



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

6 October 2022

**Disclaimer**

This document has been prepared by Fluxys Belgium SA/NV in the process of elaboration of the next tariff proposal for the period 2024-2027, solely for consultation purposes. It aims at providing information on possible future tendencies and on main expected evolutions. Numbers and parameters contained in this document are indicative best estimates subject to possible changes or corrections. Under no circumstances shall any person, company, corporate body or other entity be entitled to assert any right, claim or other entitlement against Fluxys Belgium SA/NV (or either its directors, managing directors or employees) as a result, or on the basis of this document.

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# 1 EXECUTIVE SUMMARY

In accordance with the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a Network Code on harmonised transmission tariff structure for gas ("TAR NC"<sup>1</sup>) and as decided by the Commission for Electricity and Gas Regulation ("CREG") in her decision (B)1657 regarding the implementation of the TAR NC<sup>2</sup> and based on CREG decision (Z)1110/12 on the tariff methodology for 2024-2027 ("CREG Methodology"<sup>3</sup>), Fluxys Belgium is organizing a consultation of the relevant natural gas companies on the preparation of the tariffs for the next tariff period (years 2024 to 2027 included).

This consultation document starts with a description of the overall applicable framework in which Fluxys Belgium is developing its tariff proposal 2024-2027. With the aim to provide information to network users on possible evolutions of the tariffs for the next tariff period, the proposed reference price methodology, the main parameters influencing the tariffs and the resulting tariffs are then described as specified in the TAR NC.

The total allowed revenue is set in accordance with the CREG Methodology and serves as starting point to derive reference prices.

In order to ensure cost reflectivity, the proposed Reference Price Methodology ("RPM") used to derive reference prices from the allowed revenue, remains unchanged compared to the RPM for tariff period 2020-2023 and is conform to the TAR NC reference Capacity Weighted Distance Methodology ("CWD Method") with an unchanged Entry/Exit split of 33/67 for transmission services and will remain unchanged for non-transmission services. Evolution of tariffs within the tariff period is, as currently, based on indexation: tariffs of years 2, 3 and 4 are inflated using CPI of April of year-1. The transmission tariffs are capacity based.

Overall, Fluxys Belgium expects the entry tariffs and domestic exit tariffs to remain stable compared to tariffs of period 2020-2023 hence not prolonging the 10% tariff reduction that was granted from July 2022 until end 2023. Besides this general evolution of the tariffs, the individual exit tariffs for interconnection points can evolve quite differently from one interconnection point to the other due to the strong evolution of gas flows through Belgium in the framework of the Ukraine crisis and the CWD Method that reflects the flow patterns in the cost allocation to the interconnection points. Even in a context of decreasing long term capacity contracts and changing behavior of network users optimizing their capacity portfolio, from one side and a context of high inflation of costs from the other side the general tariff level is expected to remain stable. The main element explaining this evolution is, in accordance with CREG Methodology, a substantial utilization of the regulatory account accumulated since the beginning of the Ukraine crisis mainly through the capacity sales to support the German gas system and the related premia paid in the capacity auctions. Deducting a first part of the current regulatory account planned to be returned to the tariffs in 2022/2023 for the 10% tariff discount of July 2022, the expected regulatory account at end 2023 and the collected auction premia at that date will allow, for the sum of both, to substantially support the tariff in the 2024-2027 tariff period. From the ~510M€ returned to the tariffs, an amount of ~460M€ will be returned directly to the 2024-2027 tariffs through a reduction of the allowed revenue, and a ~50M€ will be kept according to the CREG Methodology to mitigate the risks linked to today's

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

<sup>2</sup> <https://www.creg.be/fr/publications/decision-b1657>

<sup>3</sup> <https://www.creg.be/fr/publications/autres-z1110/12>

market uncertainties and to partially dampen the expected tariff increase the following tariff period.

The investments contemplated by Fluxys Belgium during the next tariff period include investments reducing the congestion (reinforcement of the West-East axis to ensure gas flows from the West to the Belgian market, especially in the context of the L to H conversion and to support the gas flows from the West to Germany) and investments needed in the context of energy transition.

Based on the selected RPM, which remains the CWD method applied in the 2020-2023 tariff period, the cost allocation assessment ratio between intra- and cross-system network used as described in art.5 of the TAR NC, remains within the limit of 10% prescribed in the TAR NC. The discount applicable to OCUCs until 2023 will be deleted (see section 4.1.1.2). As from the end of the low calorific gas conversion to high calorific gas the low calorific system will be exclusively operated for the need of the cross-border service to France. The tariffs of cross-border capacity are then set to reflect the costs of providing these services independently of the high calorific gas system.

For non-transmission tariffs, the methodology remains unchanged compared to the current method and non-transmission tariffs are expected to remain stable. Thanks to the ongoing simplification process of the Fluxys Belgium services some non-transmission services disappear or are merged.

After several consecutive tariff decreases since 2010, it is important to notice that, for the periods after 2027, an increasing trend of nominal tariffs is to be expected taking into account the following main tendencies:

- (i) The expected decrease of premia paid for capacities to Germany assuming a new balanced market will be reached in the coming years, meaning a much less support of the tariffs by the regulatory account,
- (ii) the expected further decrease of the long term capacity contracts / further move towards optimized short term bookings by network users, and,
- (iii) the lower level of the regulatory account expected at the end of the tariff period (50M€), compared to the levels of the regulatory account utilization foreseen during 2024-2027 (~460M€).

## 2 INTRODUCTION

### 2.1 Consultation procedure and scope

According to Article 26 of TAR NC and according to Article 13 of the procedure for the introduction and approval of tariff proposal and tariff modifications, as concluded between CREG and Fluxys Belgium on 16 December 2021 and published on CREG's website<sup>4</sup>, Fluxys Belgium organizes a consultation of the relevant gas companies before it submits its tariff proposal to the CREG approval. This consultation will be open from 6 October 2022 until 6 December 2022 in accordance with Art.26.2 of the TAR NC. Relevant gas companies interested to react to this consultation are invited to react (please refer to chapter 5 of this document).

Within one month following the end of the consultation, Fluxys Belgium will publish the consultation responses received and their summary in accordance with Art.26.2 of the TAR NC. In addition Fluxys Belgium will draw up a consultation report in annex to the tariff proposal explaining how and why the comments received have or have not been taken into account, which will also be submitted to CREG.

In parallel to this consultation organized by Fluxys Belgium, a consultation on the topics reserved to national regulatory authority ("NRA") - as per CREG decision (B)1657 in accordance with Art.28 of the TAR NC - will be held by CREG.

Previously, CREG already held a public consultation on the tariff methodology for 2024-2027, as required by Article 15/5bis of the Gas Act of 12 April 1965. Following this consultation, an amended draft decree was submitted to the Chamber of Representatives on 3 June 2022. In absence of any additional comments and since the preparatory procedure laid down by law had been completed, CREG adopted the decree (Z)1110/12 establishing the tariff methodology for the natural gas transmission system, natural gas storage facilities and LNG facilities on 30 June 2022. The authorized revenue for years 2020 to 2023 is set in accordance with this CREG Methodology (see 4.2.1).

### 2.2 Aim of this consultation

This document aims at informing network users and relevant natural gas companies of main expected indicative changes and tendencies in future tariffs. The objective is to gather stakeholders' feedback before submitting a tariff proposal to CREG for period 2024-2027.

### 2.3 Structure of this consultation document

This document begins with a description of the general context within which Fluxys Belgium will draw up her tariff proposal for the 2024-2027 tariff period. It is followed by the detailing all the elements subject to consultation in accordance with the TAR NC and as referred to in ACER's consultation template according to Art.26(5) of the TAR NC.

## 3 GENERAL CONTEXT

Article 26 of TAR NC states that one or more consultations must be carried out by the NRA or by the transmission system operator ("TSO") depending on the decision of the NRA. CREG decided on 20 July 2017 in its decision (B)1657 that Fluxys Belgium will carry out these

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<sup>4</sup> <https://www.creg.be/sites/default/files/assets/TarifsPublications/FluxysOthers/TarMethodo20-23/20180124-Accord-FluxysFlxFRcoord.pdf>

consultations except those which have to be carried out by the NRA. In particular CREG decided that consultations related to Articles 5(1), 6(1), 6(4)(b), 6(4)(c), 10(2)(b), 10(7) 26(1), 26(3), 27(1), 29(a)(i), 29(a)(ii), 29(a)(iv), 29(b), 30(1), 30(2) and 30(3) will be carried out by Fluxys Belgium.

In parallel to this consultation, CREG is carrying out a consultation on the parameters that are explicitly reserved to the NRA consultation in accordance with Article 28 of the TAR NC.

This consultation follows the structure laid down in Article 26 of the TAR NC regarding consultation requirements. However, Fluxys Belgium does not wish to restrict to technical parameters of the tariff design only and therefore also gives context elements / main parameters driving the tariffs evolution for the next regulatory period.

Compared to the consultation that took place in October/November 2018 for the current tariff period and which included the TAR NC implementation this consultation does not introduce such changing elements and is made in the continuity of the 2020-2023 tariff period. Off course the current particular context of the European gas market and the implied flows through the European gas networks introduce some changes in the expected uses of the network and lead to high capacity sales for this year and the next year. This is reflected in a high level of support by the regulatory account to the tariffs for the next period and in high assumptions of cross-border capacity sales for the upcoming regulatory period.

## 4 TAR NC CONSULTATION

### 4.1 Article 26(1)(a) – Proposed Reference Price Methodology

#### 4.1.1 Article 26.1(a)(i) - Information on the parameters used in the proposed RPM related to technical characteristics of the transmission system

##### 4.1.1.1 Article 26.1(a)(i)(1) – description of the proposed RPM

The Fluxys Belgium commercial model is an Entry/Exit system. The Entry or Exit transmission capacity is sold per point and allows the grid users to flow gas into or out of the system through these points. Please refer to the Standard Transmission Agreement (“STA”), Access Code for Transmission (“ACT”) and Transmission Program (“TP”)<sup>5</sup> for more details on the services offer.

The tariff for a transmission service mainly depends on the considered point, its direction (Entry or Exit), the duration of the considered product, the moment of the year for which it is booked, and the nature (firmness) of the capacity.

The TAR NC defines the RPM as being the methodology used to determine how the allowed revenue is allocated to Entry and Exit services. The resulting tariffs for Entry and Exit yearly standard products are called reference prices.

The TAR NC describes, in article 8, its own reference RPM referred to as CWD Method. The cost drivers in this method are the forecasted capacities on points and the distances between points.

In continuity with the current tariff period Fluxys Belgium proposes to apply the CWD Method as defined in Article 8 of the TAR NC as RPM with, however, an adapted Entry/Exit split. The CWD Method indeed best meets the requirements that the chosen methodology needs to satisfy as per Article 7 of the TAR NC, namely: cost-reflectivity, non-discrimination, and avoiding undue cross-subsidisation. Please refer to the TAR NC for detailed information on this CWD Method. In order to avoid unnecessary variations, this method remains applied with the current Entry/Exit split of 33/67.

As in current tariff period, the following adjustments (so called “equalization” in the TAR NC) are made in accordance with Belgian Gas Law: (i) all tariffs for Entry services are equalized and (ii) all tariffs for Exit services domestic points are equalized, both taking into account a differentiation based on the difference in gross calorific value of low versus high calorific zone.

The main input parameters are:

- the allowed revenue (see point 4.1.2), which slightly increases compared to the 2020-2023 period but much less than inflation even though the current inflation context pulls all costs up. This is possible thanks to a significant use to the regulatory account – i.e. supporting the tariffs with ~460M€ during the period (see point 4.2.1);
- distances (pipeline approach), and;
- forecasted contracted capacity at Entry and Exit points, with a decreasing trend due to the gradual end of long term contracts, but partially replaced by short term bookings in the context of high cross-border flows towards Germany and The Netherlands since the end of the Russian gas supplies to Germany (see point 4.1.1.6).

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<sup>5</sup> Documents available on <https://www.fluxys.com/belgium/en/Services/Services>



Resulting expected reference tariffs per service are listed under point 4.1.3 and a comparison with the transmission tariffs currently applicable is given under point 4.4.1.

Within the tariff period, the tariffs of years 2, 3 and 4 are the tariffs for year 1 indexed based on Belgian CPI evolution. The expected evolution of the tariffs within the period 2024-2027 based on the estimated CPI is given under point 4.4.2. Yearly indexation within the period will be based on real index variations between April year N-1 and April year N so that the tariffs for the next (calendar) year will be known at the time of the annual yearly auctions (1<sup>st</sup> Monday of July of each year as per CAM NC<sup>6</sup>). For the avoidance of doubt this inflation of the tariffs is taken into account in the calculation of the tariff for year 1 and does not lead to higher revenues for Fluxys Belgium.

Note that the CREG Methodology foresees that if, during the period, there is a deviation (e.g. due to differences between budgeted parameters and real parameters) between the real level of the regulatory account at end of year and the regulatory account trajectory foreseen in the tariff proposal, tariffs will be automatically adjusted (downwards or upwards) as foreseen in CREG Methodology.

#### 4.1.1.2 *OCUCs and Wheelings*

In the next regulatory period Wheeling services will disappear as they are no longer relevant with the creation of the Virtual Interconnexion Points (VIPs) with the Netherlands and with Germany.

Current tariffs for Operational Capacity Usage Commitments ("OCUC") benefit from a discount to the reference prices of the underlying Entry/Exit services mainly based on the fact these services do not use the full flexibility and extent of Fluxys Belgium's network. Considering the current flow patterns since the reduction and stop of the Russian gas supplies to Germany all cross-border flows in the Belgian gas grid have shifted from West to East. OCUCs are then used in the same way. Hence a discount for these specific services seems no longer adapted and will be stopped in the next regulatory period.

OCUCs tariffs will then be simply set as the sum of the tariffs of the underlying Entry and Exit service. In case of interest from the market, Fluxys Belgium can consider the opportunity for OCUC capacity holders to transform the OCUCs into the underlying Entry and Exit services in a future offer to be announced to the market.

#### 4.1.1.3 *Other changes in order to ensure consistency with expected service offer evolutions*

As from the end of the low calorific gas conversion into high calorific gas in Belgium which is planned in 2024 and leading to the conversion of part of the low calorific gas network into the high calorific gas network, the low calorific cross-border service from The Netherlands to France will be the only service requiring a dedicated apart low calorific pipeline and installations. The tariffs of this service will be treated separately as based on a distinct Entry-Exit system.

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<sup>6</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0459&from=EN>

4.1.1.4 Article 26.1(a)(i)(2) – justification of the parameters used that are related to the technical characteristics of the system

The CWD Method assumes that the share of the allowed revenue to be collected from each Entry or Exit point should be proportionate to its contribution to the cost of the system's capacity and to the distance between it and all Exit points or all Entry points.

Consequently, as for the current tariff period, the costs drivers in the CWD Method are (i) distances and (ii) forecasted contracted capacities (for the latter please refer to point 4.1.1.6). For measuring the distances, in accordance with Art.8 of the TAR NC, the pipeline approach is applied.

4.1.1.5 Article 30.1(a)(i) – technical capacity at Entry and Exit points

This chapter details the technical capacities per IP, direction (Entry or Exit), zone (L or H) and year (2024-2027) of the Fluxys Belgium network. This information is provided in accordance with the TAR NC but is not used in the tariffs calculation, as the CWD Method rather uses the forecasted contracted capacity at Entry and Exit points.

The underlying assumptions (supply, demand and related statistical analysis) taken when modelling the network to determine the technical capacities of each IP are described in Fluxys Belgium 10 years' indicative investment planning. Note that those figures are yearly averages and can be adjusted in the framework of Art.6 of CAM NC<sup>7</sup> and (pro-active) congestion management procedures as described in attachment E of the ACT<sup>8</sup>.

| IP                    | Entry    |       |       |       | Exit     |       |       |       |
|-----------------------|----------|-------|-------|-------|----------|-------|-------|-------|
|                       | 2024     | 2025  | 2026  | 2027  | 2024     | 2025  | 2026  | 2027  |
| <b>Blaregnies L</b>   | Backhaul |       |       |       | 10,5*    | 10,5* | 10,5* | 10,5* |
| <b>Dunkerque LNG</b>  | 10,4     | 10,4  | 10,4  | 10,4  | -        |       |       |       |
| <b>Hilvarenbeek L</b> | 27,0**   | 10,5* | 10,5* | 10,5* | Backhaul |       |       |       |
| <b>Loenhout</b>       | 7,0      | 7,0   | 7,0   | 7,0   | 2,8      | 2,8   | 2,8   | 2,8   |
| <b>VIP BENE</b>       | 33,4     | 33,4  | 33,4  | 33,4  | 17,8     | 17,8  | 17,8  | 17,8  |
| <b>VIP THE-ZTP</b>    | 20,3     | 20,3  | 20,3  | 20,3  | 22,6     | 22,6  | 22,6  | 22,6  |
| <b>Virtualys</b>      | 0,9      | 0,9   | 0,9   | 0,9   | 28,3     | 28,3  | 28,3  | 28,3  |
| <b>Zeebrugge/IZT</b>  | 27,2     | 27,2  | 27,2  | 27,2  | 33,5     | 33,5  | 33,5  | 33,5  |
| <b>Zeebrugge LNG</b>  | 22,0     | 22,0  | 30,2  | 30,2  | Backhaul |       |       |       |
| <b>ZPT</b>            | 20,4     | 20,4  | 20,4  | 20,4  | Backhaul |       |       |       |

Technical Capacity per IP – FIRM – 10<sup>6</sup> kWh/h – rounded to 1 decimal

\*Depending on the required capacity to France.

\*\*As from the end of the low calorific gas conversion into high calorific gas the technical capacity will be reduced to 10,5 mio kWh/h.

4.1.1.6 Article 30.1(a)(ii) – forecasted contracted capacity at Entry and Exit points

This parameter is used in the CWD Method. It represents the budget of capacities that are expected to be sold. This chapter details how these forecasted contracted capacities (aka "Reference Quantities") are estimated, per category of services.

<sup>7</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0459&from=EN>

<sup>8</sup> [https://www.fluxys.com/en/products-services/empowering-you/terms-conditions/tand\\_fluxys-belgium-transmission](https://www.fluxys.com/en/products-services/empowering-you/terms-conditions/tand_fluxys-belgium-transmission)

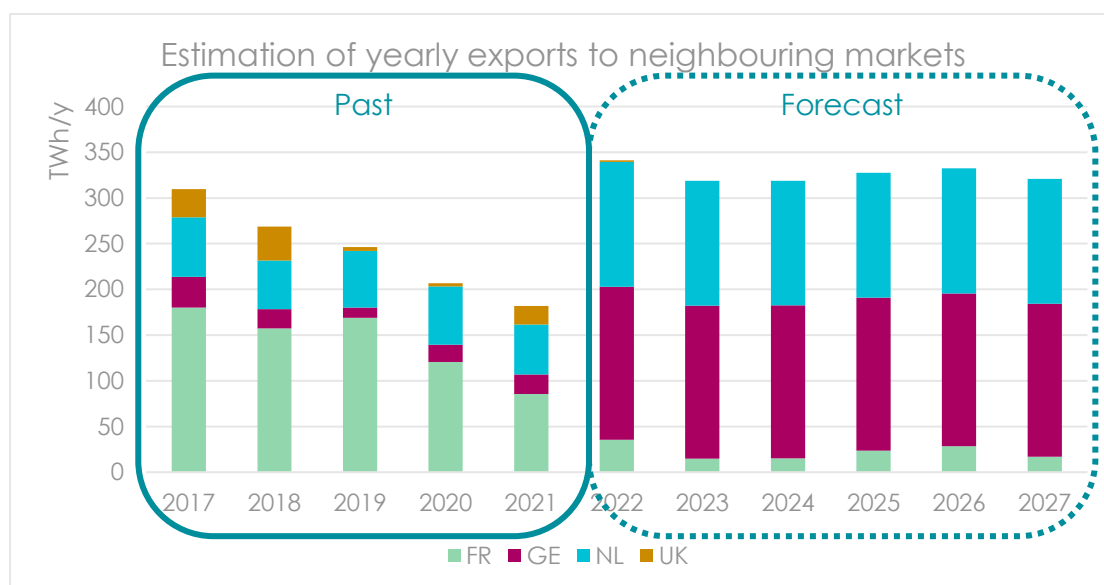
## Methodology

The forecasted contracted capacities can be split into two parts. On the one hand, the capacity subscriptions that are already concluded today for the period 2024-2027, considered as “booked”. On the other hand, an estimation of additional volumes can be added, based on assumptions with regards to supply, demand and possible contract renewal per transmission service (Entry/Exit on (Virtual) Interconnection Points, domestic households, industry, Power Plants,...), taking into account the specificities of each related market segment.

### Exit capacity at (Virtual) Interconnection Points

Forecasted Exit contracted capacities at IPs result of an estimation based on supply, demand, production, infrastructure development and transmission pricing, in the concerned neighbouring countries and the possible role Belgium is and could be playing in the future, in supplying those markets through cross-border capacities.

The following graph illustrates our basis assumption for yearly exported volumes towards the different neighbouring markets. For the period 2024-2027, the average export assumption is around 325 TWh/y, with year on year variations driven by several factors, including also L/H conversion in neighbouring markets.



Cross-border flow estimates - TWh/y

Those volumes are translated into forecasted contracted capacities, using (i) historical seasonality and volatility of the flows through those (Virtual) Interconnection Points, (ii) already contracted capacities on the respective (Virtual) Interconnection Points and presumed booking pattern (short term vs long term / Entry/Exit vs short haul services) of network users.

The table below lists the forecasted contracted capacities (firm and interruptible) for the Exit capacities at (Virtual) Interconnection Points and for OCUCs.

| <b>Exit and OCUC Capacities</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> |
|---------------------------------|-------------|-------------|-------------|-------------|
| <b>Exit L capacity</b>          | 2,29        | 1,71        | 1,16        | 0,62        |
| <b>Exit H capacity</b>          | 46,26       | 43,06       | 39,83       | 33,97       |
| <b>OCUC</b>                     | 16,37       | 15,11       | 14,26       | 14,26       |

*Forecasted contracted Exit and OCUC capacities at IPs – 10<sup>6</sup> kWh/h – rounded to 2 decimals*

### **Exit capacity on domestic points**

The Belgian domestic market is split into 3 different segments: distribution, industrial clients and Power Plants. For each end users in these segments, grid users have to subscribe (implicitly or explicitly) HP firm domestic Exit transmission services.

The assumption relating to distribution segment is that there will be no growth in the peak capacity required to supply the Belgian market. However, the L/H conversion operation, based on latest Synergrid plan, will progressively shift L capacity towards H zone.

For industry, we estimate that the current level of capacity will remain stable over period 2024-2027. We have today limited insights on confirmed new connections in the period, neither obviously on potential future disconnections. For Power Plants we forecasted additional capacity based on the result of the CRM auction.

Below a table summarizing the forecasted contracted capacity for domestic Exit on the high and low calorific zones.

| <b>Dom. Exit Capacity</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> |
|---------------------------|-------------|-------------|-------------|-------------|
| <b>H Capacity</b>         | 65,72       | 73,78       | 73,78       | 73,78       |
| <b>L Capacity</b>         | 4,89        | 0           | 0           | 0           |

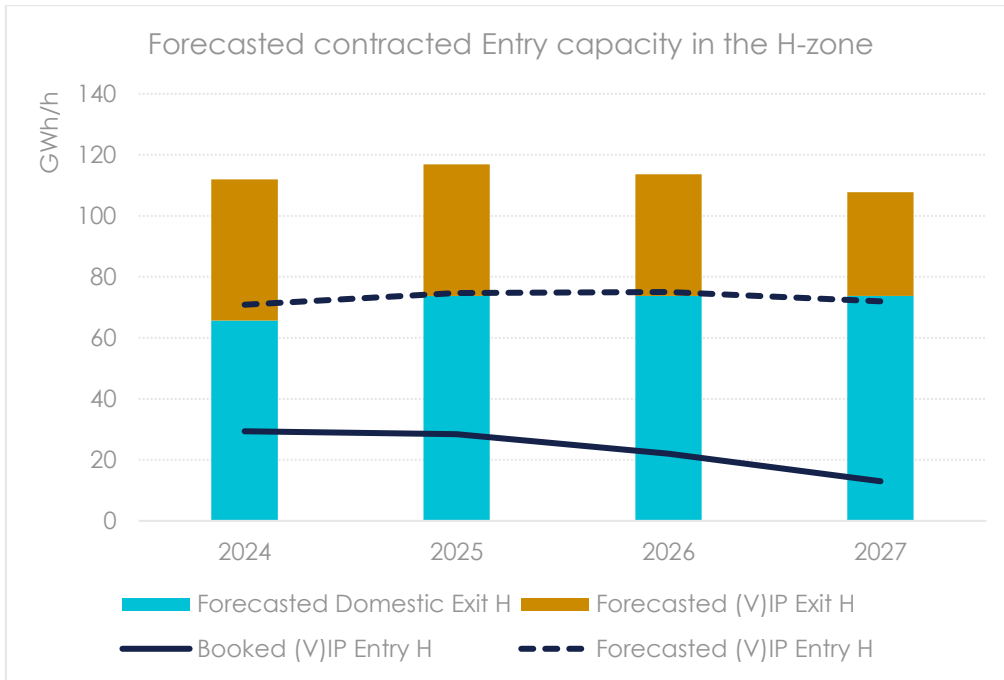
*Forecasted contracted domestic Exit capacities - 10<sup>6</sup> kWh/h – rounded to 2 decimals*

### **Entry capacity**

In an Entry/Exit model, network users can use their Entry capacity either to supply the domestic market or to supply the neighbouring markets. Therefore, a synergy effect can be observed where a single quantity of Entry capacity is used for both purposes, but not at the same time.

Based on the level of synergy observed in the past, one can expect that forecasted contracted capacity relating to the domestic market (Distribution, Industry and Power Plants) or Exit capacity at (Virtual) Interconnection Points will up to a certain level also trigger additional Entry capacity.

The graph below illustrates the forecasted contracted Entry capacity relative to the already booked Entry capacity in the H-zone.



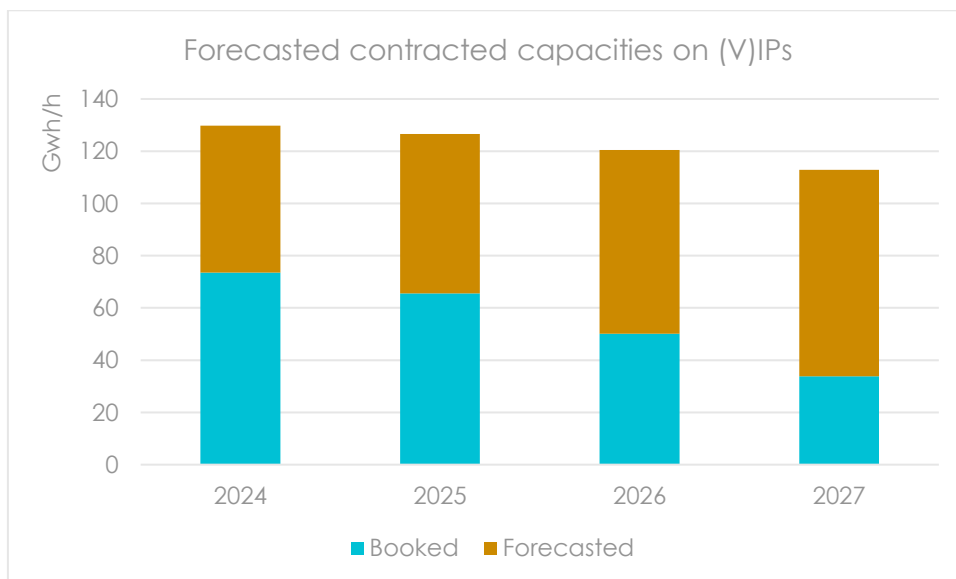
Below a table containing the total forecasted contracted Entry capacity at (Virtual) Interconnection Points.

| Entry – Firm | 2024  | 2025  | 2026  | 2027  |
|--------------|-------|-------|-------|-------|
| <b>Total</b> | 76,46 | 78,11 | 76,12 | 74,10 |

Forecasted contracted Entry capacities at IPs - 10<sup>6</sup> kWh/h – rounded to 2 decimals

### Summary

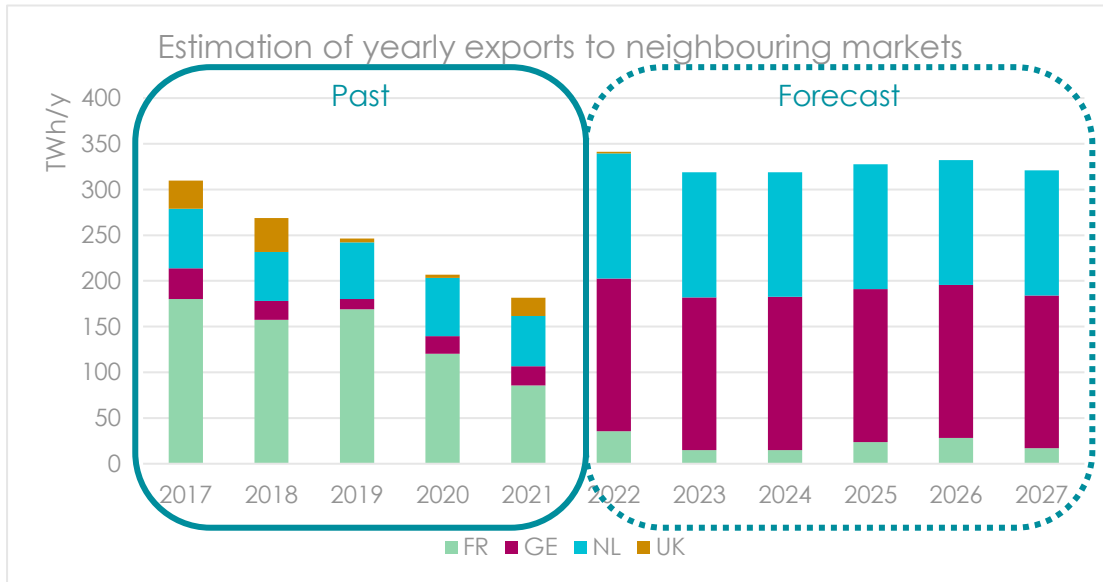
The following graph illustrates the projections of forecasted contracted capacities for the above-mentioned services at (Virtual) Interconnection Points over the years. For the period 2024-2027, a distinction is made between the capacity that is already booked and the capacity that is assumed to be further booked. For the sake of clarity, it is important to underline that these numbers are estimates which are more and more difficult to make in a short term market that evolves fast.



Overview of contracted and forecasted capacities at IPs - 10<sup>6</sup> kWh/h

4.1.1.7 Article 30.1(a)(iii) – quantity and direction of the gas flow for Entry and Exit points

Even if not relevant for the selected methodology, as mentioned previously, the following graph illustrates our basis assumption for yearly exported volumes towards the different neighbouring markets. For the period 2024-2027, the average export assumption is around 325 TWh/y, with year on year variations driven by several factors, including also L/H conversion in neighbouring markets.



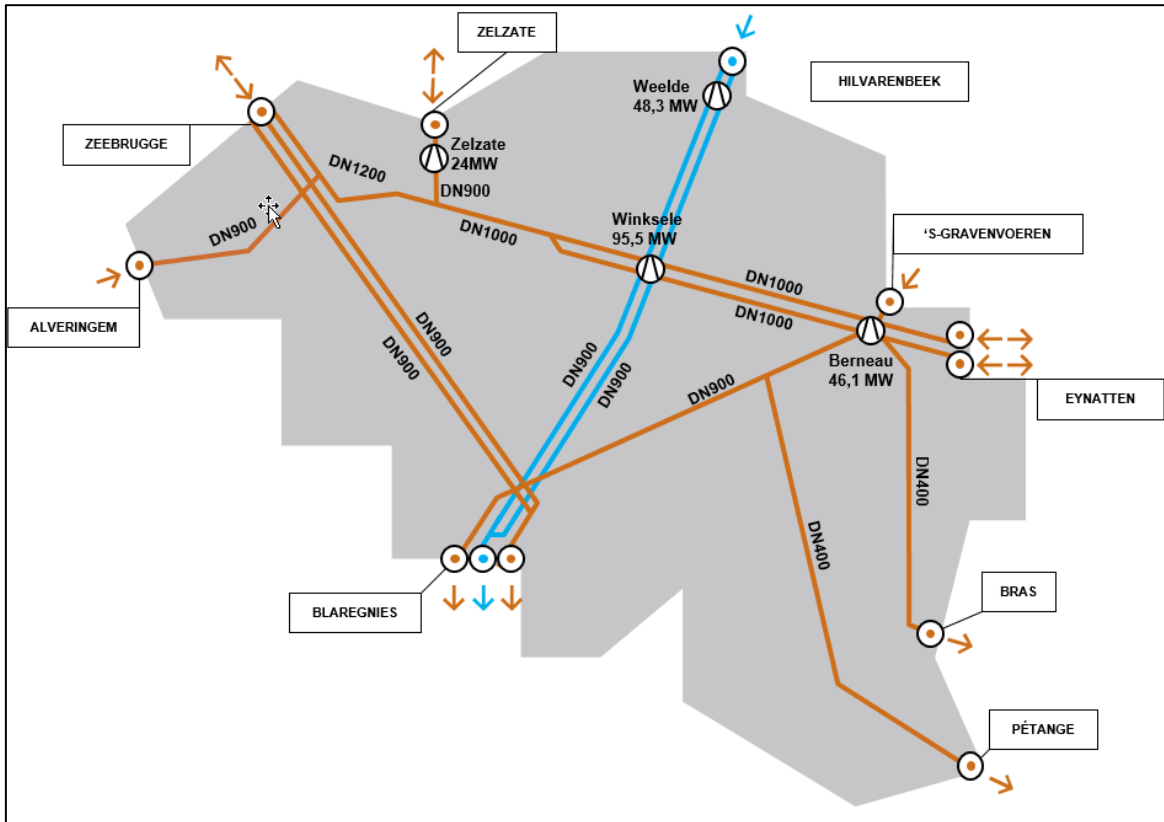
Estimation of yearly exports to neighboring markets - TWh/y

Belgian market internal consumption can be estimated to 170 to 190 TWh mainly depending on temperatures, economic context and consumption of gas fired Power Plants.

4.1.1.8 Article 30.1(a)(iv) – structural representation of the transmission network

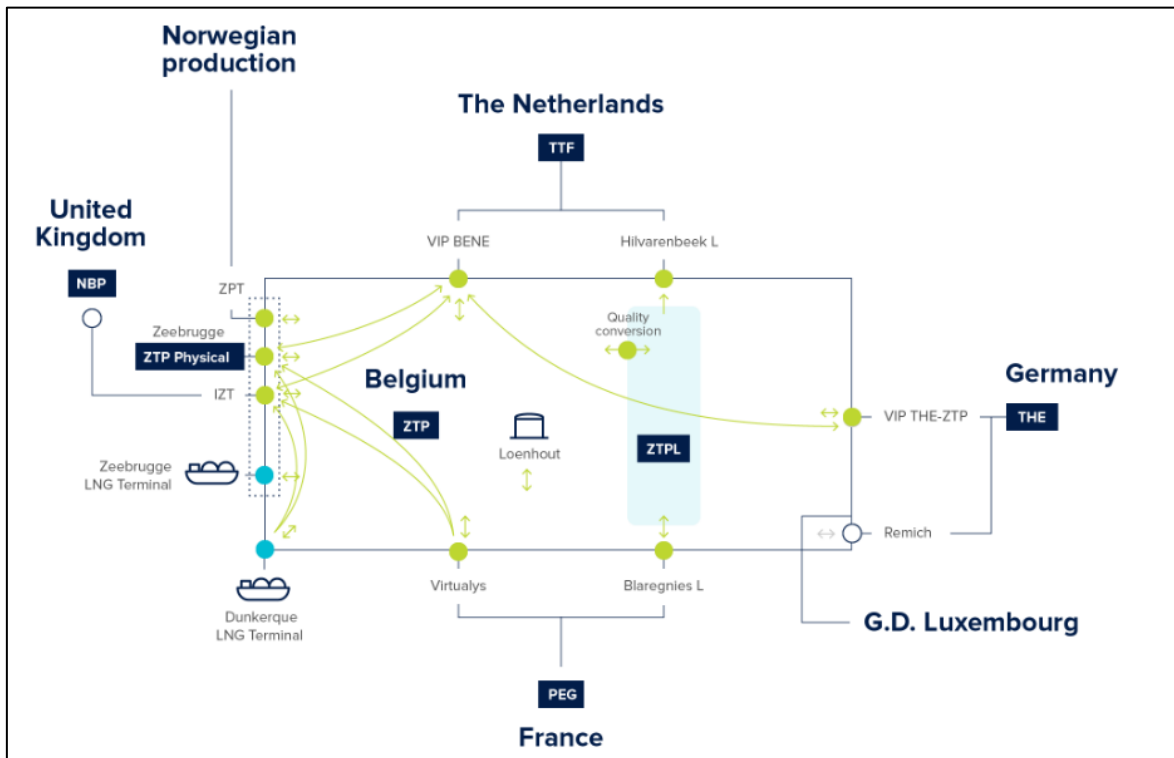
Natural gas transported and distributed in Belgium, including renewable gases to be produced locally, originates from various sources. The chemical composition of those different gases is not necessarily the same, in particular gross calorific value and Wobbe index may significantly differ. Most of those are however “rich” gases, can be substituted with one and another and are transported together, blended as H gas. Low calorific gas (L gas), produced in The Netherlands, either from the Groningen fields, either synthetically using Nitrogen blending installations, is however sufficiently specific (contains up to 14% of Nitrogen) to be transported in a separated infrastructure. Fluxys Belgium network is therefore divided into 2 sub grids, operated separately, also on a commercial level.

The network of Fluxys Belgium is developed along several main axes supporting East-West and North-South flows, composed of pipes of at least DN400. The flow of gas throughout the network is assured using 4 compressor stations, located in Berneau, Weelde, Winksele and Zelzate.



Main pipelines & Compression stations

There are 18 physical connection points, interconnecting Fluxys Belgium network with neighbouring countries/markets/TSOs. Those are mapped onto the Interconnection Points in the commercial model as shown hereunder.



Schematic representation of BelLux Entry-Exit system and related IPs

#### 4.1.1.9 Article 30.1(a)(v) – additional technical information about the transmission network

The following table details the mapping between physical connections and commercial (virtual) Interconnection Points:

| Physical Points         | Neighbouring TSO  | Market Area           | IP (commercial)            |
|-------------------------|-------------------|-----------------------|----------------------------|
| <b>Eynatten</b>         | Gascade           | THE                   | <b>VIP THE-ZTP</b>         |
|                         | OGE               |                       |                            |
|                         | Thyssengas        |                       |                            |
|                         | Fluxys TENP       |                       |                            |
| <b>Zelzate</b>          | GTS               | TTF                   | <b>VIP BENE</b>            |
| <b>'s Gravenvoeren</b>  |                   |                       |                            |
| <b>Dilsen</b>           |                   |                       |                            |
| <b>Zandvliet</b>        |                   |                       |                            |
| <b>Hilvarenbeek</b>     |                   |                       |                            |
| <b>Alveringem</b>       | Dunkerque LNG     | -                     | <b>Dunkerque LNG term.</b> |
|                         | GRTgaz            | TRF                   | <b>Virtualys (VIP)</b>     |
| <b>Blaregnies</b>       |                   |                       | <b>Blaregnies L</b>        |
| <b>Zeepipe Terminal</b> | Gassco            | -                     | <b>ZPT</b>                 |
| <b>Loenhout Storage</b> | Fluxys Belgium    | -                     | <b>Loenhout</b>            |
| <b>Zeebrugge LNG</b>    | Fluxys LNG        | -                     | <b>Zeebrugge LNG term.</b> |
| <b>IZT</b>              | Interconnector UK | NBP via National Grid | <b>IZT</b>                 |
|                         |                   |                       | <b>Zeebrugge</b>           |

Mapping Physical – Commercial (VIPs)

#### 4.1.2 Article 26.1(a)(ii) – The value of the proposed adjustments for capacity-based transmission tariffs pursuant to Article 9

##### 4.1.2.1 Article 9(1) – proposed discount(s) at Entry points from and Exit points to storage facilities

Only one storage facility is connected to the Fluxys Belgium transmission network: the Loenhout storage facility.

The proposed discounts are:

- 100% discount at Entry point from the Loenhout storage facility in accordance with Article 9;
- 100% discount at the Exit point to the Loenhout storage facility as it is already the case today.

Note that the Loenhout storage facility is not directly connected to either another transmission network or a distribution network.

##### 4.1.2.2 Article 9(2) – proposed discount(s) at Entry points from LNG facilities and at Entry points from and Exit points to infrastructure developed with the purpose of ending the isolation of Member States

No such discount is applied.

#### 4.1.3 Article 26.1(a)(iii) – Indicative reference prices subject to consultation

The tables in this section present the output of the CWD Method, i.e. the reference prices of the transmission services for year 1. The tariffs of years 2, 3 and 4 are the tariffs for year 1 indexed based on Belgian CPI evolution (see point 4.4.2), except for the L gas cross border tariffs which also evolve based on the forecasted contracted capacities.



Tariffs for non-transmission services are expected to remain stable compared to H1 2022 indexed. All tariffs are provided in section 4.4.2.

| ENTRY           |   | Reference price in €/kWh/h/year |
|-----------------|---|---------------------------------|
| Border with     | Interconnection Point                   | 2024 – Firm                     |
| France          | <b>Virtualys</b>                        | 0,855                           |
| Germany         | <b>VIP THE-ZTP</b>                      | 0,855                           |
| The Netherlands | <b>VIP BENE</b>                         | 0,855                           |
|                 | <b>Hilvarenbeek L</b>                   | 0,950*                          |
| United Kingdom  | <b>IZT</b>                              | 0,855                           |
| Zeebrugge Area  | <b>Zeebrugge</b>                        | 0,855                           |
| Norway          | <b>ZPT</b>                              | 0,855                           |
| LNG Terminal    | <b>Dunkirk LNG Terminal<sup>9</sup></b> | 0,855                           |
|                 | <b>Zeebrugge LNG Terminal</b>           | 0,855                           |
| Storage         | <b>Loenhout</b>                         | 0,000                           |

Reference prices for Entry FIRM capacity – Year 2024 - €/kWh/h/y

\*The 2024 Hilvarenbeek L entry reference price changes to 2,494€/kWh/h/year once the low calorific gas conversion into high calorific gas has been completed in Belgium.

| EXIT            |                       | Reference price in €/kWh/h/year |
|-----------------|-----------------------|---------------------------------|
| Border with     | Interconnection Point | 2024 – Firm                     |
| France          | <b>Virtualys</b>      | 1,388                           |
|                 | <b>Blaregnies L</b>   | 5,063                           |
| Germany         | <b>VIP THE-ZTP</b>    | 2,253                           |
| The Netherlands | <b>VIP BENE</b>       | 1,410                           |
| United Kingdom  | <b>IZT</b>            | 0,359                           |
| Zeebrugge Area  | <b>Zeebrugge</b>      | 0,359                           |
| Storage         | <b>Loenhout</b>       | 0,000                           |

Reference prices for Exit FIRM capacity – Year 2024 - €/kWh/h/y

| OCUC  | Reference price in €/kWh/h/year |
|---|---------------------------------|
| Interconnection Points                                | 2024 – Firm                     |
| <b>VIP BENE - IZT/Zeebrugge</b>                       | 1,214                           |
| <b>IZT/Zeebrugge – VIP BENE</b>                       | 2,265                           |
| <b>Dunkirk LNG Terminal/Virtualys - IZT/Zeebrugge</b> | 1,214                           |
| <b>VIP BENE – VIP THE-ZTP</b>                         | 3,108                           |
| <b>VIP THE-ZTP – VIP BENE</b>                         | 2,265                           |

Reference prices for OCUC FIRM capacity – Year 2024 - €/kWh/h/y

<sup>9</sup> For Dunkirk LNG Terminal, Cross Border Delivery Service tariff still applies.

| OTHER TRANSMISSION SERVICES | Reference price in €/kWh/h/year |
|-----------------------------|---------------------------------|
|                             | 2024 - Firm                     |
| Domestic Exit HP H-grid     | 1,187                           |
| Domestic Exit HP L-grid     | 1,317                           |

Reference prices for other transmission services – Year 2024 - €/kWh/h/y

| NON TRANSMISSION SERVICES     | Reference price in €/kWh/h/year                           |
|-------------------------------|---|
|                               | 2024 - Firm   |
| All non-transmission services | 2023 tariffs increased by 10% and inflation (i.e. 12,99%) |

Indicative tariffs for non-transmission services – Year 2024 - €/kWh/h/y

#### 4.1.4 Article 26.1(a)(iv) – Cost Allocation Assessment

As requested by Article 5 of TAR NC, the TSO must perform a Cost Allocation Assessment (“CAA”) relating to the transmission services revenue to be recovered by capacity-based transmission tariffs and based on the cost drivers of the chosen methodology, i.e. in this case the *forecasted contracted capacity and distance*.

The CAA shall indicate the degree of cross-subsidisation between intra-system and cross-system network use based on the RPM.

To determine the degree of cross-subsidisation, the CAA shall be carried out based on

- the **intra-system ratio** ( $Ratio_{cap}^{intra}$ ) obtained by dividing the transmission services capacity revenue for intra-system network use at all Entry and Exit points by the value of the relevant capacity cost drivers for intra-system network use<sup>10</sup>;
- the **cross-system ratio** ( $Ratio_{cap}^{cross}$ ) obtained by dividing the transmission services capacity revenue for cross-system network use at all Entry and Exit points by the value of the relevant capacity cost drivers for cross-system network use<sup>11</sup>.

Applied to our case, these calculations give:

| Elements          | Intra-system use <sup>12</sup> | Cross-system use <sup>13</sup> |
|-------------------|--------------------------------|--------------------------------|
| Revenue Entry     | 31.520.117                     | 47.026.281                     |
| Revenue Exit      | 88.953.259                     | 70.296.390                     |
| Cost driver Entry | 4.932.773.726                  | 7.427.221.020                  |
| Cost driver Exit  | 9.798.353.814                  | 7.771.136.789                  |
| Ratio             | 0,82%                          | 0,77%                          |

Components and calculation of the intra-system and cross-system ratios

The capacity cost allocation comparison index between the ratios is calculated with the following formula:

$$Comp = \frac{2 \times |Ratio_{cap}^{intra} - Ratio_{cap}^{cross}|}{Ratio_{cap}^{intra} + Ratio_{cap}^{cross}} \times 100\%$$

<sup>10</sup> In this case the sum for all Entry and Exit points of the forecasted contracted capacity for intra-system network use multiplied by the capacity weighted distance of these points.

<sup>11</sup> In this case the sum for all Entry and Exit points of the forecasted contracted capacity for cross-system network use multiplied by the capacity weighted distance of these points

<sup>12</sup> Entry capacities and revenue used for these calculations were determined according to Art. 5(5) of TAR NC

<sup>13</sup> Entry capacities and revenue used for these calculations were determined according to Art. 5(5) of TAR NC

The degree of cross-subsidisation between intra-system and cross-system network use is determined by the value of this index.

The indexes calculated with the corresponding annual values for the following years related to the proposed tariffs stay well below the level (>10%) for which a more detailed explanation is to be provided by the NRA, according to article 5.6 of TAR NC: 7,4% for 2024, 6,1% for 2025, 4,6% for 2026 and 4,0% for 2027.

We can therefore conclude from this CAA that no further justification is required.

#### 4.1.5 Article 26.1(a)(v) – Assessment of the proposed RPM in accordance with Article 7

The proposed RPM remains the CWD Method as currently applied for the 2020-2023 tariff period and as defined in Article 8 of the TAR NC (applied with an Entry/Exit split of 33/67, please refer to next point for comparison with a 50/50 split). As in the current tariff period it represents a natural choice that best fits with the requirements of the TAR NC and more specifically with the objectives mentioned in TAR NC article 7.

CWD Method indeed assumes that the share of the allowed revenue to collect from each Entry/Exit point should be proportionate to its contribution to the cost of the entry/exit system's capacity and to the distance between it and all Exit points or all Entry points. Using capacity and distance as main cost drivers leads to a good balance between cost-reflectivity and complexity, this is particularly true for a meshed transmission network used for cross border and domestic transmission like the high calorific gas grid of Fluxys Belgium.

As from the end of the low calorific gas conversion to high calorific gas the tariffs of the remaining low calorific system exclusively operated for the need of the cross-border service to France are set to reflect the costs of providing these services independently of the high calorific gas system to avoid cross-subsidisation and to ensure that significant volume risk related to cross-border transport is not assigned to final customers in accordance with TAR NC art 7 (c) and (d).

A postage stamp RPM could have been an option but would clearly be less cost reflective than the CWD Method. Moreover, the CAA test (see point 4.1.4 above) applied to the proposed methodology stays within the limits as set-out in TAR NC art 5.6.

#### 4.1.6 Article 26.1(a)(vi) – Comparison with CWD Method of Article 8 accompanied by the information set out in Article 26.1(a)(iii)

The proposed RPM is the CWD Method with a 33/67 Entry/Exit ratio where a 50/50 ratio is suggested by TAR NC. The reference prices as calculated by the CWD Method with a 50/50 Entry/Exit ratio are presented in the tables below. The indicative reference prices subject to consultation are listed under point 4.1.3.

| ENTRY           |  | Reference price in €/kWh/h/year |
|-----------------|--|---------------------------------|
| Border with     | Interconnection Point                    | 2024 – Firm                     |
| France          | <b>Virtualys</b>                         | 1,296                           |
| Germany         | <b>VIP THE-ZTP</b>                       | 1,296                           |
| The Netherlands | <b>VIP BENE</b>                          | 1,296                           |
|                 | <b>Hilvarenbeek L</b>                    | 1,439*                          |
| United Kingdom  | <b>IZT</b>                               | 1,296                           |
| Zeebrugge Area  | <b>Zeebrugge</b>                         | 1,296                           |
| Norway          | <b>ZPT</b>                               | 1,296                           |
| LNG Terminal    | <b>Dunkirk LNG Terminal<sup>14</sup></b> | 1,296                           |
|                 | <b>Zeebrugge LNG Terminal</b>            | 1,296                           |
| Storage         | <b>Loenhout</b>                          | 0,000                           |

Reference prices for Entry FIRM capacity with CWD Methodology pursuant to Article 8 – Year 2024 - €/kWh/h/y

\*until the end of the low calorific gas conversion into high calorific gas in Belgium.

| EXIT            |                       | Reference price in €/kWh/h/year |
|-----------------|-----------------------|---------------------------------|
| Border with     | Interconnection Point | 2024 – Firm                     |
| France          | <b>Virtualys</b>      | 1,036                           |
|                 | <b>Blaregnies L</b>   | 3,778                           |
| Germany         | <b>VIP THE-ZTP</b>    | 1,681                           |
| The Netherlands | <b>VIP BENE</b>       | 1,052                           |
| United Kingdom  | <b>IZT</b>            | 0,268                           |
| Zeebrugge Area  | <b>Zeebrugge</b>      | 0,268                           |
| Storage         | <b>Loenhout</b>       | 0,000                           |

Reference prices for Exit FIRM capacity with CWD Methodology pursuant to Article 8 – Year 2024 - €/kWh/h/y

| OTHER TRANSMISSION SERVICES    |  | Reference price in €/kWh/h/year |
|--------------------------------|--|---------------------------------|
|                                |  | 2024 - Firm                     |
| <b>Domestic Exit HP H-grid</b> |  | 0,886                           |
| <b>Domestic Exit HP L-grid</b> |  | 0,983                           |

Reference prices for other transmission services capacity with CWD Methodology pursuant to Article 8 – Year 2024 - €/kWh/h/y

As you would have expected, the results are globally similar but with an important increase of Entry tariffs and a decrease of Exits tariffs. This scenario was not selected as it leads to unnecessary further variations of tariffs. A large increase of Entry tariffs could also potentially have an impact on ZTP prices and trigger step-outs of existing capacity contracts.

## 4.2 Article 26(1)(b) – Indicative information set out in Article 30.1 (b)(i), (iv),(v)

### 4.2.1 Article 30.1(b)(i) – Allowed revenue of the TSO

The definition of the total allowed revenue (composed of operating costs, depreciations, fair margin, cost of debt and use of the regulatory account) is set in accordance with CREG Methodology.

In the 2024-2027 tariff period a substantial utilization of the regulatory account accumulated since the beginning of the Ukraine crisis mainly through the capacity sales to support the

<sup>14</sup> For Dunkirk LNG Terminal, Cross Border Delivery Service tariff still applies.

German gas system and the related premia paid in the capacity auctions will support the tariffs by reducing the allowed revenue to be recovered from the tariffs. As explained in the executive summary at the beginning of this document, from the expected regulatory account at end 2023 and the collected auction premia at that date, 460M€ will be returned to the 2024-2027 tariffs through a reduction of the allowed revenue. Besides the 460M€ returned to the tariffs, a 50M€ amount will be reserved for the 2028-2031 tariff period according to CREG Methodology which sets the maximum target level of the regulatory account end of the period to 50M€. Nevertheless, taking into account the very high amounts being returned to the tariffs during the period 2024-2027, 50M€ in the following regulatory account will very likely not be enough to dampen the tariff increase that can be expected for that next period.

The resulting total allowed revenue (after utilisation of the regulatory account) to be covered by the tariffs, per year, for the period 2024-2027 is given in the table below.

|                 | 2024         | 2025         | 2026         | 2027         | 2024-2027      |
|-----------------|--------------|--------------|--------------|--------------|----------------|
| Allowed revenue | 308.637.068€ | 316.984.799€ | 323.890.778€ | 329.861.618€ | 1.279.374.263€ |

*Allowed revenue for the tariff period 2024-2027*

#### 4.2.2 Article 30.1(b)(iv) and 30.1(b)(v) – Transmission services revenue

The table hereunder details the evolution of the transmission services revenue.

|                            | 2024         | 2025         | 2026         | 2027         | 2024-2027      |
|----------------------------|--------------|--------------|--------------|--------------|----------------|
| Transmission revenue       | 245.346.123€ | 252.973.864€ | 258.803.715€ | 263.733.162€ | 1.020.856.864€ |
| Transmission revenue H-gas | 228.064.617€ | 235.601.026€ | 241.352.185€ | 246.166.360€ | 951.184.189€   |
| Transmission revenue L-gas | 17.281.505€  | 17.372.837€  | 17.451.530€  | 17.566.802€  | 69.672.675€    |

*Revenue from transmission services*

This revenue can be further analysed according to 3 axes:

- **Capacity vs commodity split**, meaning the breakdown between the revenue from capacity-based transmission tariffs and the revenue from commodity-based tariffs. Fluxys Belgium's Transmission services revenue are mainly<sup>15</sup> capacity-based, the commodity-based revenue depending on the volume of gas transported and the commodity price can be estimated to 5 to 8% of total costs and could go up to 20% of the total costs in a situation of higher commodity prices.
- **Entry vs Exit split**, meaning the breakdown between the revenue from capacity-based transmission tariffs at all Entry points and the revenue from capacity-based transmission tariffs at all Exit points. As previously detailed it is proposed to keep the 33/67 Entry/Exit ratio for the construction of the tariffs.
- **Intra-system vs cross-system split**, meaning the breakdown between revenue from intra-system network use at both Entry and Exit points and the revenue from cross-system network use at both Entry points and Exit points as set out in Article 5 of TAR NC. The figure below shows that the share of cross of border in generation of the allowed revenue remain very important.

<sup>15</sup> See 4.3.2 hereunder

|                       | 2024 | 2025 | 2026 | 2027 | 2024-2027 |
|-----------------------|------|------|------|------|-----------|
| Domestic revenues     | 43%  | 46%  | 48%  | 51%  | 47%       |
| Cross-border revenues | 57%  | 54%  | 52%  | 49%  | 53%       |

*Split of the transmission revenue between domestic and cross-border*

### 4.3 Article 26(1)(c) – Information on commodity based and non-transmission tariffs

#### 4.3.1 Article 26.1(c)(i) – Commodity based transmission tariffs

Fluxys Belgium applies a commodity fee (the so-called Energy In Cash) which will still be charged to reflect the variable <sup>16</sup> costs related to gas transmission. This fee is kept unchanged compared to the currently applicable tariff, i.e. 0,08% of the allocated quantities at the Gas Price Reference, as published on Fluxys Belgium website.

#### 4.3.2 Article 26.1(c)(ii) – Non-transmission tariffs

Non-transmission services considered as such in accordance with Article 4. The main non-transmission services are the following:

- Pressure Service;
- Odorization;
- Quality Conversion;
- Zeeplatform;
- Hub services.

The applied tariff methodology is a costs based methodology and is the identical to the one that applies for current tariffs: each service receives its relevant part of each types of the regulated costs.

The shares of allowed revenue recovered from non-transmission services are the following:

|                          | 2024        | 2025        | 2026        | 2027        | 2024-2027    |
|--------------------------|-------------|-------------|-------------|-------------|--------------|
| Non-transmission revenue | 63.290.945€ | 64.010.936€ | 65.087.063€ | 66.128.456€ | 258.517.400€ |
| Share of allowed revenue | 21%         | 20%         | 20%         | 20%         | 20%          |

*Allowed revenue for non-transmission revenue and share of the total allowed revenue*

The non-transmission services revenue is reconciled as set out in Article 17.3 of TAR NC. Over- or under-recovery of the non-transmission services comes together with the over- or under-recovery of the transmission services in the regulatory account.

<sup>16</sup> Around 5-8% to 20% of the total costs depending on the gas prices

The indicative tariffs for non-transmission services are the following:

| NON TRANSMISSION SERVICES | 2024 tariffs | Unit                  |
|---------------------------|--------------|-----------------------|
| Pressure Service H-Grid   | 0,694        | €/kWh/h/year          |
| Pressure Service L-Grid   | 0,769        | €/kWh/h/year          |
| Odourisation              |              |                       |
| H                         | 0,0980       | €/MWh                 |
| L                         | 0,1089       | €/MWh                 |
| Quality conversion        |              |                       |
| H->L base load            | 3,846        | €/kWh/h/year          |
| L -> H                    | 1,457        | €/kWh/h/year          |
| Zeeplatform               |              |                       |
| 2 points                  | 7.145,62     | €/month <sup>17</sup> |
| 3 points                  | 10.718,46    | €/month               |
| 4 points                  | 14.291,28    | €/month               |
| Hub services              |              |                       |
| Fix                       | 8317,50      | €/year                |
| Variable                  | 0,002164     | €/MWh                 |

*Indicative tariffs for non-transmission services*

#### 4.4 Article 26(1)(d) – Indicative information set out in Article 30 (2)

##### 4.4.1 Article 30.2(a)(i) – Comparison between transmission tariffs applicable for the prevailing tariff period and for the tariff period for which the information is published

The use of CWD Method was introduced for the 2020-2023 tariff period. No change is made for the 2024-2027 tariff period. The tariffs remain in average stable except that the 10% tariff reduction made from July 2022 until end 2023 has been stopped. The changes in the exit IP tariffs come from the change in the flow patterns since the Ukraine crisis. Indeed the flows drastically change from East/West to West/East. Given this change the CWD Method leads to a decrease of the West exit IPs which are less used and closer to the entering flows and an increase of the East exit IPs or the ones seeing high exit flows and further from entering flows. The Entry capacity tariffs and the tariffs for HP Domestic Exits remain stable as presented in the tables hereunder. After the low calorific gas conversion to high calorific gas will be completed (expected in 2024) a part of the low calorific gas network will be operated for the exclusive need of the NL to France Low calorific gas cross-border service. The tariffs of these services have been designed such that their recover the costs of this then separated system. The tariffs are then expected to increase based on the decrease of the cross-border flows to France along with the low calorific gas conversion to high calorific gas in France.

Last column in the table below shows a comparison of the reference prices for 2024 with tariffs for 2023 inflated to 2024 using an indexation of 2,99%, using the formula

$$\frac{\text{tariff}_{2024} - (\text{tariff}_{2023} * (1 + \text{indexation}))}{\text{tariff}_{2023} * (1 + \text{indexation})}$$

<sup>17</sup> Corrected from version published on 6 Oct: tariff expressed in €/month and not €/year

| ENTRY           |  | Tariffs in €/kWh/h/year |        | 2024 tariff vs 2023 inflated |
|-----------------|--|-------------------------|--------|------------------------------|
| Border with     | Interconnection Point                    | 2023                    | 2024   |                              |
| France          | <b>Virtualys</b>                         | 0,766                   | 0,855  | +8,6%                        |
| Germany         | <b>VIP THE-ZTP</b>                       | 0,766                   | 0,855  | +8,6%                        |
| The Netherlands | <b>VIP BENE</b>                          | 0,766                   | 0,855  | +8,6%                        |
|                 | <b>Hilvarenbeek L</b>                    | 0,851                   | 0,950* | +8,6%                        |
| United Kingdom  | <b>IZT</b>                               | 0,766                   | 0,855  | +8,6%                        |
| Zeebrugge Area  | <b>Zeebrugge</b>                         | 0,766                   | 0,855  | +8,6%                        |
| Norway          | <b>ZPT</b>                               | 0,766                   | 0,855  | +8,6%                        |
| LNG Terminal    | <b>Dunkirk LNG Terminal<sup>18</sup></b> | 0,766                   | 0,855  | +8,6%                        |
|                 | <b>Zeebrugge LNG Terminal</b>            | 0,766                   | 0,855  | +8,6%                        |
| Storage         | <b>Loenhout</b>                          | 0,383                   | 0,000  | -100%                        |

*Comparison of Entry tariffs in current and next tariff period*

\*applicable until the end of the low calorific gas conversion to H calorific gas conversion in Belgium; 2,494€/kWh/h/y thereafter.

| EXIT            |                       | Tariffs in €/kWh/h/year |       | 2024 tariff vs 2023 inflated |
|-----------------|-----------------------|-------------------------|-------|------------------------------|
| Border with     | Interconnection Point | 2023                    | 2024  |                              |
| France          | <b>Virtualys</b>      | 1,254                   | 1,388 | +7,7%                        |
|                 | <b>Blaregnies L</b>   | 1,387                   | 5,063 | +262%                        |
| Germany         | <b>VIP THE-ZTP</b>    | 1,451                   | 2,253 | +52,3%                       |
| The Netherlands | <b>VIP BENE</b>       | 0,935                   | 1,410 | +47,8%                       |
| United Kingdom  | <b>IZT</b>            | 0,778                   | 0,359 | -50,9%                       |
| Zeebrugge Area  | <b>Zeebrugge</b>      | 0,778                   | 0,359 | -50,9%                       |
| Storage         | <b>Loenhout</b>       | 0,000                   | 0,000 | -                            |

*Comparison of Exit tariffs in current and next tariff period*

| OCUC  |  | Tariffs in €/kWh/h/year |       | 2024 tariff vs 2023 inflated |
|---|--|-------------------------|-------|------------------------------|
| Interconnection Points                                |  | 2023                    | 2024  |                              |
| <b>VIP BENE - IZT/Zeebrugge</b>                       |  | 1,008                   | 1,214 | +17,4%                       |
| <b>IZT/Zeebrugge - VIP BENE</b>                       |  | 1,008                   | 2,265 | +121,7%                      |
| <b>Dunkirk LNG Terminal/Virtualys - IZT/Zeebrugge</b> |  | 1,158                   | 1,214 | +1,8%                        |
| <b>VIP BENE – VIP THE-ZTP</b>                         |  | 0,833                   | 3,108 | +270%                        |
| <b>VIP THE-ZTP – VIP BENE</b>                         |  | 0,833                   | 2,265 | +169%                        |

*Comparison of OCUC tariffs in current and next tariff period*

| OTHER TRANSMISSION SERVICES |  | Tariffs in €/kWh/h/year |       | 2024 tariff vs 2023 inflated |
|-----------------------------|--|-------------------------|-------|------------------------------|
|                             |  | 2023                    | 2024  |                              |
| <b>Domestic HP H-grid</b>   |  | 1,040                   | 1,187 | +11,1%                       |
| <b>Domestic HP L-grid</b>   |  | 1,154                   | 1,317 | +11,1%                       |

*Comparison of other transmission services tariffs in current and next tariff period*

<sup>18</sup> For Dunkirk LNG Terminal, Cross Border Delivery Service tariff still needs to be applied



A comparison of the tariff for delivery of gas to a customer directly connected to Fluxys Belgium's network shows stable tariffs between 2023 and 2024 but a 27% decrease when compared to the tariff applicable in 2010 (inflated to 2024).

| Tariff evolution 2010-2020     | 2010 tariff inflated to 2024 | 2023  | 2024  | 2024 tariff vs 2010 inflated | 2024 tariff vs 2023 inflated |
|--------------------------------|------------------------------|-------|-------|------------------------------|------------------------------|
| 70% Entry + Domestic HP H-grid | 2,461                        | 1,576 | 1,786 | -27%                         | +10%                         |

*Evolution of tariff for the period 2010-2020 for the delivery of gas to a customer connected on Fluxys Belgium's network*

#### 4.4.2 Article 30.2(a)(ii) – Comparison between transmission tariffs applicable for the tariff period for which the information is published and for each tariff period within the remainder of the regulatory period

With a forecasted indexation of 1,80%, 1,70% and 1,60% respectively for 2025, 2026 and 2027, the forecasted transmission tariffs for year 2, 3 and 4 of the next regulatory period will be as follow:

| ENTRY           |  | 2024   | 2025   | 2026   | 2027   |
|-----------------|--|--------|--------|--------|--------|
| Border with     | Interconnection Point                    |        | 1,80%  | 1,70%  | 1,60%  |
| France          | <b>Virtualys</b>                         | 0,855  | 0,871  | 0,886  | 0,900  |
| Germany         | <b>VIP THE-ZTP</b>                       | 0,855  | 0,871  | 0,886  | 0,900  |
| The Netherlands | <b>VIP BENE</b>                          | 0,855  | 0,871  | 0,886  | 0,900  |
|                 | <b>Hilvarenbeek L*</b>                   | 0,950* | 0,967* | 0,983* | 0,999* |
| United Kingdom  | <b>IZT</b>                               | 0,855  | 0,871  | 0,886  | 0,900  |
| Zeebrugge Area  | <b>Zeebrugge</b>                         | 0,855  | 0,871  | 0,886  | 0,900  |
| Norway          | <b>ZPT</b>                               | 0,855  | 0,871  | 0,886  | 0,900  |
| LNG Terminal    | <b>Dunkirk LNG Terminal<sup>19</sup></b> | 0,855  | 0,871  | 0,886  | 0,900  |
|                 | <b>Zeebrugge LNG Terminal</b>            | 0,855  | 0,871  | 0,886  | 0,900  |
| Storage         | <b>Loenhout</b>                          | 0,000  | 0,000  | 0,000  | 0,000  |

*Evolution of Entry tariffs in next regulatory period - €/kWh/h/y*

\*applicable until the end of the low calorific gas conversion to high calorific gas in Belgium

| EXIT            |                    | 2024  | 2025  | 2026  | 2027  |
|-----------------|--------------------|-------|-------|-------|-------|
| Border with     |                    |       | 1,80% | 1,70% | 1,60% |
| France          | <b>Virtualys</b>   | 1,388 | 1,413 | 1,437 | 1,460 |
| Germany         | <b>VIP THE-ZTP</b> | 2,253 | 2,293 | 2,332 | 2,370 |
| The Netherlands | <b>VIP BENE</b>    | 1,410 | 1,435 | 1,460 | 1,483 |
| United Kingdom  | <b>IZT</b>         | 0,359 | 0,365 | 0,371 | 0,377 |
| Zeebrugge Area  | <b>Zeebrugge</b>   | 0,359 | 0,365 | 0,371 | 0,377 |
| Storage         | <b>Loenhout</b>    | 0,000 | 0,000 | 0,000 | 0,000 |

*Evolution of Exit tariffs in next regulatory period - €/kWh/h/y*

<sup>19</sup> For Dunkirk LNG Terminal, Cross Border Delivery Service tariff still needs to be applied

| OCUC  | 2024  | 2025         | 2026         | 2027         |
|---|-------|--------------|--------------|--------------|
| <b>Interconnection Points</b>                         |       | <b>1,80%</b> | <b>1,70%</b> | <b>1,60%</b> |
| <b>VIP BENE - IZT/Zeebrugge</b>                       | 1,214 | 1,236        | 1,257        | 1,277        |
| <b>IZT/Zeebrugge - VIP BENE</b>                       | 2,265 | 2,306        | 2,346        | 2,383        |
| <b>Dunkirk LNG Terminal/Virtualys - IZT/Zeebrugge</b> | 1,214 | 1,236        | 1,257        | 1,277        |
| <b>VIP BENE – VIP THE-ZTP</b>                         | 3,108 | 3,164        | 3,218        | 3,270        |
| <b>VIP THE-ZTP – VIP BENE</b>                         | 2,265 | 2,306        | 2,346        | 2,383        |

*Evolution of OCUC tariffs in next regulatory period - €/kWh/h/y*

| Cross-border L to France       | 2024  | 2025  | 2026   | 2027   |
|--------------------------------|-------|-------|--------|--------|
| <b>Entry Hilvarenbeek L **</b> | 2,494 | 3,337 | 4,979  | 9,366  |
| <b>Exit Blaregnies L</b>       | 5,063 | 6,775 | 10,109 | 19,016 |

*Evolution of Cross-border L to France tariffs in next regulatory period - €/kWh/h/y*

\*\*applicable once the low calorific gas conversion to high calorific gas in Belgium is completed

| OTHER TRANSMISSION SERVICES | 2024  | 2025         | 2026         | 2027         |
|-----------------------------|-------|--------------|--------------|--------------|
|                             |       | <b>1,80%</b> | <b>1,70%</b> | <b>1,60%</b> |
| <b>Domestic HP H-grid</b>   | 1,187 | 1,208        | 1,229        | 1,248        |
| <b>Domestic HP L-grid</b>   | 1,317 | 1,341        | 1,364        | 1,386        |

*Evolution of other transmission services tariffs in next regulatory period - €/kWh/h/y*

#### 4.4.3 Article 30.2(b) – Simplified model

Will soon become available on Fluxys Belgium website.

#### 4.5 Article 26(1)(e) – Fixed payable price under price cap regime

The fixed payable price approach referred to in Article 24 (b) does not apply to Fluxys Belgium.

#### 4.6 Share of Fluxys Belgium's tariffs in the final customer invoice

The share of the Fluxys Belgium transmission costs in the gas invoice of the industrial end users directly connected to the network currently represents around 1% of the amount on the total invoice.

The part of the transmission costs on the gas invoice for residential customers (connected on the distribution network of a Distribution System Operators) will only represent less than 1% of the amount on the total invoice (approximately 30 euros/year for a gas consumption of 17.000 kWh/year).

## 5 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 5.00 p.m. on 6/12/2022. Please note that in accordance with the TAR NC all responses will be published and no confidential mark-up will be accepted.