

CONSULTATION ON FLUXYS BELGIUM'S TARIFFS PROPOSAL FOR TRANSMISSION TARIFFS 2024-2027

GRTgaz CONTRIBUTION

Fluxys launched a public consultation on its Belgium's tariffs proposal for transmission tariffs 2024-2027. As a French gas transmission system operator whose network is connected to Belgium, GRTgaz welcomes the opportunity to contribute to this public consultation and would like to remind that Fluxys' tariff for L-gas transmission in Belgium has an impact on GRTgaz's own costs for the merger of L-gas and H-gas zones in France.

Firstly, Fluxys' proposal to have a separate calculation for L-gas transmission tariff does not seem justified. In the previous regulatory period L-gas and H-gas transmission tariffs were set jointly (only taking into account the difference in Gross Calorific Values between L-gas and H-gas). There was no split of revenues for each type of gas as it is now proposed by Fluxys. The acceleration of L/H conversion in Belgium cannot by itself justify a separate treatment of L-gas transmission in Belgium in our view and might have a discriminatory effect for French users.

Secondly, there are no details on the transmission revenue of circa 17 M€ for L-gas. Hence it is not possible to evaluate the split between L-gas and H-gas revenues. It would be necessary to precise and justify which assets for the capital costs and which opex were used, with allocation factors between L-gas and H-gas whenever there are mutualised costs (for example for staff costs, for facilities with both L-gas and H-gas such as Blarégny, etc.).

Finally, a steep increase of tariffs for L-gas entry and exit points results from Fluxys proposals, with a multiplication by a factor of 11 for Hilvarenbeek L entry capacity unit cost and a multiplication by a factor of 13 for Blarégny L exit capacity unit cost between 2023 and 2027. This leads to a disproportionate and seemingly unjustified unit cost for L-gas network users after 2024 with respect to the previous situation.

In addition, the consultation does not address the mechanism of regulatory account in a situation of separation between L-gas and H-gas. According to TAR Network Code¹ (art. 20) provisions, the reconciliation of the regulatory account should be carried out in accordance with the applied reference price methodology. Therefore the separation of L-gas and H-gas in the tariff methodology proposed by Fluxys, if confirmed, should lead to a separate reconciliation of the regulatory account for L-gas users and for H-gas users. Moreover, it should be necessary to guarantee that the residual amounts of the regulatory accounts will be effectively returned to the users of the L-gas network even after the end of the commercial L-gas transmission service in Belgium.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0460&from=EN>