



# E-CONTROL

WORKING FOR YOU – WHEREVER YOU NEED ENERGY.



**E-CONTROL**

## **ECRB Workshop on Gas Market Models**



### **Tariff Model**

**Karin Stubenvoll**  
**Tariffs Department**

11<sup>th</sup> November 2010, Vienna

# Agenda

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- **Austrian Regulatory Framework and E-Control**
- **Tariff setting process for Transmission Tariffs**
- **Tariff setting process for Distribution Tariffs**

# Agenda

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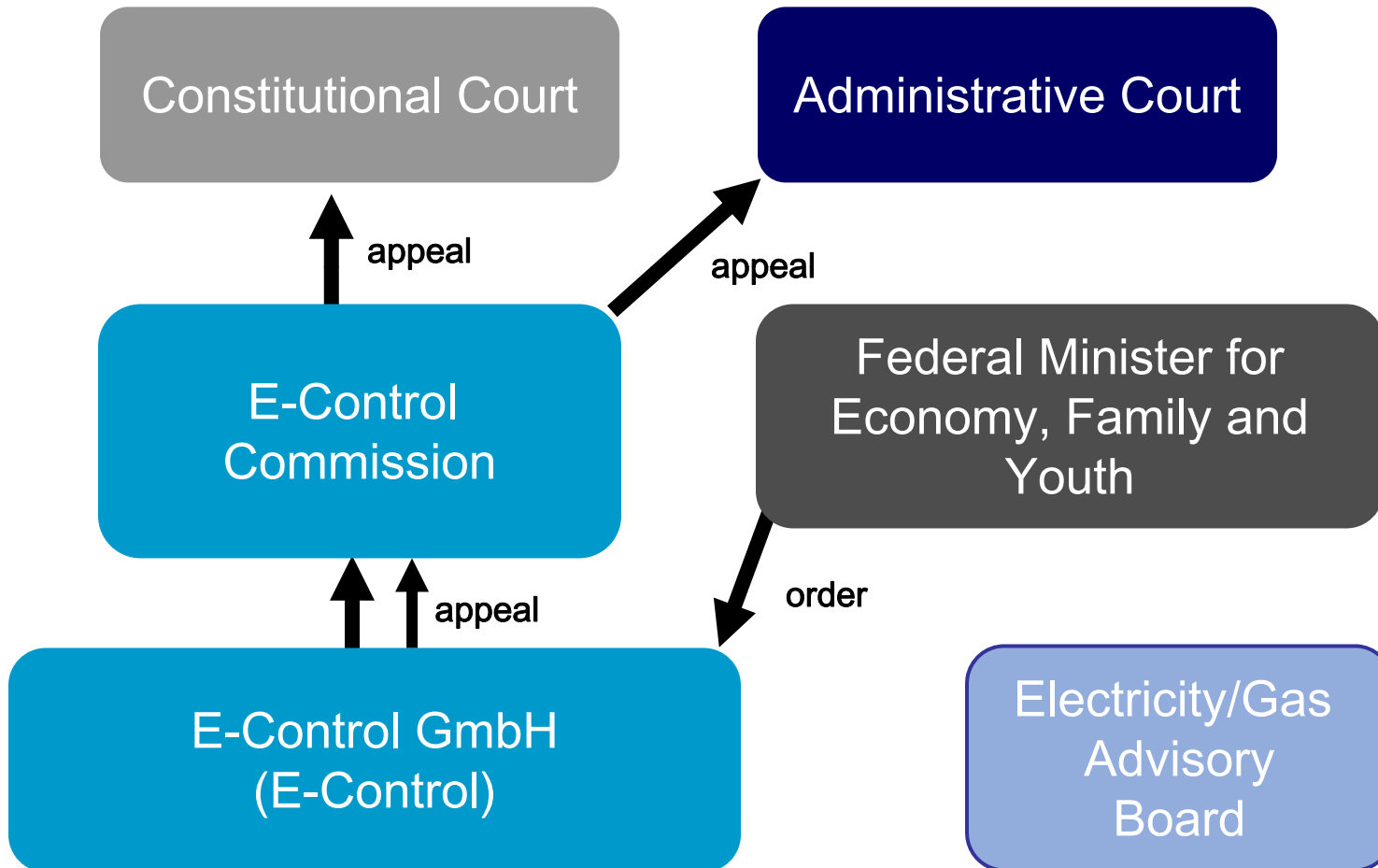
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# Organisation of Regulatory Bodies in Austria



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# Organisation of E-Control GmbH


- 10 departments
- 75+ employees
- budget € 11 m
- set up in 2001
- More information on the web [www.e-control.at](http://www.e-control.at)


Managing Director	
Walter BOLTZ	[Details]


Head of FINANCE AND ORGANIZATION	
Stephan K. WÜRZNER	[Details]

Head of IT / TELECOMMUNICATION	
Ota VALES	[Details]

Head of LEGAL Department	
Wolfgang URBANTSCHITSCH	[Details]


Head of TARIFFS	
Martin GRAF	[Details]

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Johannes MAYER	[Details]

Head of ELECTRICITY	
Tahir KAPETANOVIC	[Details]

Head of GAS	
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Head of RENEWABLE ENERGY	
Christian SCHÖNBAUER	[Details]

Head of INTERNATIONAL RELATIONS	
Dietmar PREINSTORFER	[Details]

Head of Department for CONSUMER AFFAIRS	
Christina VEIGL-GUTHANN	[Details]

# Agenda

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# Gas Tariff Model in Austria



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# Gas Tariff Model in Austria

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Transmission - Transit lines:

- WAG operated by BOG
- TAG operated by TAG
- HAG, PW, SOL operated by OMV

*[GWG – Anlage 2]*

The tariffs are calculated on the basis of the methodologies approved by the E-Control Commission.

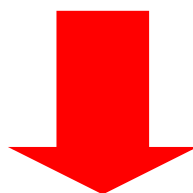
# Gas Tariff Model in Austria



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Transmission - Transit lines:

- The tariff for transportation services consists of two components:
  - Distance-dependent component, in  $\text{€}/((\text{m}^3/\text{h}) \cdot \text{km})$  per year
  - Distance-independent component, in  $\text{€}/(\text{m}^3/\text{h})$  per year
- The tariff is dependent on the duration of contract and is determined by applying a time factor. This time factor is 1.0 for transportation contracts with a term of 20 years at least and 2.2 for transportation contracts with a duration of 1 month at most.



**NO POST-STAMP!**

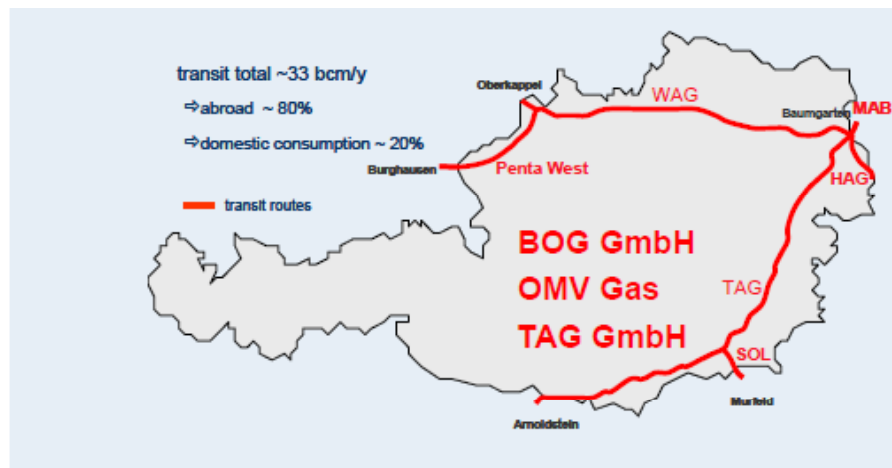
# Gas Tariff Model in Austria

## Tariff methodologies



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- Ex ante approval of tariff calculation methodology by E-Control Commission (cost and tariff principles)
  - Reflecting actual costs incurred
  - Approval is granted if the application of tariff calculation methodology results in tariffs which are not substantially higher than the average of published tariffs for comparable transport services in comparable networks in the EU
  - The approved tariff calculation methodology has to be published on the website of the transmission undertaking or the owner of the transport rights



### Ex post monitoring

#### by E-Control Commission:

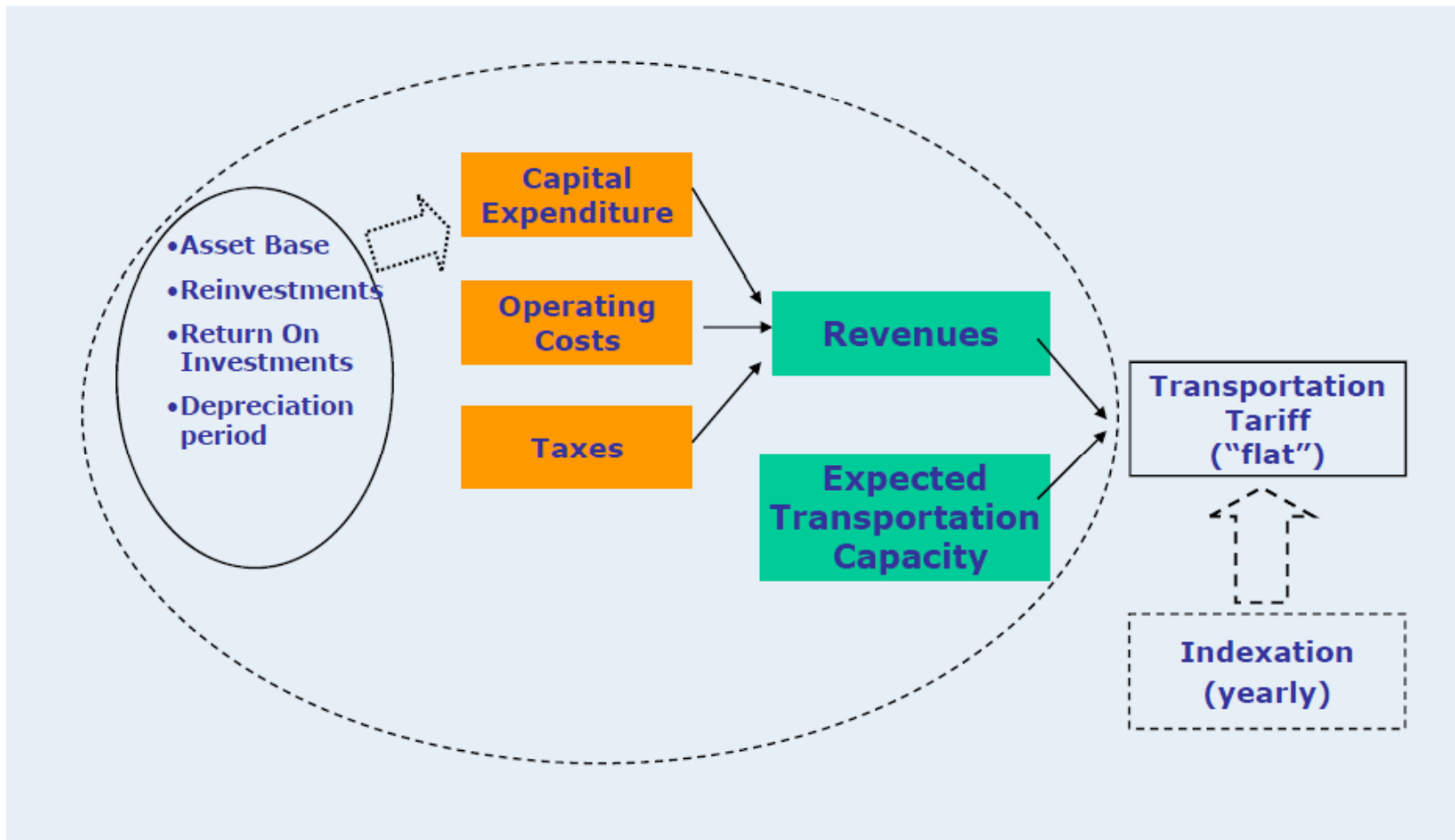
- Request to calculate tariffs according to approved tariff calculation
- Changes of tariffs have to be notified to E-Control Commission prior to their application

# Gas Tariff Model in Austria

## Tariff methodologies



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# Gas Tariff Model in Austria

## Tariff methodologies

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- Incentives for investments:
  - Each year 5 % of the total revenues subject to the methodology are withheld by the company (not distributed)
    - Excluding \*)
      - Revenues from capacity auctions
      - Overrun fees
      - Contracts on interruptible basis
  - The accumulated reserve shall be used to increase physical capacity or shall be redistributed to the affected shippers in the form of a tariff reduction (after 4 years)
    - Planned and realized investments are checked by E-Control every 4 years
    - Revenues from \*) are checked by E-Control after 4 years and also distributed to shippers if not used for investments

# Agenda

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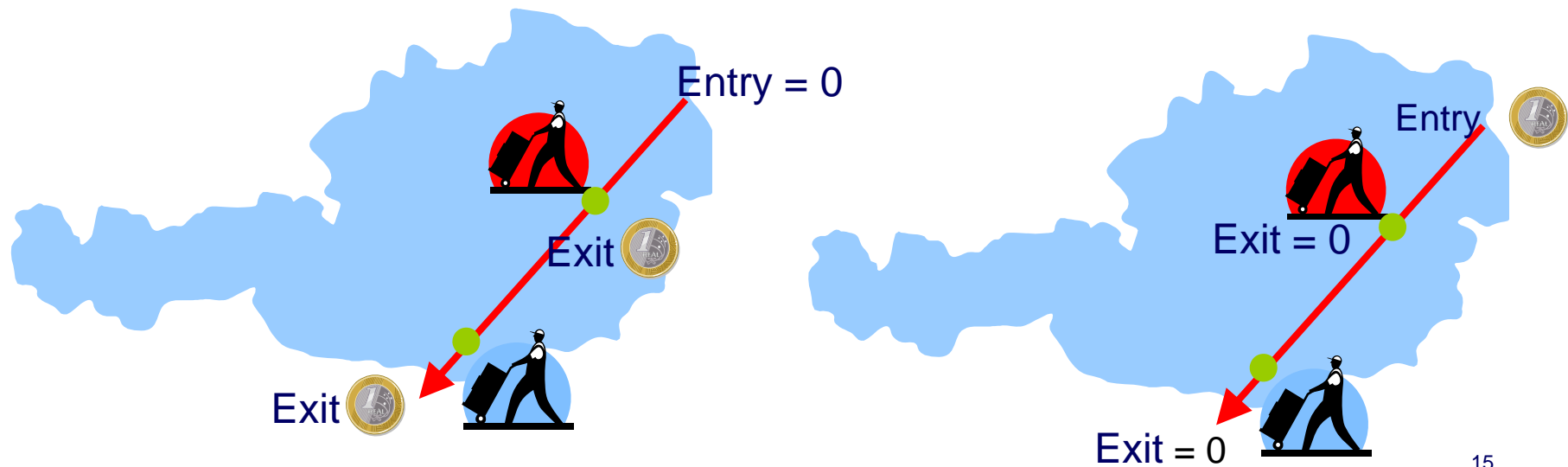
- Austrian Regulatory Framework and E-Control
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# Post-Stamp Tariff Model

A post-stamp tariff is:

- a fixed charge per unit within a particular zone,
- regardless of the distance that the energy travels
- Rates often include separate charges for peak and off-peak periods or may vary by season.
- Postage stamp tariffs are simplified E/E-tariffs:



# Gas Tariff Model in Austria



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## Control area transmission lines:

- Primärverteilungssystem (PVS);
- EVN-West,
- EVN-Süd,
- Pyhrnleitung,
- The line between Reitsham and the storage-connection-line Puchkirchen
- The line between WAG-Rainbach and the storage-connection-line Thann and Puchkirchen;
- connection-lineReichersdorf Eggendorf
- ...[GWG – Anlage 2]

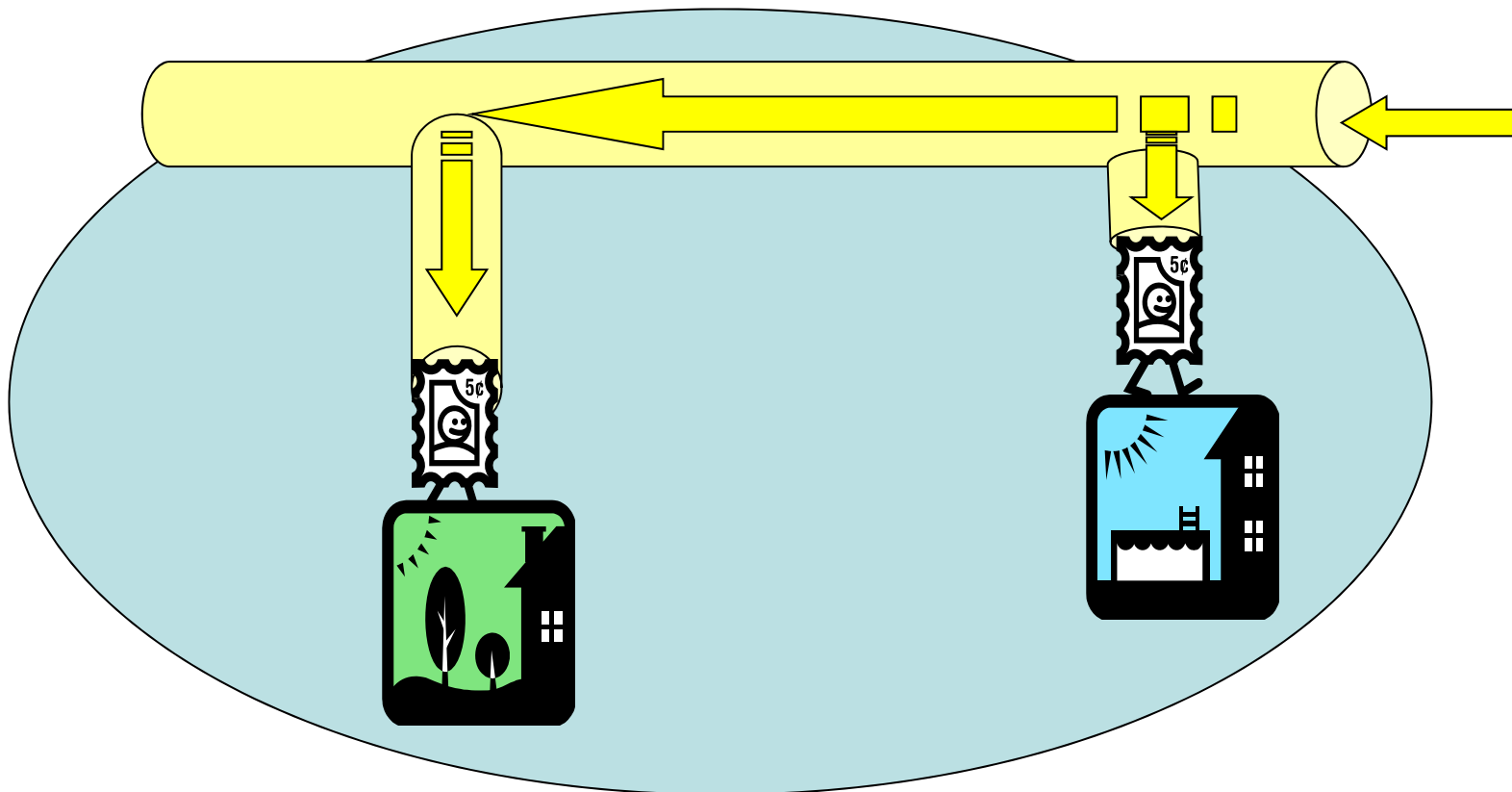
There is no tariff for the control area transmission lines – the costs of the lines are allocated on the basis of energy transported (30 %) and capacity (70 %) to the distribution with a pressure > 6 bar

# Gas Tariff Model in Austria



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- Distribution tariffs





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## Contact

### Karin Stubenvoll



+ 43 1 24 7 24 603



[karin.stubenvoll@e-control.at](mailto:karin.stubenvoll@e-control.at)



[www.e-control.at](http://www.e-control.at)



# E-CONTROL

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# How Incentive-based Regulation works



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