

Madrid 29 de abril de 2019

## **Consultation publique n°2019-006 du 27 mars 2019 relative à la structure du prochain tarif d'utilisation des réseaux de transport de gaz naturel de GRTgaz et TEREGA**

**Gas Industrial** is a non-profit and lobbying organization that thrives for a free gas market and fair tolls for the Spanish industries. It's the association of the industrial consumers of gas in Spain. Industrial gas consumption represents 60% of the global Spanish gas consumption.

### **Question 6. Are you in favour of globally maintaining the current entry/exit distribution method?**

GasINDUSTRIAL is not in favour of the current method.

Current entry/exit split applied to the French system is not in line with Regulation 2017/460, which establishes a 50/50 split. Allocating more costs to exits than in entries, exit tariffs to Spain are penalised in favour of French domestic users. This gas direct impact on spreads between Spain and France, not allowing Spanish consumers to have a real access to the EU gas market and to competitive prices.

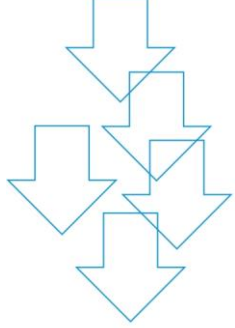
In summary, GasINDUSTRIAL considers that the entry/exit split should be aligned with the one foreseen in Regulation 2017/460 (50/50).

### **Question 7. Are you in favour of the pricing principles envisaged by CRE for the main network?**

No, GasINDUSTRIAL is not in favour of the proposal to distinguish transits and domestic users for the determination of flows.

GasINDUSTRIAL considers that the pricing principles envisaged by CRE are discriminatory for Spanish and Portuguese consumers, in particular, in the way that distances for the CRE reference price methodology are calculated. It is worth noting that with this approach the tariff at Pirineos from France to Spain is already the highest in Europe, and that in fact the French exit tariff alone is higher than any combination of tariffs at any other intra-EU IP.

CRE proposes to maintain the current differentiation between transit and domestic users when calculating the distances. For Pirineos and Oltingue the longest distance is used, assuming that 100% flows are from Dunkerque (1,072 km in the case of VIP Pirineos) whereas for domestic users the nearest entry point is used (resulting on an average of 280 km). This approach provokes that users from Southern France pays much less than users than export gas to Spain, while the gas is practice coming from identical sources. And consequently this results on an increase of gas prices in Spain and Portugal, and on an increase of spreads between Iberian prices and the rest of EU hubs.



Additionally, CRE does not provide stakeholders two elements required by Regulation 2017/460:

- The assessment of the proposed methodology against the Capacity Weighted Distance methodology. The arguments given in the consultation for not doing so are not solid taking into account that the majority of EU countries that have carried out the TAR NC consultation have done it, even with more complex systems.
- The flow scenario adopted for the whole system. If a single flow scenario is to be adopted, nearby points will have similar tariffs.