

## **Austrian gas transmission tariff methodology should not change midyear.**

With this paper, EFET would like to reiterate the comments made in the first consultation round on the Austrian transmission tariff methodology<sup>1</sup>. While we recognize that the current cost environment may require a larger tariff increase than previously anticipated, we note that this cost (reflected in the newly-established commodity charge) has doubled since the initial proposal and is to become applicable three months earlier i.e. already in June 2022. Since no commodity charge existed in the gas current methodology, we believe that, in view of the charge increase, the proposed change can no longer be perceived as an adjustment, but a material change to the tariff structure. As such, we do not believe that it should be implemented during the tariff year with little advance notice.

Instead, we remain of the opinion that the introduction of a commodity charge can improve cost-reflectivity if it is used to recover all the variable costs incurred by the system operator. Such reform should be discussed alongside incentive measures for the TSOs to optimize the costs incurred when managing the gas network, to the benefit of the gas consumers. This, together with increased transparency over all the related tariff components, would improve the predictability of the tariff levels in Austria, contributing to increased network utilization.

### **Key messages**

- The latest proposal represents a significant change to the tariff methodology that is to be introduced during an ongoing regulatory period and should be delayed until the next period, or phased in over a longer time horizon.
- Commodity charges should only recover variable not exceptional costs
- A wider reform of the tariff methodology aimed at improving predictability and incentivizing network cost optimization should be considered

### **Contact**

Pawel Lont  
European Gas Markets Manager  
[p.lont@efet.org](mailto:p.lont@efet.org)

### **References**

1. [EFET consultation response dated 14.03.2022](#)