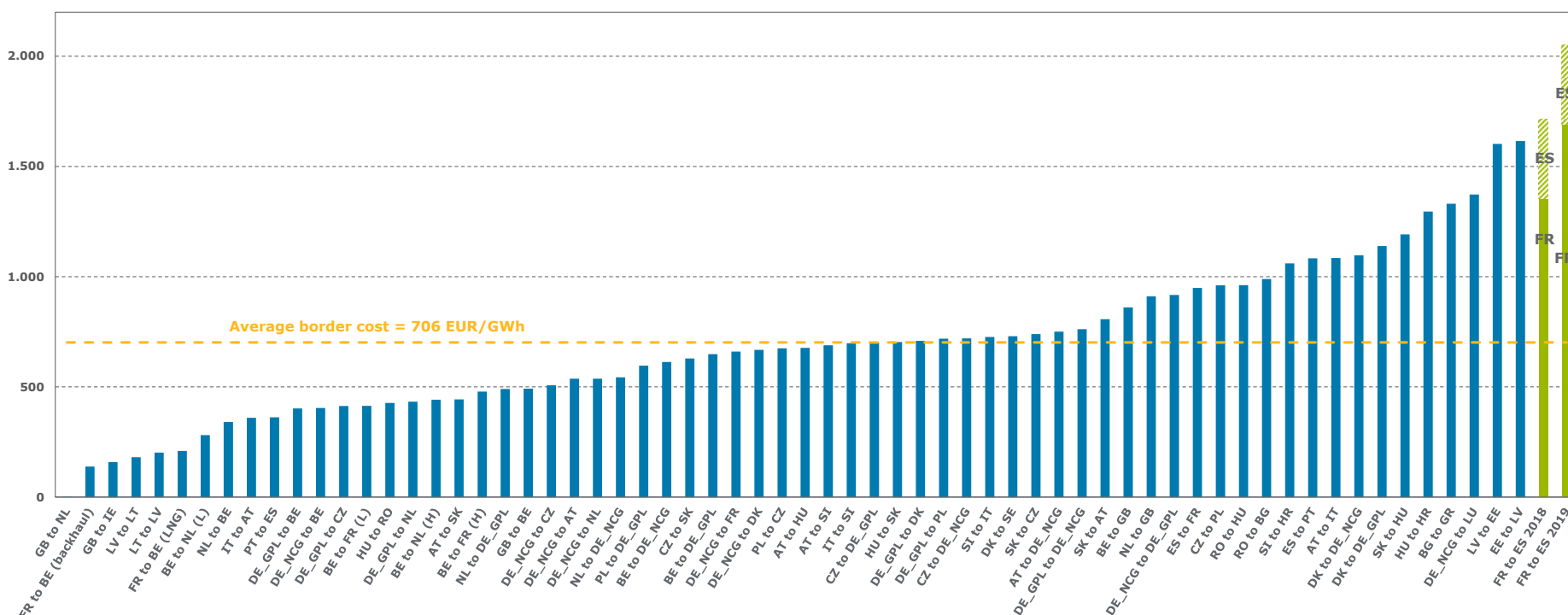
As observed in Figure 1, the exit tariff from France to Spain is by far the highest in Europe: 2,052.23 €/GWh. It can be argued that cost the cost driver from fixing tariffs in France is distance and France is one of the largest country in Europe, gas travels many kilometres across the country. However, this argument can be easily refuted:

- As previously mentioned, Flows exiting at VIP Pirineos are not necessarily originated in Dunkerque.
- There are other countries in Europe where gas travels long distances.

Observing figure 1:

- The closest IP tariffs to the IP tariff from France to Spain are related to new cross border interconnections which are not yet close to full depreciation (Estonia - Latvia).
- The exit tariff from France to Spain alone is more expensive than any of the aggregated IP tariffs (exit+entry) in Europe.

Figure 1: Simulation of the cost of flowing 1 GWh daily through EU internal borders in EUR (Jan 2018 data, FR data from 2018 and 2019)



Source: ACER MMR 2018 and self-made²

²https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20Market%20Monitoring%20Report%202017%20-%20Gas%20Wholesale%20Markets%20Volume.pdf