Unofficial translation

REPUBLIC OF CROATIA

CROATIAN ENERGY REGULATORY AGENCY
Ulica grada Vukovara 14
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CLASS: 391-21/24-01/3
REG.NO.: 371-04-25-30
Zagreb, November 7, 2025

Pursuant to Article 27(4) of the Commission Regulation (EU) 2017/460 of 16 March 2017, establishing a network code on harmonised transmission tariff structures for gas, in accordance with Article 78 (7) of Directive 2024/1788/EC of the European Parliament and of the Council of 13 June 2024 concerning common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (recast) and Article 11(1)(9) of the Act on the Regulation of Energy Activities („Official Gazette“, No. 120/12 and 68/18) the Croatian Energy Regulatory Agency has adopted on the 27th session of the Board of Commissioners held on October 31 and November 7, 2025 the following

DECISION

on the elements of the methodology for determining the reference price for gas transmission services in accordance with Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas

1. The elements of the methodology for determining the reference price of gas transmission services, in accordance with Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas, are being adopted as follows:

Elements of the Methodology for determining the reference price	***Implementation in the next tariff / regulatory period***
The Methodology for determining the reference price of transmission services	The “Postage Stamp“ principle – the distribution of the allowed revenue and calculation of tariffs is based on the entry-exit model, where transmission services revenue has to be recovered from capacity-based transmission tariffs, without taking into account the distance of entry and exit points

The method of determining the reference price for gas transmission services	(i) applying floating payable price approach for standard capacity products (ii) entry-exit model of split of allowed revenue and determining reference price for each year of the regulatory period separately
Transmission system cost drivers	Forecasted contracted capacity
Transmission services provided by the transmission system operator	Gas transmission service
Non-transmission services provided by the transmission system operator	(i) The service of connection to the transmission system or to increase the connection capacity (ii) Non-standard services of the transmission system operator
Revenue of transmission tariffs referred to capacity-commodity split	100% of the contracted capacity
Commodity-based tariff	Not applicable
Revenue of transmission tariffs referred to entry-exit split	60% at entry points and 40% at exit points
Adjustments of tariffs at entry and exit points of the transmission system	i. 90% discount at entry points to the transmission system from the gas storage facilities; ii. 100% discount at exit points from the transmission system to the gas storage facilities

2. The elements of the methodology for determining the reference prices referred to in Point 1 of this Decision shall be applied to all entry and exit points of gas transmission system of the Republic of Croatia.

3. In accordance with this Decision, an appropriate amendment of the Methodology for determining the amount of tariff items for gas transmission („Official Gazette“, No. 79/20 and 36/21) shall be made accordingly.

4. The elements which are set out in Points 1 and 2 of this Decision shall apply for the regulatory period starting on January 1, 2026.

5. This Decision shall be submitted to the Agency for the Cooperation of European Energy Regulators and to the European Commission

6. This Decision shall be published on the website of the Croatian Energy Regulatory Agency.

7. This Decision shall enter into force on the day of its adoption.

Statement of grounds

The Croatian Energy Regulatory Agency (hereinafter: HERA), as a national regulatory authority acting in accordance with Article 78(7) of Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (recast) (hereinafter: Directive (EU) 2024/1788) and a party designated for conducting a regular consultation on the methodology for establishing the reference price for a capacity product for a yearly firm capacity, applicable at entry and exit points of the gas transmission system of the Republic of Croatia (hereinafter: reference price), in accordance with Article 17(1) of the Act on the Regulation of Energy Activities („Official Gazette“, No. 120/12 and 68/18) and Article 27 of the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (hereinafter: NC TAR), adopts a Decision on the elements of the methodology for determining the reference price for gas transmission services (hereinafter: Decision).

This Decision was preceded by a consultation on the proposal of the methodology for determining the reference price, initiated on the basis of the decision, Class: 391-21/24-01/3, Reg. No. 371-04-25-10, which was adopted by HERA at the 11th session of its Board of Commissioners held on 10 April 2025, whose elements and related information are described in the consultation document in a manner and within the scope provided for in Article 26 of NC TAR (hereinafter: public consultation).

The public consultation covered the period from 2026 to 2030, which represents the new fourth regulatory period, considering that the third regulatory period covering 2021-2025 is currently under way for which gas transmission tariffs were adopted.

Public consultation process was conducted in the period from 10 April 2025 to 10 June 2025 with the publication of consultation documents on HERA's website in Croatian and English. Within one month following the end of the consultation, on July 4, 2025, HERA published the answers received within the consultation and their summary, in accordance with provisions set out in Point 3 of Article 26 of NC TAR.

Additionally, in accordance with Article 28 of NC TAR, HERA as a national regulatory authority is required to conduct a public consultation on discounts, multipliers and seasonal factors with the national regulatory authorities of all directly connected EU Member States and relevant stakeholders, simultaneously with public consultation under Article 26 of NC TAR.

On the basis of the aforementioned, at the 11th session of its Board of Commissioners held on 10 April 2025 HERA also adopted the Decision on initiating a public consultation on discounts, multipliers and seasonal factors, in accordance with Article 28 of NC TAR, Class: 391-21/24-01/4, Reg. No. 371-04-25-1, inviting the public and national regulatory authorities of directly connected EU member states to participate in the consultation process.

Furthermore, according to HERA’s decision from 3 November 2017, Plinacro Ltd. as a national transmission system operator was designated as the party responsible for publishing information before the annual auction of yearly gas transmission capacities and prior to the tariff period in the Republic of Croatia, all in accordance with Articles 29 and 30 of the NC TAR. The national transmission system operator shall publish information on the company’s website and links shall be accessible through the platform of the European Network of Transmission System Operators for Gas (hereinafter: ENTSOG).

In accordance with Article 27 of the NC TAR, HERA forwarded the documents of public consultation to the Agency for the Cooperation of European Energy Regulators (hereinafter ACER) for analysis.

ACER carried out the prescribed analysis of public consultation documentation in order to check out whether all relevant information referred to in Article 26(1) were published and whether the proposed methodology met the requirements set out in Article 4 and 7 of NC TAR. The ACER's analysis was submitted to HERA on 7 August 2025 and was published on the ACER's website on 8 August 2025, within the deadline of two months after the end of the final consultation, with the assessment that the information published was complete and that the proposed methodology was compliant with the requirements regarding transparency, non-discrimination, prevention of undue cross-subsidisation, volume risk, ensuring cross-border trade, as listed in the Article 7 of NC TAR, with recommendation that additional information should be included in this Decision, more specifically information with regards to non-transmission services, i.e. services of connection to the transmission system and non-standard services.

When adopting this Decision, HERA considered the ACER's recommendations as well as the received responses from the participants of public consultation with regard to the published documents and proposed methodology. Therefore, certain elements in the Decision may differ from the statement in the public consultation document, which in such case, will be clarified in more detail.

Furthermore, pursuant to Article 11(1)(9) of the Act on the Regulation of Energy Activities and Article 94(1)(5) of the Gas Market Act („Official Gazette“, No. 18/18 and 23/20), in accordance with this Decision, HERA shall amend the Methodology for determining the amount of tariff items for gas transmission („Official Gazette“, No. 79/20 and 36/21) and then determine the amounts of tariff items for gas transmission which will be applicable in the following regulatory period 2026-2030.

Acting in accordance with Article 27 of NC TAR, HERA shall submit this Decision upon its publication to ACER and to the European Commission.

The information from Article 26 of NC TAR, upon which this Decision is adopted

The elements of the methodology for determining the reference price of gas transmission services reached by this Decision, together with the information for which public consultation was conducted, are listed in Table 1 and briefly elaborated further in this document.

The detailed explanation of the elements and information on the parameters used in the applied methodology, in particular for those relating to the description and usage of the Croatian transmission system, is specified in the public consultation document.

Table 1 Information from Article 26 of NC TAR for which this Decision refers to

Article of NC TAR	***The scope of information***
26(1)(a) (i)	- the description of the proposed reference price methodology as well as the following items: 1. the justification of the parameters used that are related to the technical characteristics of the system; 2. the corresponding information on the respective values of such parameters and the assumptions applied.
26(1)(a)(ii)	- the value of the proposed adjustments for capacity-based transmission tariffs pursuant to Article 9.
26(1)(a)(iii)	- the indicative reference prices subject to consultation.

26(1)(a)(iv)	- the results, the components and the details of these components for the cost allocation assessments set out in Article 5.
26(1)(a)(v)	- the assessment of the proposed reference price methodology in accordance with Article 7.
26(1)(a)(vi)	- where the proposed reference price methodology is other than the capacity weighted distance reference price methodology detailed in Article 8, its comparison against the latter accompanied by the information set out in point (iii).
26(1)(b)	- the indicative information set out in Article 30(1)(b): i) the allowed or target revenue, or both, of the transmission system operator; iv) the transmission services revenue; and v) the following ratios for the revenue referred to in point (iv): 1. capacity-commodity split, meaning the breakdown between the revenue from capacity-based transmission tariffs and the revenue from commodity-based transmission tariffs; 2. entry-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; 3. intra-system/cross-system split, meaning the breakdown between the revenue from intra-system network use at both entry points and exit points and the revenue from cross-system network use at both entry points and exit points calculated as set out in Article 5.
26(1)(c)(i)	- the following information on transmission and non-transmission tariffs: i. where commodity-based transmission tariffs referred to in Article 4(3) are proposed: - the manner in which they are set; - the share of the allowed or target revenue forecasted to be recovered from such tariffs; - the indicative commodity-based transmission tariffs;
26(1)(c)(ii)	- where non-transmission services provided to network users are proposed: - the non-transmission service tariff methodology; - the share of the allowed or target revenue forecasted to be recovered from such tariffs; - the manner in which the associated non-transmission services revenue is reconciled as referred to in Article 17(3); - the indicative non-transmission tariffs for non-transmission services provided to network users.
26(1)(d)	- the indicative information set out in Article 30(2): (a) explanation of the following: 1. the difference in the level of transmission tariffs for the same type of transmission service applicable for the prevailing tariff period and for the tariff period for which the information is published; 2. the estimated difference in the level of transmission tariffs for the same type of transmission service applicable for the tariff period for which the information is published and for each tariff period within the remainder of the regulatory period.

	(b) at least a simplified tariff model
26(1)(e)	- where the fixed payable price approach referred to in Article 24(b) is considered to be offered under a price cap regime for existing capacity: i. the proposed index; ii. the proposed calculation and how the revenue derived from the risk premium is used; iii. at which interconnection point(s) and for which tariff period(s) such approach is proposed; iv. the process of offering capacity at an interconnection point where both fixed and floating payable price approaches referred to in Article 24 are proposed.

1. METHODOLOGY FOR DETERMINING THE REFERENCE PRICE FOR GAS TRANSMISSION SERVICES IN THE REPUBLIC OF CROATIA

1.1. Description of the methodology for determining the reference price of gas transmission services

The methodology for determining the reference price is defined as a methodology by which tariff item amounts are calculated, i.e. the price for the contracted annual standard capacity product, in order for the transmission system operator to achieve the approved amount of allowed revenue by applying tariff items to the contracted transmission system capacities. The resulting tariff items for the contracted annual standard capacity at the entry or exit points of the transmission system represent the reference prices.

The Methodology for determining the reference price is an integral part of the Methodology for determining the amount of tariff items for gas transmission adopted by HERA, in accordance with the Article 94 of the Gas Market Act. The Methodology determines formulas and elements for calculation of the allowed revenue and the manner, elements and criteria for calculating the amount of tariff items for gas transmission service, the procedure for reconciliation of revenues, the breakdown of the allowed revenue, the method, elements, and criteria for calculating the tariff items for gas transmission, i.e., the reference prices, the method for calculating reserve prices, and the method to calculate and settle for fees applied by the transmission system operator for transmission services.

According to the provisions of the Methodology, the regulation of transmission services is based on the method of maximum allowed revenue, which is determined for the transmission system operator, with the application of a floating payable price approach.

The breakdown of the allowed revenue and the calculation of the tariff items are based on the entry-exit model, where the revenue from transmission services is collected by applying tariff items based on the standard contracted capacity product, without taking into account the distance between the entry and exit points (the "postage stamp" principle).

On the basis of the calculations and analysis carried out, in accordance with the elements provided by the NC TAR, and with conducted public consultation in which energy subjects did not have objections on proposed methodology, HERA adopts a decision to continue the application of the methodology for determining the reference price for gas transmission services based on the “Postage Stamp“ principle.

Due to the specificity of the transmission system of the Republic of Croatia and the manner the system is used by the users, the ”Postage stamp“ principle for setting reference price for transmission services takes into account the allowed revenue of the operator and the forecasted contracted capacity on the transmission entry and exit points, while the distances between entry and exit points are not considered for the tariff calculation.

The distribution of the allowed revenue and the determination of tariff items are based on the entry-exit model of homogeneous points, applying the same tariff item for gas transmission for individual entry and exit measuring points of the same homogeneous group of points, regardless of the length of the transport route.

The final applicable reference prices for transmission services calculated using the elements set out in this Decision, will be adopted by HERA's decision for the amount of tariff items for gas transmission, and in accordance with the Article 94 Of the Gas Market Act published in the “Official Gazette” and on HERA’s website at least ten days before its application by the transmission system operator.

Table 2 shows a list of key elements of the methodology for determining the reference price of gas transmission services.

Table 2 Overview of the elements of the methodology for determining the reference price for transmission services

Elements of the methodology for determining the reference price	
Methodology for determining the reference price of gas transmission services	”Postage Stamp“ principle – distribution of allowed revenue and calculation of tariff items based on entry-exit model, whereby the revenue from transmission services is collected by application of tariff items based on contracted capacity, without taking into account the distance between entry and exit points
The method of determining the reference price of gas transmission services	(i) application of the floating price for standard capacity products; (ii) entry-exit model of split of allowed revenue and determining reference price for each year of the regulatory period separately
Transmission system cost drivers	Forecasted contracted capacity
Transmission services provided by the transmission system operator	Gas transmission service
Non-transmission services provided by the transmission system operator	(i) The service of connection to the transmission system or to increase the connection capacity; (ii) Non-standard services of the transmission system operator
Revenue of transmission tariffs referred to capacity-commodity split	100% of the contracted capacity
Commodity-based tariff	Not applicable
Entry / Exit split of revenue from transmission tariffs	60% at entry points and 40% at exit points
Tariff adjustments at entry and exit points of the transmission system	(i) 90% discount at entry points to the transmission system from the gas storage facilities; (ii) 100% discount at exit points from the transmission system to the gas storage facilities

1.2. Amendments of the elements of the Methodology for determining the reference price of gas transmission services in relation to the Methodology for determining the amount of tariff items for gas transmission

This Decision, with regards to the currently valid Methodology of determining tariff item amounts for gas transmission (Official Gazette“, No. 79/20 and 36/219) (hereinafter: the Methodology) does not change the key elements for calculation of reference prices, except for the adjustment of tariffs on entry points of the transmission system, considering that in the next tariff and regulatory period the discount for calculation of tariff items amount for entry from LNG terminal is revoked.

The NC TAR, in addition to the adjustment of transmission tariffs on connection points with the gas storage system, envisages a possibility to apply a discount to corresponding transmission tariffs based on capacity at entry points from the LNG terminals, as well as at the entry and exit points of the infrastructure built to end the isolation of Members States with regards to their gas transmission systems.

During the third regulatory period, the discount of 15% was applied in the calculation of reference price at the entry point from the LNG terminal, which was compensated by the difference in the amount of the allowed revenue collected at other entry points of the transmission system (entry from domestic production and interconnection entry points). Considering that, since the commencement of operations of the LNG terminal, the level of contracted terminal capacity remained high and that the existing LNG terminal capacities are highly contracted until the gas year 2036/2037, including the additional capacities resulting from the expansion of the LNG terminal completed in October of 2025, which significantly increases the security of gas supply for the Republic of Croatia and neighbouring countries, HERA does not consider the continued application of the discount to be justified. Moreover, the uniform allocation of transmission costs across all entry points of the transmission system can encourage additional investment in domestic gas production and enable users to optimally manage the short-term capacity portfolio of the transmission system, thereby enhancing the flexibility and competitiveness of different supply routes and energy portfolios for market participants. Finally, the revocation of this discount entirely prevents any cross-subsidization among users that contract entry capacities within the transmission system.

ACER in its conclusion regarding public consultation in the chapter 5.1.5. refers to the revocation of this discount with the assessment that the reasons for revocation and the results are justified and emphasizes that the NC TAR with its provision on regular and obligatory 5-year public consultation on the elements of the methodology enables the variability of all elements of the methodology for determining the reference price, including the discounts. The discounts on specific transmission system points are exceptionally allowed for a limited and clearly defined purpose, which, in case of the LNG terminal and the need to ensure the security of supply, after 5 years of implementation, high levels of contracted terminal capacity, as well as the planned capacity expansion investments, can no longer be considered necessary. Finally, ACER’s assessment is that the proposed methodology with the proposed revocation of discount does not disturb cross-border trade.

2. SUMMARY DESCRIPTION OF THE GAS TRANSMISSION SYSTEM OF THE REPUBLIC OF CROATIA

Natural gas transmission system of the Republic of Croatia is owned and managed by the transmission system operator and the energy undertaking Plinacro Ltd., founded by the Republic of Croatia. Plinacro Ltd. operates as a proprietary unbundled and certified transmission system operator.

The transmission system of the Republic of Croatia consists of international, main, regional, separating and interconnecting pipelines, as well as gas pipeline facilities and measuring-reduction stations of various capacities.

Plinacro Ltd. manages the transmission system consisting of gas pipelines through which domestically produced natural gas (the northern part of continental Croatia and the Northern Adriatic) and natural gas from imports via interconnections with Slovenia (Zabok-Rogatec) and Hungary (Donji Miholjac–Dravaszerdahely) is received into the transmission system. Gas from the transmission system is delivered to end customers directly connected to the transmission system, to distribution systems operated by 27 distribution system operators, to two interconnection exits and to exist connections toward underground gas storage.

The total length of the gas transmission system in the Republic of Croatia at the end of 2024 was 2,544 km, of which:

- 17 km of gas pipelines with maximum operating pressure of 100 bar, with a diameter of DN 800 mm,
- 954 km of the pipelines with operating pressure of 75 bar and with a diameter ranging from DN 200 to DN 800 mm and
- 1,573 km of gas pipelines with operating pressure of 50 bar and with a diameter ranging from DN 80 to DN 500 mm.

Gas can be received into the transmission system through nine connectors at entry measuring stations (hereinafter: EMS), of which four are EMSs on connections with facilities for natural gas production, two interconnection measuring stations on connections with transmission systems in Slovenia and Hungary, two entry-exit measuring stations on connection with underground gas storages and one EMS on the connection with the LNG terminal.

For the next regulatory period, Plinacro Ltd. plans to complete the ongoing investments under the supply diversification and transmission system efficiency program, i.e. the gas pipelines Zlobin-Bosiljevo DN800/100 bar, Bosiljevo-Sisak DN800/100 bar, Sisak-Kozarac DN800/100 bar and Lučko-Zabok DN700/75, thereafter, upon completion and commissioning in 2026, at EMS Omišalj will enable the reception of 700,000 m^3/h of gas from the LNG terminal and the transportation of gas to Hungary and Slovenia. It is foreseen that the realization of those projects will increase the maximum hourly capacity on the interconnection with Hungary up to 459,600 m^3/h and on the interconnection with Slovenia up to 170,000 m^3/h.

On January 2, 2025, for the above listed investments the Government of the Republic of Croatia adopted the Decision on declaring the project „Accompanying Infrastructure for the Strategic Investment Project of the LNG terminal“ as the strategic investment project of the Republic of Croatia („Official Gazette“, No. 2/25), considering that the European Council approved financing through the National Plan of Recovery and Resilience (eng. *REPowerEU*), out of which 534 million euros are dedicated to Plinacro Ltd. for building of the gas pipelines to transport gas from the LNG terminal on the island of Krk to Slovenia and Hungary and other countries in Southeast Europe.

In the public consultation document, the characteristics of the Croatian gas transmission system are listed in detail, as well as the structural schemes of the transmission network with specifications of the entry and exit points and the display of points merged for the purpose of calculation of the draft methodology.

3. INFORMATION REGARDING TRANSMISSION AND NON-TRANSMISSION SERVICES

3.1. Transmission services

According to Article 4 of the NC TAR a given service is considered as transmission service where both of the following criteria are met:

a) the costs of such services are caused by the cost drivers of both technical or forecasted contracted capacities and distance and

b) the costs of such services are related to the investment in and operation of the infrastructure which is part of the regulated asset base for the provision of transmission services.

If any of the criteria set in points (a) and (b) are not complied with, HERA may attribute a given service to either transmission or non-transmission services.

Revenue from transmission services is primarily collected on the basis of capacity-based tariffs, while as an exception, and subject to the approval of the national regulatory authority, a part of the transmission services revenue may be recovered by a flow-based charge, i.e. commodity-based.

Plinacro Ltd. applies tariffs based on contracted capacity as a straightforward methodology aimed at stable revenue generation and without the risks associated with the use of contracted capacity. For the next regulatory period 2026-2030, contracted capacity of the transmission system will remain the sole transmission service to which transmission tariffs will be applied.

The gas transmission service includes contracting of transmission system capacities at all entries and exits in the Republic of Croatia as follows:

- annual standard capacity products – a certain amount of capacity for all gas days in a certain gas year (starting from October 1),
- quarterly standard capacity product – a certain amount of capacity for all gas days in a certain quarter (starting from October 1, January 1, April 1 or July 1),
- monthly standard capacity product – a certain amount of capacity for all gas days in a certain month (starting from 1st day of each month)
- daily standard capacity product – a certain amount of capacity for a gas day,
- within-day standard capacity product – a given amount of capacity for a specific period within a single gas day (starting from a particular hour within the gas day until the end of the same gas day)

Standard capacity products are provided by the operator for the firm and interruptible capacity. Interruptible capacity is provided by the operator at the transmission system entries and the transmission system exits at which there is no available firm capacity or at which technical conditions of the transmission system do not enable of firm capacity offering.

Contracting of the transmission capacities is carried out in accordance with the Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EC) No 984/2013 (CAM Regulation) and Network Code of the Transmission System („Official Gazette“, No. 50/18, 31/19, 89/19, 36/20, 106/21, 58/22 and 9/24; hereinafter: Network Code) and the transmission system operator provides the possibility of contracting all standard capacity products at all points of the transmission system.

The standard capacity product is expressed in the energy unit kWh/day and kWh/h at Gross Calorific Value under normal conditions.

3.2. Non-transmission services

The transmission system operator Plinacro Ltd. in addition to the gas transmission service, provides also the following services in accordance with the provisions of the Gas Market Act and the Network Code:

(i) connection service to the transmission system and increase in the connection capacity, and

(ii) non-standard services.

The Gas Market Act establishes the regulatory framework for these services, with Article 80 of the Act specifying the conditions for connecting to the transmission system. It clearly states that the costs arising from the connection to the transmission system and maintaining the connection are borne by the customer requesting the connection, and such costs cannot be included in the tariff items for gas transmission.

Connection services to the transmission system, the increase of connection capacity, and non-standard services, which are provided upon the request of the user and whose costs are not related to investment in infrastructure that is part of the regulated assets for the provision of transmission services, are classified as non-transmission services.

Their scope and method of calculation are regulated by separate bylaws - the Methodology for Determining the Connection Fee for Gas Distribution or Transmission System and for Increasing Connection Capacity ("Official Gazette", No. 48/18) and the Methodology for Determining the Price of Non-Standard Services for Gas Transmission, Gas Distribution, Gas Storage, LNG Reception and Delivery, and Public Gas Supply Services ("Official Gazette", No. 48/18, 25/19, 134/21 and 9/22). These acts regulate the regulatory framework to ensure that revenues from non-transmission services are collected through fees that correspond to incurred costs, thus ensuring that they are non-discriminatory, objective, and transparent, and in compliance with the requirements of Article 4 of NC TAR.

The Methodology for determining the price of non-standard services for gas transmission, gas distribution, gas storage, reception and delivery of liquefied natural gas and public gas supply determines the structure of the price list of non-standard services, the method, elements and criteria for calculation of the price for non-standard services, the method of calculating the average price of the working hour, number of worker-hours necessary to perform a particular non-standard service and adoption, publishing and implementation of the non-standard services price list.

The price for each of the non-standard services is calculated as the product of the number of worker-hours determined according to the Methodology for all non-standard service providers and the average price of working hour determined by HERA for the regulatory period.

The average price of the working hour is determined for all years of the regulatory period, separately for each non-standard service providers and for the transmission system operator it is determined according to the following formula:

$$PC^{OTS}{}_{RR} = \frac{TO^{OTS}{}_{T-2}}{GF_{T-2} \times BR^{OTS}{}_{T-2}} \times (1 + CPI_{RR})$$

where is:

PC^{OTS}_{RR} - average price of the working hour of the transmission system operator for a regulatory period,

TO^{OTS}_{T-2} – the cost of ensuring the working conditions of the transmission system operator in the year T-2,

GF_{T-2} – annual working hours fund excluding holiday hours for the year T-2,

BR^{OTS}_{T-2} – number of workers employed at the transmission system operator on December 31 of the year T-2,

CPI_{RR} – planned average consumer price index for the regulatory period.

The cost of ensuring working conditions is determined based on shares of particular justified business expenses and depreciation of regulated assets of the transmission system operator realized in the year T-2.

In the current regulatory period, the transmission system operator Plinacro Ltd. calculates non-standard services for transmission system users according to the Decision on the Price List of Non-Standard services of the transmission system operator (Official Gazette", No. 108/22). According to that Decision, the average price of the working hour of the transmission system operator for the third regulatory period from October 1, 2022, until December 31, 2025 is determined in the amount of 190 HRK/h (25.22 EUR/h) without VAT and new price for the following regulatory period 2026-20230 will be determined by a new decision based on the realized operating costs and the depreciation from 2024.

Methodology for determining the connection fees for the gas distribution or transmission system and increases in the connection capacity defines: categories of connections to the gas distribution or transmission system, groups of work complexity, methods, elements, and criteria for calculating the connection fees to the gas distribution or transmission system and for increasing connection capacity, as well as the adoption, publication, and application of the connection fee.

The fee for the connection to the transmission system consists of the cost of the extraordinary creation of technical conditions within the transmission system and the cost of constructing the connection to the transmission system, and it is to be paid by the connection investor.

The elements for determining the cost of the extraordinary creation of technical conditions within the transmission system are established by the study prepared according to the provisions of the Network Code and the related cost for extraordinary creation of technical conditions is equal to the cost of constructing new components of the transmission system as determined by such a study.

The cost of connection to the transmission system consists of the cost of preparatory and finishing works and the cost of constructing the connection and depends on the connection category and the complexity of works, as well as the number of working hours necessary for execution of such works and it is calculated based on the determined unit price of a worker's hour that performs the tasks of a particular complexity group.

The cost of preparatory and finishing works for the regulatory period is determined by the formula:

$$TG = B_{rs} \times JC_{rs}$$

Where is:

TG cost of preparatory and finishing works for a particular group of complex work,

B_{rs} required number of working hours for work performed for a single complexity group,

JC_{rs} unit price of a worker's hour that performs the tasks of a particular complex group.

For each complexity group, the unit price of the working hour is set for the regulatory period according to the following formula:

$$JC_{rs} = PC_{rs} \times k_{kp} \times k_{sr}$$

Where is:

JC_{rs} unit price of a worker's hour that performs the tasks of a particular complexity group,

PC_{rs} price of average working hour,

k_{kp} connection category coefficient,

k_{sr} coefficient of work complexity.

The average price of the working hour is determined by HERA for each regulatory period according to the Methodology for determining the price of non-standard service for gas transmission, gas distribution, gas storage, reception and delivery of liquefied natural gas and public service of gas supply.

In the current regulatory period, the gas transmission operator Plinacro Ltd. calculates the fee for connection in the part concerning preparatory and finishing works in accordance with the Decision on the fee for connection to the gas distribution or transmission system and increase of connection capacity („Official Gazette“, No. 108/22).

From the described methodologies and calculations follows that fees for listed non-transmission services reflect the actual costs of offering such services, and the planned revenues from these services are excluded from the total allowed revenue during the tariff calculation process for the next regulatory period. This is done to prevent cross-subsidization of these services by transmission system users who are subject to transmission tariffs, by ensuring these services are not included in the operational costs included in the operator’s allowed revenue.

Planned allowed revenue for the transmission system operator is calculated according to the formula that clearly separates any potential revenue generated from non-transmission services from the calculation of the allowed, as deductible items:

$$DP^{P}_{t} = OPEX^{P}_{t} + A^{P}_{t} + PRO^{P}_{t} + PV\delta_{t} - \left(P_{PRIK}{}^{P}_{t} + P_{NU}{}^{P}_{t} + P_{OST}{}^{P}_{t}\right)$$

where is:

- DP^{P}_{t} - planned allowed revenue in regulatory year t,
- $OPEX^{P}_{t}$ - planned operating expenditures in regulatory year t,
- A^{P}_{t} - planned depreciation of regulated assets in regulatory year t,
- PRO^{P}_{t} - planned return from regulated assets in the regulatory year t,
- $PV\delta_{t}$ - part of the difference between revised allowed revenues and realized revenues in year T-1 and in the previous years of the regulatory period expressed in the regulatory year t,
- $P_{PRIK}{}^{P}_{t}$ - planned revenues from the connection fee and the increase in the connection capacity in the regulatory year t,
- $P_{NU}{}^{P}_{t}$ - planned revenues from non-standard services in the regulatory year t,

$P_{OST}{}^{P}{}_{t}$ - other planned operating revenues that do not relate to the core business of the transmission system operator.

Based on the analysis of the public consultation, the ACER's recommendation is that HERA in its final decision describes its methodologies in more details, as well as the method of calculation of revenue from non-transmission services, so therefore this Decision includes basic information on the method of calculation of revenue from non-transmission services. Adoption of separate methodologies for transmission and non-transmission services is prescribed by Article 94 of the Gas Market Act, so therefore comprehensive information and the method of calculation of non-transmission service are included in the Methodology for determining the price of non-standard service for gas transmission, gas distribution, gas storage, reception and delivery of liquefied natural gas and public service of gas supply listed above and the Methodology for determining the fee for connection to the gas distribution or transmission system and increase of connection capacity.

3.3. Information on the allowed revenue of the transmission system operator for transmission services and the proposed allocation of allowed revenue

According to the Methodology for Determining the Amount of Tariff Items for Gas Transmission, the planned allowed revenue should cover the justified operating costs incurred by performing the services of gas transmission and to provide a return on regulated assets. For a given year of regulatory period, it consists of:

- planned operating costs,
- planned depreciation of regulated assets,
- planned return on regulated assets.

The resulting amount of allowed revenue is then reduced by the planned non-transmission revenues, namely revenues from connection fees and capacity increase charges, as well as the planned revenues from non-standard services, for which the fee amounts are determined according to separate methodologies. Additionally, it is reduced by planned other business revenues not related to the operator’s core operations. At the end of the regulatory period, a reconciliation of revenues (regular revision of revenues) is performed, which serves as a corrective mechanism to account for any discrepancies between the actual revenues achieved and the estimated input parameters used for calculating the allowed revenue. Any difference between the actual revenues for the regulatory period and the revised allowed revenues for that period results in an increase or decrease in the planned allowed revenues for the following regulatory period.

For the current, third regulatory period, in accordance with the Methodology for Determining the Amount of Tariff Items for Gas Transmission, HERA, in the process of determining the planned return and planned depreciation of regulated assets as elements for calculating allowed revenue, has conducted an analysis of the economic efficiency of the regulated assets of the transmission system operator, Plinacro Ltd. As a key parameter for the economic justification of investments in long-term assets, the utilization of contracted capacities in the transmission system was applied. Based on this, the justified amount of depreciation and return on regulated assets in the allowed revenue calculation was determined.

The capacity utilization of all exit points from the transmission system was applied as an indicator of the system’s capacity utilization. This was calculated using the achieved values of maximum capacity utilization, contracted capacities, and technical capacities of exit points from the transmission system

in previous years. Subsequently, the planned capacity utilization for all exit points was projected for future years based on the planned contracted and technical capacities.

For 2026, the first tariff year of the upcoming regulatory period, the transmission system operator, Plinacro Ltd., envisages a planned total allowed revenue of €78.2 million, which represents an increase of €23.8 million compared to the approved revenue for 2025, as determined by HERA in 2020 under the Decision on the Rejection of the Regular Audit of the Second Regulatory Period 2017-2020 and the determination of tariff items for gas transmission of the third regulatory period 2021-2025 for the energy undertaking Plinacro Ltd. Zagreb, Class: 310-45/20-02/65, Reg. No: 371-04-20-10, from December 28, 2020 (hereinafter: the Decision for the Third Regulatory Period). This increase is expected due to the alignment of operating costs with actual outcomes, the inclusion of new investments in regulated assets, taking into account the economic efficiency parameters and capacity utilization of the transmission system, which does not result in the decrease of the justified depreciation value and return in the allowed revenue.

Based on the analysis of the public consultation, the ACER's recommendation was that HERA, when applying economic efficiency and determining the allowed revenue for the years of the next, fourth regulatory period, takes into account that tariff item amounts reflect actually incurred costs, including the corresponding operator's return of investment, to the extent that such costs match the costs of the efficiently and structurally comparable system operator. As a guideline for that recommendation ACER referred to the obligation to carry out efficiency comparison between transmission system operators, as prescribed by Article 19 (2) of Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets for renewable gas, natural gas and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009 (recast) (hereinafter: The Regulation 2024/1789), the results of which are expected in 2027.

It is noted that, for the calculation of the indicative amounts of allowed revenue given in Table 3, projected by the operator Plinacro Ltd., the values of the transmission system technical capacities, as well as other elements prescribed by the Methodology for determining the justified values of long term tangible asset through the analysis of economic efficiency, were used. These resulted in a planned capacity utilization level which, when applying the formula prescribed by the Methodology, does not reduce the value of the operator's long-term tangible assets. For the determination of the final reference prices of transmission services for the next regulatory period 2026-2030, in accordance with the Methodology, HERA will consider justification of the projected elements of the economic efficiency analysis used for calculation of indicative amounts of allowed revenue and will also take into account updated projections of planned contracted capacities.

Further, the NC TAR in Article 8(1) prescribes that for the calculation of tariffs by application of the *Capacity Weighted Distance – CWD Methodology* the entry-exit split shall be 50/50, but that ratio is not prescribed as obligatory in the final proposed methodology.

Taking into account that one of the goals of the chosen methodology for determining transmission tariffs is to ensure non-discrimination and prevention of unjustified subsidization between different system users, HERA considers justified to continue applying the current ratio 60:40 which is proved by lower index amount of CAA cost distribution in relation to the 50:50 ratio.

Such breakdown between the revenue, based exclusively on contracted capacity, independent from transported gas volumes, with revocation of the discount on the entry point of the LNG terminal, applicable in the last five years, significantly reduces the risk of cross-subsidization by system users, measured exactly by the results of the CAA cost allocation comparison index.

Table 3 below also presents the allocation of the allowed revenue of the transmission system operator to the revenue from entry and exit points, for the period 2026–2030.

Table 1 Projected allowed revenue of the transmission system operator based on indicative tariff items for the years 2026–2030, according to the proposal by Plinacro Ltd.

u 000 EUR	***4th regulatory/tariff period***				
	2026	***2027***	***2028***	***2029***	***2030***
Projected Allowed Revenue (AR) in the Regulatory Year	78,193	78,718	79,245	7,977	80,312
Share of AR from Capacity	*100%*	*100%*	*100%*	*100%*	*100%*
Share of AR from Commodity	*0%*	*0%*	*0%*	*0%*	*0%*
Share of Revenue from Entries	*60%*	*60%*	*60%*	*60%*	*60%*
Share of Revenue from Exits	*40%*	*40%*	*40%*	*40%*	*40%*
Revenue from Entries	46,916	47,231	47,547	47,866	48,187
Revenue from Exits	31,277	31,487	31,698	31,911	32,125

The allowed revenue for the year 2025, as the last year of the current regulatory period, was determined by the Decision for the third regulatory period, in the amount of EUR 54,391,927. For the calculation of tariff items, the revenue distribution ratio of 60 % from entry points and 40 % from exit points of the system was applied.

The share of revenues expected to be generated from all system entry points for the year 2026 is EUR 46.9 million (60 %), while the revenue from exits is expected to amount to EUR 31.3 million (40 %).

Regarding the capacity and commodity split, in accordance with the provisions of Article 4, Paragraph 3 of NC TAR, it is proposed that the total allowed revenue for the operator in the upcoming regulatory period will be derived exclusively from the contracted standard capacity products. Consequently, in the next regulatory period, there is a capacity-to-commodity revenue ratio of 100 %: 0 %.

The total allowed revenue refers to the revenues the operator generates from the sale of short-term and long-term capacities of the transmission system.

The transmission system operator carries out the capacity booking process in accordance with the provisions of Regulation 2017/459 from March 17, 2017, on establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No. 984/2013 and offers the possibility to contract all envisaged standard capacity products at all points of the transmission system.

In the public consultation HERA analysed also the results in case of the application of equal ratio of distribution from revenues entries and exits, but the results showed that such distribution does not meet the requirements of cost allocation comparison index within the prescribed level of 10%.

Participants in the public consultation had no objections to the proposed ratio of revenue allocation ratio.

Consequently, it is deemed justified to maintain the same allocation of revenues between entries and exits as is in the current period.

3.4. Homogeneous groups of points of the transmission system

Article 6 of NC TAR prescribes the application of the methodology for determining the reference price at all entry and exit points of an entry-exit system.

According to the definition in NC TAR, homogeneous groups of points comprise a group consisting of one of the following types of entry–exit points of the transmission system, which may be included in a homogeneous group for the purpose of harmonising tariffs for all points within such a group: entry interconnection points, exit interconnection points, domestic entry points, domestic exit points, entry points from gas storage facilities, exit points to gas storage facilities, entry points from LNG facilities, exit points to LNG facilities and entry points from production facilities.

Accordingly, for the application of the methodology based on the „Postage Stamp“ principle in the gas transmission system of the Republic of Croatia, homogeneous groups of points determined under the applicable Methodology are retained, and tariff items for these groups are determined as specified in Table 4, thereby ensuring consistency in the regulation of the gas transmission services.

Since a 100% discount is applied to exits from the transmission system to the gas storage in order to avoid double charging for gas transport into and from the gas storage, there is no tariff item determined for that exit point.

Table 4 Homogeneous groups of points of the transmission system in the Republic of Croatia and the corresponding tariff item marks

Entry/exit group	***Tariff item mark***
Entry groups into the transmission system	
Entry at interconnection (kWh/day)	$T_{U,IN}$
Entry from production (kWh/day)	$T_{U,PR}$
Entry from the gas storage facility (kWh/day)	$T_{U,SK}$
Entry from the LNG terminal (kWh/day)	$T_{U,UPP}$
Exit groups from the transmission system	
Exit at interconnection (kWh/day)	$T_{I,IN}$
Exit in Croatia (kWh/day)	$T_{I,HR}$

3.5. Planned contracted transmission system capacities for the period 2026-2030

The planned contracted capacities of the homogeneous groups of entry and exit points of the transmission system for the period 2026-2030 included in the calculation of indicative tariffs for the next regulatory period, are based on the following assumptions:

- planned contracted capacity at entry from the LNG terminal is increased due to the expansion of the terminal’s maximum regasification capacity, resulting with the planned maximum contracted capacity in 2026 of 103,589 MWh/d and 145,025 MWh/d for 2027. It is also

planned that this entry point completely dominates the supply chain, therefore no significant gas import through interconnections are anticipated in the next regulatory period;

- the capacity at entry from production is planned in somewhat higher amounts in the period 2026-2028 with regards to 2025, due to exploitation of new production fields on the mainland but with the downward trend in the regulatory period;
- planned contracted capacity of entry from the gas storage is planned at the same amount of 34.853 MWh/d for all years of the next regulatory period;
- planned contracted capacity on exists at interconnections is planned to be increased considering the increase of technical capacity, starting from 2027, in the way that it is planned to contract 16,079 MWh/d at the exist Rogatec towards Slovenia and 40,864 MWh/d at the exit Donji Miholjac towards Hungary;
- exits in Croatia in 2026 are expected in the amount of 104,133 MWh/day, according to contracted capacities in the previous two years and with the increase of contracting by end consumers on the transmission system in the amount of 18,000 MWh.

Planned contracted capacities per homogeneous group of points of transmission system, used for the calculation of indicative reference prices for the period 2026-2030 from public consultation, are shown in Table 5.

Table 2 Planned contracted capacities for homogeneous groups of entry and exit points of the transmission system for the period 2026-2030

Planned contracted capacities at entry/exit points (kWh/day)	***4th regulatory/tariff period***				
	2026	**2027**	**2028**	**2029**	**2030**
Entry at interconnection	0	0	0	0	0
Entry from production	16,392.420	16,051.706	15,436.224	12,124.552	10,737.891
Entry from gas storage system	34,852.485	34,852.485	34,852.485	34,852.485	34,852.485
Entry from LNG terminal	103,588.625	145,024.076	145,024.076	145,024.076	145,024.076
Exit at interconnection	15,848.146	56,942.882	56,327.401	53,015.728	51,629.067
Exit in Croatia	104,132.899	104,132.899	104,132.899	104,132.899	104,132.899

In the document of the public consultation analysis ACER recommends HERA when adopting this Decision to provide a more detailed explanation of the manner in which short-term capacities were considered for calculation of reference prices, as well as the related results of the cost allocation assessment (CAA). In Table 5 there are planned contracted capacities used for calculation of indicative reference prices for the period 2026-2030, which were calculated for each particular entry and exit as the sum of planned contracted capacities on the annual level, but also of the capacities on the quarterly and monthly level converted to the annual level, so that the calculation of reference prices reflects the totality of capacity usage and revenues the operator generates from contracted capacities. This approach ensures objective and comparable results of the CAA analysis in both simulated methodologies (CWD and “Postage stamp”), which are not under the influence of different methods of optimization of capacity contracting (yearly and non-yearly) at entry points compared to the exit points of the transmission system.

For calculation of indicative reference prices, the coefficient ($k_{PG,kap}$) was used, and it reflects the share of revenue of the contracted firm capacity on annual, quarterly and monthly level and which according to the capacity projection amounts to 0.9. The difference to the total amount of the allowed revenue is to be collected from contracting non-yearly standard capacity products on daily and intraday level with the application of multipliers and seasonal factors.

For determination of final reference prices of transmission services for the next regulatory period 2026-2030, in accordance with the Methodology, HERA will apply the coefficient ($k_{PG,kap}$), which reflects the share of revenue of the contracted permanent capacity on annual level, whereas the difference to the total amount of allowed revenue will be planned to be collected from contracting all non-yearly standard capacity products, with the application of multipliers and seasonal factors. For current regulatory period 2021-2025 reference prices were calculated using the coefficient ($k_{PG,kap}$) in the amount of 0.76.

4. JUSTIFICATION FOR SELECTING THE ELEMENTS OF THE METHODOLOGY FOR DETERMINING THE REFERENCE PRICE FOR GAS TRANSMISSION SERVICES

Allocation of allowed revenue and determination of tariff items is based on the concept of the entry-exit model of homogeneous group of points, by applying the same tariff item for gas transmission for each individual entry point and each individual exit point within the same homogeneous group of points, regardless of the length of the transmission route - the principle of „Postage Stamp."

Principal guidelines of the proposed methodology are as follows:

- transparency in application;
- simplicity of calculation of reference prices by using less input parameters - allowed revenue of the operator (AR), ratio of AR split on entry and exit points and forecasted contracted capacities per individual transmission system homogenous point;
- the users are enabled to obtain the same calculation of reference prices for current and future tariff periods;
- more precise forecasts of future tariff developments given the fact that the selected methodology does not take into account the distance between entry and exit points as cost driver of transmission system, which would in that case significantly increase the complexity in the tariff calculation model, as it would require monitoring of operators investments in new assets incurring change of transmission network length. Moreover, new entry or exit system point would have a different impact on the movement of reference prices for individual entry and exit point of the transmission system,
- non-discrimination of individual system users through the application of homogenization, whereby users pay the same fee for a given services;
- encouraging investments in energy sector based on transparent regulatory framework and pre-determined transmission tariffs for the next 5 years,
- reduction of energy poverty and promotion of economic development in less developed and distant areas of the Republic of Croatia with regards to transmission system entry points;
- protection of gas consumers and avoiding of price discrimination of users living in areas distant from transmission system entry points;
- the „Postage Stamp" principle ensures that significant volume risk related particularly to transport across an entry-exit system is not transferred to final customers within that entry-exit system,

- all transmission system users proportionally gain advantage from transmission price changes due to the change in the level of contracted capacities;
- investments in the transmission system are consequently shared equally by all system users, regardless of their location, and likewise, all system users gain proportional benefits from reduction of transmission costs due to economies of scale under higher bookings of capacities.
- in the current regulatory period, the Methodology has contributed to ensuring the security of natural gas supply in the Republic of Croatia and neighbouring countries due to the significant usage of the LNG terminal and gas exports to neighbouring countries.

Therefore, HERA considers "the Postage Stamp" methodology, due to the aforementioned factors, as the most appropriate for application in the Croatian transmission system. In support of this choice of the methodology, it is important to note that during the public consultation the energy market participants did not raise any objections to the choice of the methodology. Furthermore, its application ensures consistency in regulation, considering that the same method of allocating allowed revenue is applied under the valid Methodology. Additionally, in its analysis of the public consultation, ACER assessed the methodology and its elements, as fully compliant with the requirements of from Article 7 of NC TAR, whereby in comparison with the reference methodology based on *Capacity Weighted Distance* (further: CWD methodology) the proposed methodology resulted in the necessary level of reflection of actual system costs.

In order for the users to have the possibility to calculate indicative transmission tariffs for the next regulatory/tariff period 2026-2030, HERA published on its website as an element of the public consultation, a *Simplified Tariff Model* in accordance with NC TAR, enabling users to enter their own estimates of certain parameters and based on these, calculate the corresponding tariffs.

For the year 2025, the last year of the current, third regulatory period, the tariff calculator is used, developed on the basis of the valid Methodology and the Decision on the Amounts of Tariff Items for Gas Transmission ("Official Gazette", No. 108/22) by the transmission system operator Plinacro Ltd. within SUKAP system and available at the following link: *http://www.sukap.plinacro.hr.*

Considering that this Decision contains amounts of indicative tariffs, HERA will publish a separate decision with the final amounts of reference prices, i.e. tariff items for gas transmission and the related information for the years of the next regulatory period 2026-2030, in line with the deadlines from Article 94 of the Gas Market Act.

4.1. Adjustments of tariffs at entry points from and exit points to transmission system

NC TAR envisages only adjustments of tariffs at entry and exit points connecting gas storage facilities and at entry points from LNG facilities.

HERA shall make a separate decision on these elements, while for the purpose of calculating indicative reference prices for gas transmission by this Decision, following discount amounts were applied:

- 90% discount at entry point to the transmission system from storage facilities,
- 100% discount at exit point from the transmission system to storage facilities and entry of gas into the gas storage system, in order to avoid double billing for gas transport into the gas storage and from the gas storage

The discount of 15% at entry point to the transmission system from LNG facilities, in effect in the last 5-year regulatory period, is revoked.

Considering that, since the commencement of operations of the LNG terminal, the level of contracted terminal capacity remained high and that the existing LNG terminal capacities are highly contracted until the gas year 2036/2037, including the additional capacities resulting from the expansion of the LNG terminal completed in October of 2025, which significantly increases the security of gas supply for the Republic of Croatia and neighbouring countries, HERA does not consider the continued application of the discount to be justified.

Besides, even distribution of transmission costs across all entry points of the transmission system can encourage additional investment in domestic gas production and enable users to optimally manage their short-term transmission system capacity portfolio, thereby providing greater flexibility and competitiveness of different supply routes and energy portfolios for market participants. Finally, the revocation of this discount completely avoids any cross-subsidization among users contracting entry capacities in the transmission system.

ACER in its conclusion regarding public consultation in the chapter 5.1.5. refers to the revocation of this discount with the assessment that the reasons for revocation and the results are justified and emphasizes that the NC TAR with its provision on regular and mandatory five-year public consultation on the elements of the methodology, allows for the variability of all elements of the methodology for determining the reference price, including the discount. Discounts on specific transmission system points are exceptionally allowed for limited and clearly defined purpose, which, in case of the LNG terminal and ensuring security of supply, after five years of application, a high levels of terminal capacity bookings, as well as investments in capacity enlargement, cannot be deemed necessary. In conclusion, ACER assesses that the proposed methodology, with the proposal to eliminate the discount, does not adversely affect cross-border trade.

4.2. Cost drivers and cost allocation assessment for chosen reference price model

The purpose of the cost allocation assessment (CAA) in a manner laid down by NC TAR is to indicate the degree of cross-subsidisation between intra-system and cross-system network users i.e. the transmission system users.

Assessment indicates the ratio between expected revenues and related contracted capacity levels, as factors that influence the system costs, separately reported for intra-system and cross-system network use, according to calculations set out in Article 5 of the NC TAR. The same article specifies that cost allocation assessment relating to revenues recovered by the capacity-based transmission tariffs, shall be based on the cost drivers of:

i. technical capacity, or

ii. forecasted contracted capacity, or

iii. technical capacity and distance, or

iv. forecasted contracted capacity and distance.

Considering the listed cost drivers and the „Postage Stamp“ principle characteristics, when performing cost allocation assessment, HERA applies a **forecasted contracted capacity** as a relevant cost driver, moreover as this element is included in the chosen methodology for determining the reference price for gas transmission services.

Further in this document are shown the results of cost allocation assessment based on several comparable input parameters, and the resulting tariffs, all compared with CWD methodology as counterfactual in order to benchmark the chosen „Postage Stamp“ methodology in a relevant manner.

An overview of transmission system cost drivers for providing cost allocation assessment and tariffs according to contracted capacity and distances for 2026 is given in Table 6, whereas distance factor weighted by capacity for the purpose of calculating parameters according to the CWD methodology represents numeric value according to calculations referred to in Article 8 of NC TAR, combining capacities in kWh and weighted average distance in km, through the execution of multiple prescribed combined mathematical calculation steps.

Table 6 The results of cost allocation assessment and tariffs according to contracted capacity and distances for 2026, according to parameters from Article 8 of NC TAR

CONTRACTED CAPACITY AND DISTANCE (CWD MODEL)			
Allowed total revenue from capacity (EUR)	**78,193.355**	**Indicative reference prices - tariffs**	**EUR/kWh/day**
Revenue from contracted capacity (EUR)	70,374.020	**Exit tariffs**	
Entry share	50%	Exit at interconnection	0.4849
Exit share	50%	Exit in Croatia	0.2641
Entry revenues (EUR)	35,187.010	**Entry tariffs**	
Exit revenues (EUR)	35,187.010	Entry from storage	0.0114
Entry revenues dedicated for Intra-system (EUR)	33,642.209	Entry from production	0.2559
Entry revenues dedicated for Cross-system (EUR)	1,544.801	Entry at interconnection	0.0000
Exit revenues dedicated for Intra-system (EUR)	27,502.050	Entry from LNG terminal	0.2954
Entry revenues dedicated for Cross-system (EUR)	7,684.960		
Revenues from Intra-system (EUR)	61,144.259		
Revenue from Cross-system (EUR)	9,229.761		
Cost drivers (capacity and distance)		**Cost allocation index**	
Intra-system for entries	25,505,524.155	Intra-system	0.00119
Intra-system for exits	25,792,248.410		
Total –Intra-system	51,297,772.565		
Cross-system for entries	1,528,747.993	Cross-system	0.00135
Cross-system for exits	5,282,145.589		
Total – Cross-system	6,810,893.582	**CAA**	**12.81%**

In case of a change in the entry/exit ratio in the CWD model from 50:50 to the ratio of 60:40 according to the "Postage Stamp" methodology, the CAA index results in 3.43%, but with significant increase in tariff items at entry from the LNG terminal and significant distortion of tariff items at exits from the transmission system.

The results of the cost allocation (CAA) and the resulting tariffs using the contracted capacity factor according to the chosen "Postage Stamp" methodology for 2026 are presented in the Table 7.

Table 7 The results of CAA and tariffs according to the contracted capacity for 2026, according to the "Postage Stamp" methodology

CONTRACTED CAPACITY („POSTAGE STAMP" METHODOLOGY)			
Allowed total revenue from capacity (EUR)	**78,193.355**	**Indicative reference prices – tariffs**	**EUR/kWh/day**
Revenue from contracted capacity (EUR))	70,374.020	**Exit tariffs**	
Entry share	60%	Exit at interconnection	0.2346
Exit share	40%	Exit in Croatia	0.2346
Entry revenues (EUR)	42,224.412	**Entry tariffs**	
Exit revenues (EUR)	28,149.608	Entry from gas storage	0.0342
Entry revenues dedicated for Intra-system (EUR)	40,351.570	Entry from production	0.3420
Entry revenues dedicated for Cross-system (EUR)	1,872.841	Entry at interconnection	0.3420
Exit revenues dedicated for Intra-system (EUR)	24,429.578	Entry from LNG terminal	0.3420
Exit revenues dedicated for Intra-system (EUR)	3,717.975		
Revenue for Intra-system (EUR)	64,781.148		
Revenue for Cross-system (EUR)	5,590.817		
Cost drivers (forecasted capacity)		**Cost allocation index**	
Intra-system for entries	148,104.454	Intra-system	0.22564
Intra-system for exits	138,985.384		
Total –Intra-system	287,089.838		
Cross-system for entries	6,729.076	Cross-system	0.24763
Cross-system for exits	15,848.146		
Total – Cross-system	22,577.223	**CAA**	**9.29%**

The cost allocation index for 2026, with a revenue ratio of 60:40 between entry and exit points, as in the current regulatory period, is 9.29% which is below the 10% threshold set out in Article 5 of NC TAR. This confirms that the selected methodology meets the conditions for the cost allocation between intra-system and cross-system network use.

Considering that in 2027 there will be a significant increase in entry capacity from the LNG terminal, as well as the exit capacity at both existing interconnections, with approximately similar planned allowed revenues for 2027, the proposed "Postage Stamp" methodology results in a decrease in tariff

amounts at all points of the transmission system, with a cost allocation index of 3.72%. When applying the allocation of allowed revenues according to a 50:50 ration, the CAA results in a value of 19.61%. In the document of the public consultation analysis ACER recommends that HERA publish a comparison of all tariff amounts for each individual exit point from the transmission system, rather than the aggregated and weighted amounts that HERA published for the CWD methodology, to allow comparison with the selected methodology for homogenous transmission system points.

Accordingly, Table 8 provides comparison of the tariff item amounts resulting from the CWD methodology, with a 50:50 ratio, for each active exit point from the transmission system with indicative tariff item amounts according to the selected "Postage Stamp" methodology.

Table 8 Comparison of tariff items resulting from the CWD methodology and the chosen "Postage Stamp" methodology for 2026

Name of connection	***CWD (EUR/kWh)***	***"Postage Stamp" (EUR/kWh)***	***Name of connection***	***CWD (EUR/kWh)***	***"Postage Stamp" (EUR/kWh)***
Baranja	0.5455	0.2346	Kukunjevac	0.2908	0.2346
Bjelovar	0.2758	0.2346	Kumrovec	0.2732	0.2346
Dugo Selo	0.2136	0.2346	Kutina I - Petrokemija Kutina	0.2537	0.2346
Ivanić Grad	0.2151	0.2346	Legrad	0.3595	0.2346
Konjščina	0.2638	0.2346	Lipovica	0.2278	0.2346
Kutina	0.2476	0.2346	Lipovljani	0.2690	0.2346
Međimurje	0.3642	0.2346	Magadenovac	0.4881	0.2346
Našice	0.4487	0.2346	Magadenovac - Farma	0.4881	0.2346
Nova Gradiška	0.3544	0.2346	Marijanci	0.5054	0.2346
Novi Marof	0.2912	0.2346	Molve selo	0.3381	0.2346
Osijek - Đakovo	0.5355	0.2346	Narta	0.2613	0.2346
Požega	0.4501	0.2346	Našice grad	0.4743	0.2346
Slatina	0.3850	0.2346	Negoslavci	0.5652	0.2346
Varaždin	0.3423	0.2346	Ogulin	0.1545	0.2346
Virovitica	0.3453	0.2346	Okoli	0.2247	0.2346
Zagreb	0.2028	0.2346	Orahovica	0.4955	0.2346
Vukovar	0.5819	0.2346	Osijek I -TE-Os1	0.5581	0.2346
Badljevina	0.3198	0.2346	Osijek I - TE-Os2	0.5581	0.2346
Bedekovčina	0.2440	0.2346	Osijek I - HEP Kotlovnica	0.5581	0.2346
Belišće	0.5192	0.2346	Pakrac I	0.3062	0.2346
Belišće	0.5192	0.2346	Pakračka Poljana	0.2791	0.2346
Benkovac	0.4095	0.2346	Pitomača	0.3221	0.2346
Biograd	0.4370	0.2346	IP Kalinovac 5	0.3148	0.2346
Bokšić	0.5122	0.2346	IP Kalinovac 5	0.3148	0.2346
Bokšić	0.5122	0.2346	Poreč	0.2221	0.2346
Brezine	0.2851	0.2346	OS Beničanci	0.4822	0.2346

Budrovac staklenici	0.3023	0.2346	Pula	0.1588	0.2346
Cementara Našice	0.4700	0.2346	Rijeka Istok – Rijeka	0.0581	0.2346
Cerje Tužno	0.3587	0.2346	Rijeka Istok - 4 Rafinerija	0.0581	0.2346
Cerje Tužno	0.3587	0.2346	Rijeka West - Rijeka	0.0719	0.2346
Čabdin	0.1784	0.2346	Rijeka West - Rijeka	0.0719	0.2346
Čačinci	0.4994	0.2346	Rovinj	0.1977	0.2346
Čepelovac	0.2982	0.2346	Sirač	0.3257	0.2346
Daruvar	0.3298	0.2346	Sirač - Kamenolom	0.3257	0.2346
Dobrovac - Lipik	0.2950	0.2346	Sisak - Sisak	0.2580	0.2346
Dobrovac - Poljoprivreda Lipik	0.2950	0.2346	Sisak - TE Sisak	0.2580	0.2346
Dobrovac - Staklana Lipik	0.2950	0.2346	Sisak -TO Sisak	0.2580	0.2346
Doljani	0.3265	0.2346	Sisak - TE Sisak	0.2580	0.2346
Donje Međimurje	0.3674	0.2346	Sisak - Gavrilović	0.2580	0.2346
Donje Međimurje	0.3674	0.2346	Sisak - Željezara Sisak	0.2580	0.2346
Donji Andrijevci	0.4794	0.2346	Slavonski Brod	0.4520	0.2346
Donji Andrijevci HEP	0.4794	0.2346	Filling station Slavonski Brod	0.4520	0.2346
Donji Miholjac	0.4850	0.2346	Slobodnica	0.4422	0.2346
Draganac	0.2434	0.2346	Split	0.5498	0.2346
Drniš	0.4987	0.2346	Split	0.5498	0.2346
Dubrovčan	0.2495	0.2346	Straža - Pregrada	0.2843	0.2346
Đurđevac	0.3083	0.2346	Straža -- Staklana	0.2843	0.2346
Ferdinandovac	0.3161	0.2346	Strizivojna - Vrpolje	0.4963	0.2346
Ferovac	0.4579	0.2346	Suha žbuka	0.3113	0.2346
Gaj	0.2810	0.2346	Sv. Ivan Zelina	0.2815	0.2346
Garešnica	0.2825	0.2346	Šenkovec	0.3591	0.2346
Gola	0.3547	0.2346	Šibenik	0.4636	0.2346
Gospić	0.2777	0.2346	Tuheljske Toplice	0.2544	0.2346
Graberje	0.2207	0.2346	Umag	0.2640	0.2346
Gradec - Farma Gradec	0.3280	0.2346	Veliki Grđevac	0.3020	0.2346
Gradec	0.3280	0.2346	Veliko Trojstvo	0.2826	0.2346

Gradečki Pavlovac	0.3280	0.2346	Veliko Trojstvo - Šandrovac	0.2826	0.2346
Grubišno Polje	0.3163	0.2346	Viljevo	0.4232	0.2346
Haganj	0.3130	0.2346	Vinkovci	0.5403	0.2346
Hampovica	0.3213	0.2346	Virje -Novigrad	0.3165	0.2346
Ivanec	0.3692	0.2346	Virje	0.3165	0.2346
Ivankovo	0.5257	0.2346	Vrbovec	0.3322	0.2346
Ivanja Reka	0.2002	0.2346	Zabok - Donja Stubica	0.2309	0.2346
Ivanja Reka - TE-TO Zagreb	0.2002	0.2346	Zabok	0.2309	0.2346
Jakovlje	0.2196	0.2346	Zadar	0.4628	0.2346
Kalinovac	0.3066	0.2346	Zagreb South - EL-TO Zagreb	0.1910	0.2346
Karlovac	0.1817	0.2346	Zagreb West - Samobor	0.2019	0.2346
Klanjec	0.2647	0.2346	Zagreb West - Sv. Nedjelja	0.2019	0.2346
Kloštar Podravski	0.3111	0.2346	Zaprešić	0.2067	0.2346
Knin	0.5300	0.2346	Zaprešić -Pliva	0.2067	0.2346
Končanica	0.3213	0.2346	Žabno	0.3021	0.2346
Konjščina - TE Jertovec	0.2637	0.2346	Županja - Gradište	0.5543	0.2346
Koprivnica II	0.3247	0.2346	Županja	0.5543	0.2346
Krapina	0.2572	0.2346	Županja – Sugar Refinery Županja	0.5543	0.2346
Križevci	0.3143	0.2346	KS Stružec	0.2278	0.2346
Križevci - Ciglana	0.3143	0.2346	Dugo Selo	0.2145	0.2346
Kršan	0.1182	0.2346	IMS Rogatec - Plinovodi	0.2985	0.2346
			IMS Donji Miholjac - FGSZ	0.6042	0.2346

4.3. Assessment of the proposed methodology for determination of the reference price for transmission services

NC TAR prescribes that the reference price methodology shall comply with Article 13 of Regulation (EC) No 715/2009, which was replaced by Article 17, paragraphs 1, 2 and 3 of Regulation 1789/2024, and should meet the following requirements:

a) enabling network users to reproduce the calculation of reference prices and their accurate forecast;

By publishing a simplified tariff model, which is an integral part of the consultation documentation published on the HERA website, and which contains the basic elements for calculating tariff items (forecasted allowed revenue, share of revenue collected through contracted annual capacities,

forecasted contracted capacities and adjustments for individual points of the transmission system (discounts), transmission system users are able to obtain a calculation of indicative reference prices. By changing certain parameters, they are also able to model and predict the movement of reference prices depending on changes in certain parameters.

The method of determining the allowed revenue is prescribed in detail in the Methodology for determining the amount of tariff items for gas transmission, as well as in the related HERA decision determining the amounts of allowed revenue for the next regulatory period.

The amount of the final allowed revenue of the transmission system operator for the years of the fourth regulatory period 2026-2030 will be determined by HERA at the end of the current regulatory period, within the period prescribed by the Gas Market Act.

b) taking into account the actual costs incurred for the provision of transmission services considering the level of complexity of the transmission network;

Despite the fact that the gas market in the Republic of Croatia is relatively small in terms of consumption and flow compared to its adjacent surroundings, it is still complex in structure, as it includes its own gas production onshore and offshore, gas storage, an LNG terminal and two interconnections with neighbouring countries through which gas has been exported from the Republic of Croatia in recent years.

The change in gas flows from southern to central European countries is also supported by Croatia with its LNG terminal capacities and gas pipelines of the transmission system, which contributes to ensuring the security of gas supply not only to the Republic of Croatia, but also to some of the member states of the European Union.

Croatia is currently making additional investments in expanding the capacity of the LNG terminal on the island of Krk and the associated gas pipelines, which will further contribute to the diversification of supply routes to southeastern and central Europe.

The number of final customer connection direct on the transmission system, with large differences in nominal pressure, which require significant adjustments to the pressure in the system and the coordination of all components of the transmission system, also adds to the complexity of the system.

During the past 10 years, the energy strategy of the Republic of Croatia has included significant investment in the modernization and construction of the gas transmission system, which has resulted in increased coverage of the country's gas pipeline system and enabled the use of gas in the less developed regions of Croatia, especially Lika and Dalmatia.

The backbone of this system was the construction of the Bosiljevo-Split main gas pipeline, 292 km long, on which were connected 80 km of regional gas pipelines and 11 MRS. The introduction of natural gas in parts of the country that have the smallest share of GDP in Croatia and with low GDP per capita, had a dual impact. On the one hand, in regions that were dependent on oil, fuel oil and solid fuels, access was enabled to an environmentally friendly energy source, while on the other, the goal was to stimulate economic development of these regions by ensuring a safe and reliable energy source.

The Republic of Croatia is characterized by significant spatial concentration of the economy, which is manifested in the large differences between Croatian regions.

In view of the above, in the context of consideration of the application of the cost of transmission related to the real cost of construction of the system through this area (CWD methodology), the same would result in the transmission cost, i.e. gas use, where those regions with the aforementioned degree

of development could not economically bear without a further negative impact on GDP. It would also be contrary to the Regional Development Strategy of the Republic of Croatia, which aims to contribute to the establishment of activities needed for strengthening development potential of all Croatian regions, reducing regional disparities, and strengthening and developing undeveloped parts of Croatia and all with the goal of overall growth and economic progress of the Republic of Croatia.

c) ensuring non-discrimination and prevent undue cross-subsidisation including by taking into account the cost allocation assessments set out in Article 5 of the NC TAR;

The proposed "Postage Stamp" methodology based on a 60:40 ratio results in a CAA index lower than 10 %, which indicates that the proposed methodology prevents cross-subsidization between network users, thus ensuring non-discrimination. Furthermore, by removing the discount on the entry from the LNG terminal ensures complete equality of all users who in any way provide gas at the entry to the transmission system of the Republic of Croatia, as all users bear the cost of transmission services under equal conditions

d) ensuring that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system;

By evenly distributing costs to all users of the transmission system in the same way and within the contracted capacities, all users bear the costs of the transmission system depending on the planned use of the system. The risk of any cross-subsidization, i.e. the burden of some users being borne by others, is proven by performing the cost allocation assessment, as a result of which, due to the results from the proposed methodology which are within the acceptable range, there is no indication that any users of the system bear the risk associated with the activities of other users.

e) ensuring that the resulting reference prices do not distort cross-border trade;

According to the given allowed revenue allocation in the ratio 50:50, the CWD methodology provides the reference price at exit interconnection points of 0.4849 EUR/kWh/day, which is estimated as a too high level of the item amount with the potential risk of no capacity contracting at interconnections, which would reduce the level of cross-system network usage, which is exactly what the current investment in the transmission infrastructure is aiming to encourage.

Following the above, it is assessed that the proposed postage stamp methodology is in line with the provisions of Regulation 1789/2024 and that it meets the requirements set out in Article 7 of NC TAR.

4.4. Comparison of proposed reference price methodology and CWD methodology

If the proposed reference price methodology is not the CWD methodology described in Article 8 of NC TAR, it would be necessary to compare those two methodologies, with reference to the reference prices calculated based on the chosen elements. Following the above, in the Table 9 there is the comparison of the CWD methodology and the selected "Postage Stamp" methodology, with key input parameters and results for the year 2026.

The comparison results indicate that the application of the CWD methodology would lead to slightly higher levels of cross-subsidisation as reflected in the CAA index of 12.81 % compared to 9.29 % under the proposed "Postage stamp" methodology.

According to the ratio 50:50 of allowed revenue allocation, the CWD methodology results in a reference price at exit interconnection points of 0.4849 EUR/kWh/day, which is assessed as a disproportionately high level that carries a potential risk of (non)contracting capacities at

interconnections. This would reduce the level of cross-border network usage, which is intended to be promoted by current investments in the transmission infrastructure.

Table 9 Comparison of CWD methodology and the chosen "Postage Stamp" methodology for 2026

Comparison parameters	***CWD methodology***	***Selected "Postage Stamp" methodology***
I.) Key input		
Regulation method used	Maximum allowed revenue according to building block approach	
Allocation of allowed revenue to entry / exit points	YES	YES
Distance between entry and exit points of TS	YES	NO
Estimated contracted capacity	YES	YES
Commodity rate	NO	NO
Entry and exit revenue distribution ratio	**50:50**	**60:40**
II.) Cost allocation assessment - capacity-based- Article 5 (1)(a) of NC TAR		
Factor that affects intra-system costs	51,297,772,565	287,089,838
Factor influencing cross-system costs	6,810,893,582	22,577,223
Intra-system capacity ratio	0.00119	0.22564
Cross-system capacity ratio	0.00135	0.24763
Cost allocation index	**12.81 %**	**9.29 %**
Forecasted revenue from intra-system network use	61,144,259	64,781,148
Forecasted revenue from cross-system network use	9,229,761	5,590,817
III.) Cost allocation assessment - commodity-based - Article 5 (1)(b) of NC TAR	N/A	N/A
IV.) Compliance with Article 7 of NC TAR		
Enabling network users to reproduce calculation of reference prices and their accurate forecast	NO	YES
Taking into account the actual costs incurred by providing transmission services to the level of complexity of the transmission network	YES	YES
Ensuring non-discrimination and prevent undue cross-subsidization	YES	YES
Ensuring that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system	YES	YES
Ensuring that the resulting reference prices do not distort cross-border trade (CAA analysis results)	NO	YES
V.) Comparison of reference prices for year 2026	EUR/kWh/day	EUR/kWh/day
Exit reference prices		
Exits at interconnection	0.4849	0.2346
Exits in Croatia	0.2641	0.2346
Entry reference prices		
Entry from the gas storage	0.0114	0.0342
Entry from production	0.2559	0.3420
Entry at interconnection	0.0000	0.3420
Entry from LNG terminal	0.2954	0.3420

4.5. Calculation of indicative reference prices and their forecast

The transmission system users can calculate indicative average reference prices for intra-system network use and cross-system network use based on available data on expected contracted capacities according to the simplified tariff model, as part of the public consultation documentation published on HERA's website. The amount of the allowed revenue and the method of calculation are prescribed in detail by the currently valid Methodology.

5. INDICATIVE REFERENCE PRICES

5.1. Indicative reference prices according to the elements of the selected "Postage Stamp" methodology

Indicative amounts of reference prices, i.e. tariff items for annual standard capacity products for the period January 1, 2026 – December 31, 2030, for the energy entity Plinacro Ltd., Savska cesta 88A, Zagreb, calculated by applying the elements adopted in accordance with this Decision, as well as the forecasted indicative allowed revenues from Chapter 3.3 and forecasted contracted capacities from Chapter 3.5 of this Decision, are listed in Table 10.

Table 10 Indicative reference prices for contracted permanent annual capacity for entries and exits from the transmission system for the period 2026-2030 for the energy undertaking Plinacro Ltd.

Tariff item name	***Tariff item mark***	***Tariff item***	***Indicative reference prices – tariff items (without VAT)***					***Unit***
			2026	***2027***	***2028***	***2029***	***2030***	
Tariff items for contracted permanent annual capacity for entries into the TS	$T_{U,IN}$	Tariff item for the entry at interconnection	0.3420	0.2583	0.2610	0.2682	0.2723	EUR/kWh/day
	$T_{U,PR}$	Tariff item for the entry from production	0.3420	0.2583	0.2610	0.2682	0.2723	EUR/kWh/day
	$T_{U,SK}$	Tariff item for the entry from the gas storage system	0.0342	0.0258	0.0261	0.0268	0.0272	EUR/kWh/day
	$T_{U,UPP}$	Tariff item for the entry from the LNG terminal	0.3420	0.2583	0.2610	0.2682	0.2723	EUR/kWh/day
Tariff items for contracted permanent annual capacity for exits from the TS	$T_{I,IN}$	Tariff item for the exit at interconnection	0.2346	0.1759	0.1778	0.1828	0.1856	EUR/kWh/day
	$T_{I,HR}$	Tariff item for the exit in Croatia	0.2346	0.1759	0.1778	0.1828	0.1856	EUR/kWh/day

5.2. Comparison of reference prices applicable in the current tariff period and reference prices for the period 2026 – 2030

In accordance with the proposed reference price methodology based on the "Postage Stamp" principle, the indicative transmission tariffs for the tariff period 2026-2030 would change compared to the transmission tariffs applicable in the current tariff period 2021-2025, due to the following changes:

- a significant increase in indicative allowed revenues in 2026 compared to the applicable revenues in the current year. The revenue used here does not include the final adjustment of revenues between regulatory periods or any other potential adjustments,
- revocation of the discount for entry from the LNG terminal,
- new projections of forecasted contracted capacities of the transmission system on an yearly and non-yearly basis, with higher levels of contracted capacities compared to current levels, due to the increase in LNG terminal capacities and the construction of additional gas pipelines that will enable increased gas flows and security of supply of the Republic of Croatia and neighbouring countries. The effects of this infrastructure expansion on reducing transmission costs are expected to become visible starting from 2027, with the full activation of the new infrastructure.

Due to the above changes, according to the proposed "Postage Stamp" methodology for determining the reference price, indicative reference prices in the period 2026-2030 would change compared to reference prices for the same kind of transmission service applicable in the current regulatory/tariff period 2021-2025 in accordance with the currently applicable Methodology, as shown in Table 11.

Table 11 Indicative reference prices for the period 2026 – 2030 and currently valid reference prices for years 2024 and 2025, for the energy undertaking Plinacro Ltd.

Tariff item name	***Tariff item mark***	***Reference price in current tariff period (EUR/kWh/day)***		***Indicative reference prices – tariff items (without VAT) (EUR/kWh/day)***					***% change***
		2024	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*	*2026/ 2025*
Tariff item for the entry at interconnection	$T_{U,IN}$	0.3245	0.3249	0.3420	0.2583	0.2610	0.2682	0.2723	*5%*
Tariff item for the entry from production	$T_{U,PR}$	0.3245	0.3249	0.3420	0.2583	0.2610	0.2682	0.2723	*5%*
Tariff item for the entry from the gas storage system	$T_{U,SK}$	0.0324	0.0325	0.0342	0.0258	0.0261	0.0268	0.0272	*5%*
Tariff item for the entry from the LNG terminal	$T_{U,UPP}$	0.2758	0.2761	0.3420	0.2583	0.2610	0.2682	0.2723	*24%*
Tariff item for the exit at interconnection	$T_{I,IN}$	0.1852	0.1844	0.2346	0.1759	0.1778	0.1828	0.1856	*27%*
Tariff item for the exit in Croatia	$T_{I,HR}$	0.1852	0.1844	0.2346	0.1759	0.1778	0.1828	0.1856	*27%*

6. CONCLUSION

HERA, as national regulatory authority, acting in accordance with Article 78(7) of Directive 2024/1788/EC and as a party designated for conducting a regular consultation on methodology for determining the reference price for gas transmission services, hereby establishes by this Decision, the elements for determining the reference price of gas transmission services in accordance with the NC TAR for the next five-year regulatory period, until the next public consultation process which is to be repeated at least every five years.

In accordance with Points 1 and 2 of this Decision, an appropriate amendment of the currently valid Methodology shall be made accordingly.

According to NC TAR, transmission tariffs should be established and presented in a clear and unbiased manner, taking into account the actual costs incurred by providing transmission services and reflecting the level of complexity of the transmission network. This ensures that network users have an insight into the costs underlying transmission tariffs and the possibility to forecast transmission tariffs for subsequent tariff periods to a reasonable extent.

HERA considers that by amending the elements of the reference price methodology as determined by this Decision, rules for harmonized gas transmission tariffs are ensured, as well as mechanisms to avoid any discrimination of users, with the aim of contributing to market integration, improving security of supply and promoting the interconnection of gas networks.

Further to the foregoing, it has been decided as in Points 1 to 4 of the operative part of this Decision.

Pursuant to Article 27(4) of the NC TAR, according to which after publishing the decision on all items from Article 26, this Decision shall be sent to ACER and the Commission upon its publication, therefore it was decided as in Point 5 of the operative part of this Decision.

Pursuant to Article 27(9) of the Act on the Regulation of Energy Activities individual decisions taken by the Board of Commissioners of HERA in exercising its public authorities are published on HERA's website, and therefore, it has been decided as in Point 6 of the operative part of this Decision.

PRESIDENT OF THE BOARD OF COMMISSIONERS

Nikola Vištica, Ph.D.