

## Energy Traders Europe comments to the proposed amendment of *Circular 6/2020* on the methodology for calculating transportation, local networks, and regasification gas tariffs

Energy Traders Europe welcome the opportunity to comment on the CNMC-proposed amendment of Circular 6/2020 on the methodology for calculating transportation, local networks, and regasification gas tariffs. While we praise CNMC for its intention and effort to ensure tariff stability, we note that its proposal grants considerable discretion to CNMC in reallocating the surplus revenues in the system, which may be distortive to the market.

Regarding the concept of "*laminacion*," which under exceptional conditions allows for deviations from the standard tariff calculations in terms of reallocation of auction premiums in a given year, we believe that this should not be done in a fully discretionary manner. **Additional criteria and limits should be set to determine when and to what extent access tariffs can be subject to such exceptional measures.** In order to ensure tariff predictability, it is paramount to provide clear guidance on the bases on which CNMC intend to define how deviations will be staggered over years.

Furthermore, we note that similar discretion is considered in terms of reallocation of part of the regasification capacity auction premiums when establishing the regasification tariffs for a given year (art. 28). We also understand that the CNMC would have the option to arbitrarily reallocate some of the related surplus revenues to final consumers through lowering the domestic exit network access tariffs (art.31.9). With no detailed constraints on such reallocations, **we believe that the amendment may result in unjustified cross-subsidization.** In order to preserve tariff adequacy and predictability, we believe that measures governing any deviations in terms of reallocation of surplus revenue should be detailed enough to enable the network users to trace and forecast the possible changes in tariffs in the future. In that sense, we propose to delete art. 31.9 of the proposal.

Instead of rebates of access tariffs to all gas consumers, **a discount on tariffs at entry points from LNG terminals to the transmission system should be applied.** The proposed structure would benefit more to those small customers connected to distribution level than to large customers, which are paying the premiums as the own CNMC refers.

We remain at your disposal should you wish to discuss the matter further.



## Contact

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