



Consultation on the key elements of the considered  
introduction of an update to the FLUXYS LNG approved  
tariffs for the use of the LNG Terminal

20 October 2020 – 9 November 2020

19 October 2020

## 1 EXECUTIVE SUMMARY

In accordance with the procedure for the introduction and approval of tariff proposals agreed between Commission for Electricity and Gas Regulation (hereinafter referred to as "CREG") and Fluxys LNG, Fluxys LNG is organizing a consultation on the key considered evolutions of the regulated tariffs for the use of the LNG Terminal as approved by CREG. This consultation is made in connection with the consultation on the amendments to the regulated documents for LNG terminalling that is launched at the same time.

The key proposed amendments to the LNG tariffs in the envisaged update of the tariff proposal concern the introduction of a tariff for the new virtual liquefaction service that will be offered once approved by CREG and the switch to a fixed percentage for the gas in kind.

## 2 AIMS OF THE CONSULTATION, PROCEDURE AND SCOPE

According to Article 13 of the procedure for the introduction and approval of tariff proposals and tariff modifications, as concluded between CREG and Fluxys LNG on 24 January 2018 and as published on CREG's website<sup>1</sup>, Fluxys LNG must organize a market consultation before it submits its tariff proposal. This consultation covers the key elements of the considered evolutions to the tariffs for the use of the Zeebrugge LNG Terminal (LNG tariffs) approved on 9 July 2020 (decision (B)657G/19).

Following the consultation, Fluxys LNG will draw up a consultation report explaining how and why the various comments have or have not been taken into account. The comments from the stakeholders who were consulted and the consultation report are submitted as annexes to the tariff proposal.

The envisaged modifications to the LNG tariffs (i.e. introduction of the virtual liquefaction service and the change to a fixed percentage for the gas in kind), and the related amendments to the regulated documents are consulted<sup>2</sup> simultaneously by Fluxys LNG from 20 October 2020 until 9 November 2020.

## 3 GENERAL CONTEXT

With regard to the regulatory framework, CREG set and published a tariff methodology establishing the framework for the calculation of tariffs on 28 June 2018 (decree – (Z)1110/11) in accordance with Art.15/5bis of the Belgian Gas Law. The current amendment to the approved tariff proposal under consultation is made in the framework of this tariff methodology.

## 4 PROPOSED UPDATES TO THE APPROVED TARIFF PROPOSAL

### **New service and tariff**

Fluxys LNG considers introducing a tariff for the newly developed virtual liquefaction service. With this service Fluxys LNG aims at further supporting the development of the small scale LNG

---

<sup>1</sup> <https://www.creg.be/sites/default/files/assets/Tarifs/Fluxys/Methodo20-23/20180124-Overeenkomst-Fluxys.pdf>

<sup>2</sup> All information on consultation available on <https://www.fluxys.com/en/products-services/empowering-you/customer-interactions>

market in North-West Europe and wishes to offer suitable service and tariff allowing terminal users to increase their LNG inventory at its Zeebrugge LNG Terminal. The tariff for virtual liquefaction is at 0,10 EUR/MWh allocated in entry at the redelivery point of the Terminal. This tariffs – expressed in “2003 basis” – is designed on the basis of the berthing right included in a slot in order to offer a level playing field for bringing LNG to the Zeebrugge LNG terminal. As all Fluxys LNG tariffs, this tariff is subject to monthly indexation.

The tariffs "basis 2003" are expressed in basis July 2003 and are indexed monthly as from August 2003 according to following formula:  $0,65 + 0,35 * I_{m-1} / I_{m0}$

where:

- $I_{m0}$  is the Consumer Price Index (CPI) of the 1st of July 2003 (112,59, in basis 1996)
- $I_{m-1} = I_{m-2} * (\text{CPI of Month } M-1 / \text{CPI of Month } M-2)$

With

- $I_{m-1}$  not higher than 1,03 times the index  $I_{m-1}$  used for calculating the tariffs of the most recent month of August
- $I_{m-1}$  for August 2003 is 112,59 (basis 1996)
- $I_{m-2}$  is the value of  $I_{m-1}$  used the previous month to calculate the tariffs.

For example, for October 2020, using the described indexation, the virtual liquefaction tariff would have been 0,11€/MWh.

The terms and conditions for subscribing and using the virtual liquefaction service are consulted in parallel to this consultation, in consultation 45<sup>3</sup> on the amendments to the regulated documents for LNG Terminalling.

### **Update to existing tariff**

The gas in kind charged to terminal users currently depends on the effective fuel gas use and varies from month to month. In order to simplify the fuel gas reconciliation process that leads to unforeseeable fluctuations of the gas in storage level of terminal users, Fluxys LNG proposes to set the gas in kind to a fixed compensation rate of 1,3%.

Apart from the introduction of the new tariffs for the virtual liquefaction service and the change to a fixed percentage for the gas in kind as explained in the previous paragraphs, the tariff principles and methodology remain unchanged compared with the ones which were approved by CREG on 9 July 2020.

## **5 TARIFF SHEET**

No change is expected to the tariff sheet except the introduction of the new tariff as explained in the previous section and the gas in kind becoming a fixed compensation rate. The changes would be effective as of approval by CREG. An indicative tariff sheet can be found in Annex A.

---

<sup>3</sup> All information on consultations are available on <https://www.fluxys.com/en/products-services/empowering-you/customer-interactions>

## 6 INVITATION TO REACT

We would like to invite all interested parties to submit any comments they may have on this document by email at following address: [marketing@fluxys.com](mailto:marketing@fluxys.com) and this before 6.00 p.m. on 9 November 2020. We also ask you to specify in your response, whether the content is to be treated as confidential or not. Unless otherwise mentioned, all comments will be treated as non-confidential. In case of a confidential response, please provide a non-confidential version.