



Tariff Network Code

-Tariffs at storage points-

**Philipp Daniel Palada: ENTSOGE WS 14 March
2014**

Key principles for storage connection-points

Cost Reflectivity

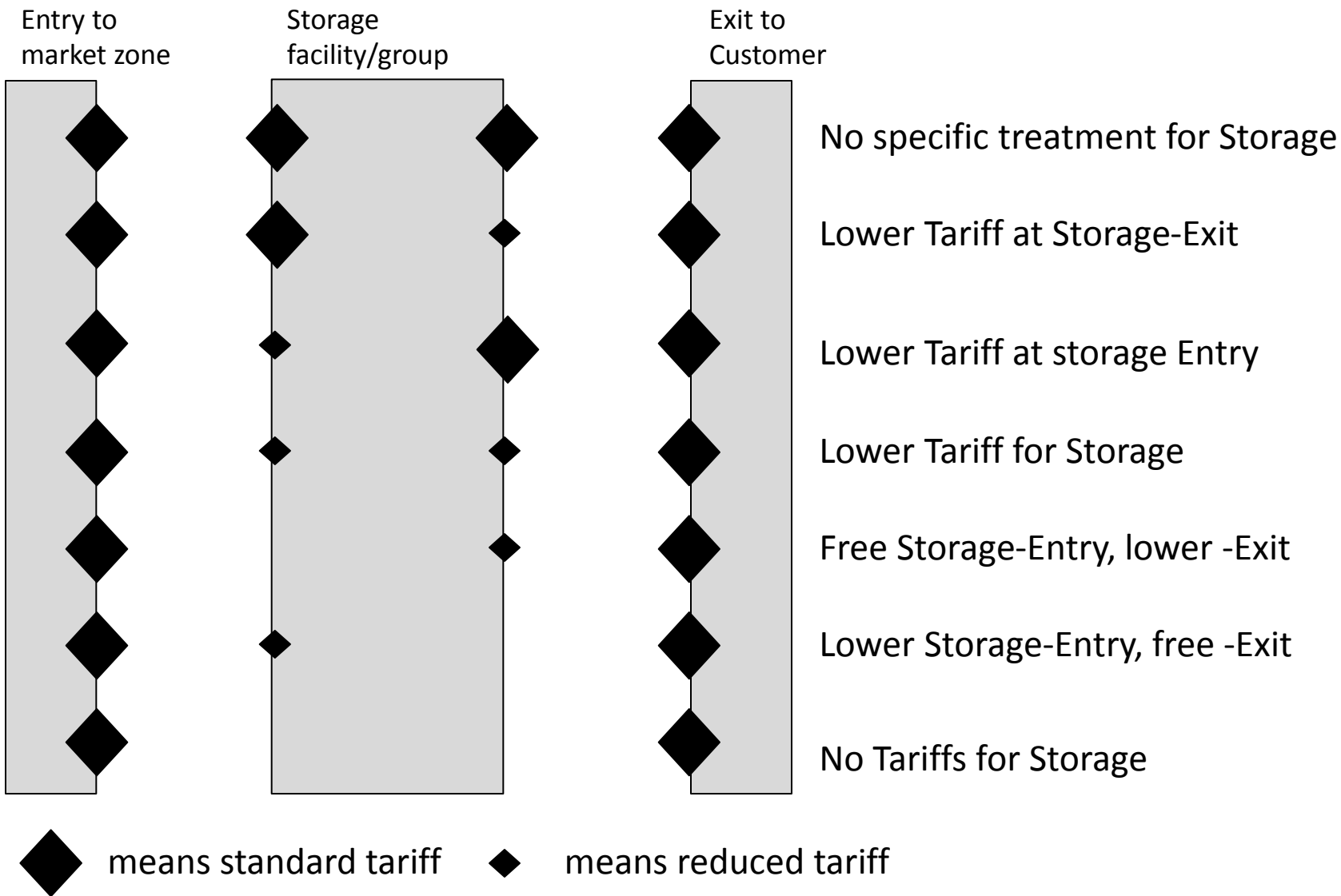
**No barriers for
market**

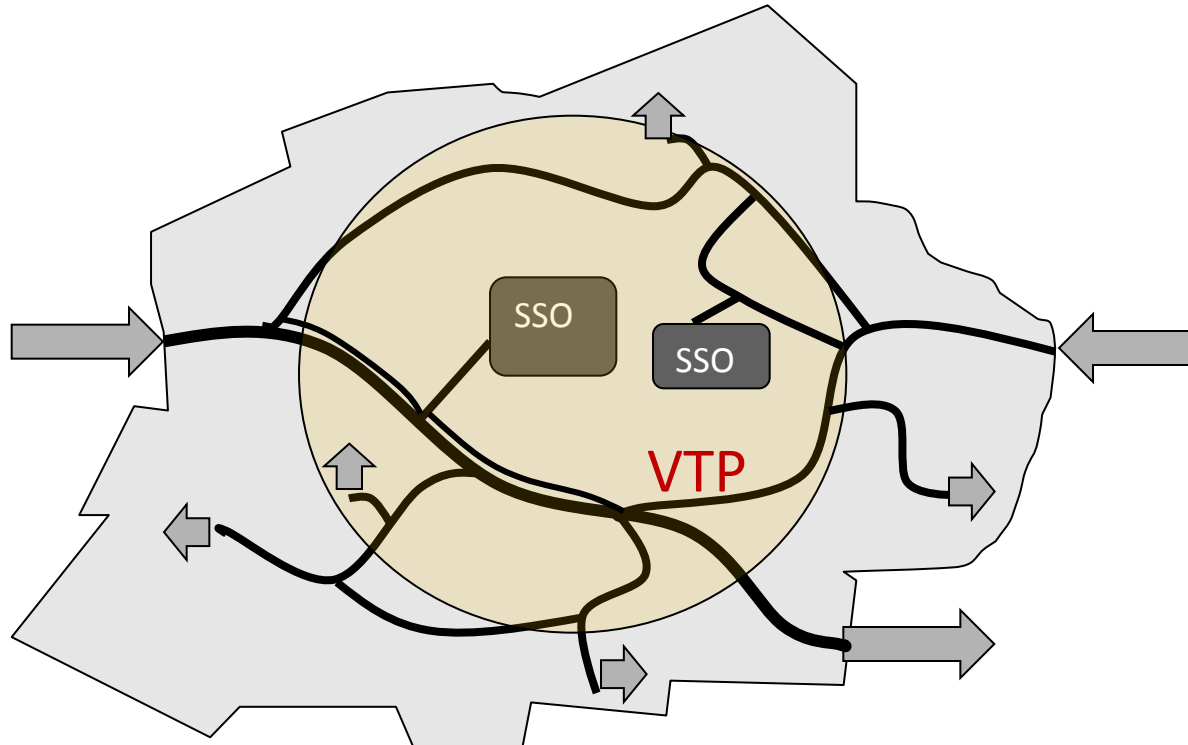
Benefits of Storage

No cross-subsidies

**No undue
discrimination**

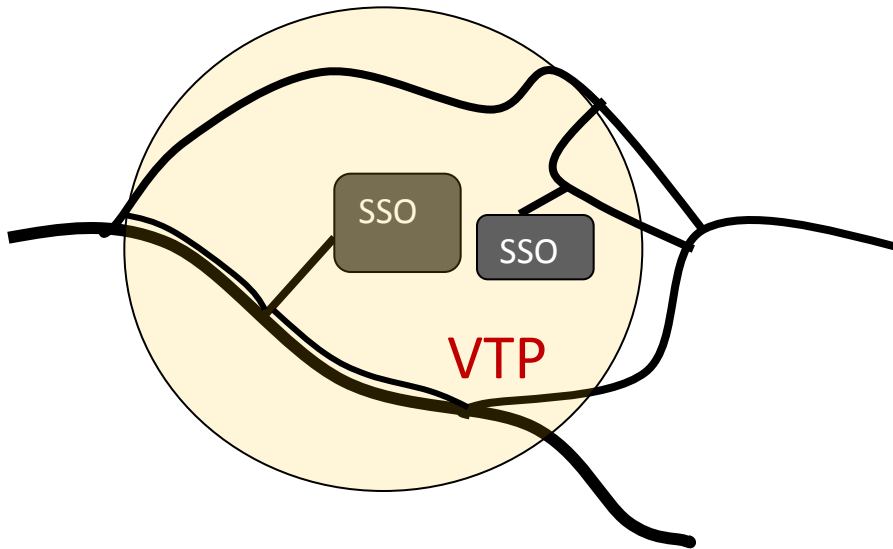
European overview





Via entry fee a network user has paid for the costs ("x" %) of network system; he will also pay an exit fee (100-"x" % of total TSO costs).

No barriers to trade or park the gas



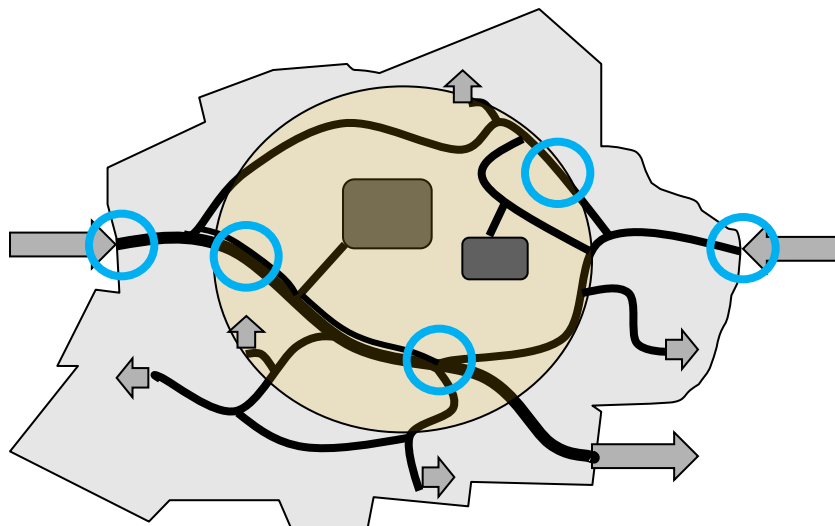
Once gas has entered the network, NU has the choice to trade or park the gas (in storage), merely shifting consumption in time

There should be no barrier for the market

When NU decides to store gas, at maximum he should pay for the additional costs directly due to connection to storage, i.e.

- Capacity-related costs for the integration, last mile, connection of storage
- Operational costs for transporting gas to and from storage, including the administrative costs of nominations/ matching
- Quality of service (firmness of capacity) to be taken into account

Benefits of Storage



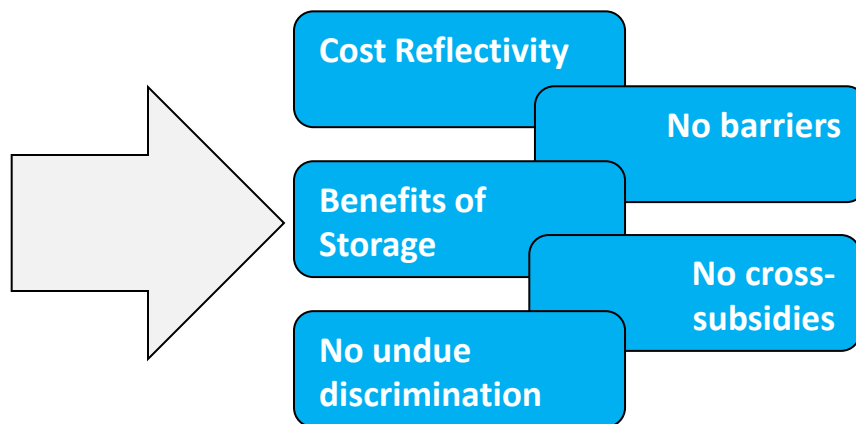
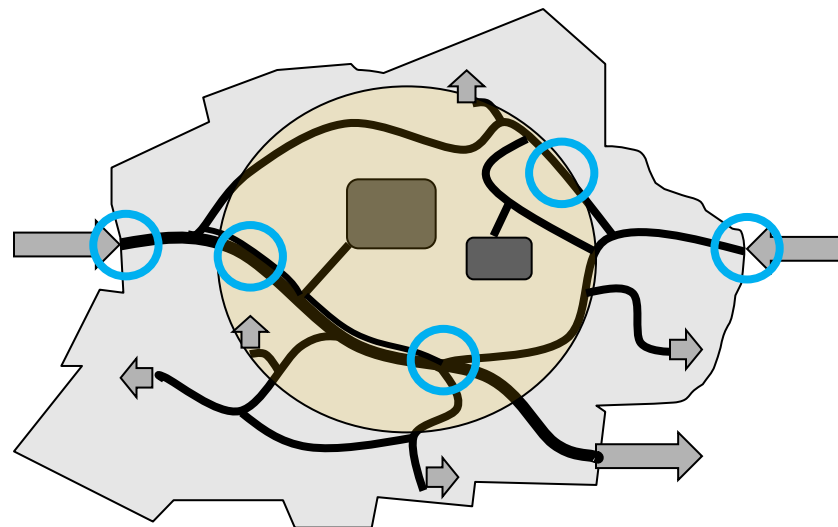
Clear benefits of storage for the transmission system. But benefits of storages for the system cannot be represented by a formula.

How?

- Quantitative analysis to be made transparent and to be subject to consultation
- Analysis of saved investments in transmission system, of saved OPEX and improved system stability required

Summary

- Network users shall pay for the service they receive
- For using the network storage user has paid entry and will pay exit
- Costs related to integration of storage into system to be covered
- Operational costs to transport gas to/from storage to be covered
- benefits that storage facilities provide to the system must be taken into account





Thank you for your attention.

GIE - Gas Infrastructure Europe
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