



THE REPUBLIC OF CROATIA
THE CROATIAN ENERGY
REGULATORY AGENCY
Ulica grada Vukovara 14
10000 Zagreb

Class: 310-34/17-03/03

File no.: 371-01-18-66

Zagreb, 15 June 2018

Pursuant to Article 11, par. 1, item 10 of the Act on the Regulation of Energy Activity (Official Gazette of the Republic of Croatia, no. 120/12), in the administrative procedure of determining the indicative amounts of tariff items for gas transmission at the entry from the terminal for liquefied natural gas and at the exit at the interconnection pursuant to Commission Regulation (EU) 2017/459 of 16 March 2017 on establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013, initiated at the request of the energy entity PLINACRO Ltd., Savska cesta 88A, Zagreb, on the 16th session of the Board of Commissioners of the Croatian Energy Regulatory Agency held on 15 June 2018, the Croatian Energy Regulatory Agency hereby issues a

DECISION

1. The indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the entry into the transmission system from the terminal for liquefied natural gas, indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the exit from the transmission system at the interconnection and indicative amounts of tariff items for gas quantity at the exits from the transmission system are determined for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb, for the purpose of carrying out the binding phase of the Open Season procedure for the project of the Krk liquefied natural gas terminal, from the Request for determining the indicative amounts of tariff items for gas transmission pursuant to Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (Text with EEA relevance), of the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb, of 4 June 2018, 13 June 2018 and 14 June 2018 as stated in Table 1a, Table 1b and Table 1c.

Table 1a Indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the entry into the transmission system from the terminal for liquefied natural gas for the period 2021 – 2040, according to the planned gas transmission scenarios for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb

Capacity booking	Unit (@NCV)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
S1	HRK/kWh/day	1.2592	1.1944	1.1694	1.1406	1.1205	1.0936	1.0654	1.0069	0.9695	0.9336
S2	HRK/kWh/day	1.2271	1.1642	1.1399	1.1120	1.0924	1.0662	1.0389	0.9826	0.9464	0.9116
S3	HRK/kWh/day	1.1602	1.1012	1.0783	1.0522	1.0335	1.0090	0.9835	0.9317	0.8979	0.8654
S4	HRK/kWh/day	1.2550	1.1904	1.1655	1.1368	1.1168	1.0900	1.0619	1.0037	0.9664	0.9307
Capacity booking	Unit (@NCV)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
S1	HRK/kWh/day	0.8991	0.8680	0.8406	0.8141	0.7885	0.7637	0.7002	0.6791	0.6587	0.6390
S2	HRK/kWh/day	0.8782	0.8480	0.8214	0.7956	0.7708	0.7467	0.6847	0.6643	0.6444	0.6253
S3	HRK/kWh/day	0.8342	0.8059	0.7810	0.7568	0.7335	0.7109	0.6521	0.6329	0.6142	0.5962
S4	HRK/kWh/day	0.8964	0.8654	0.8381	0.8117	0.7861	0.7615	0.6981	0.6772	0.6569	0.6372

Table 1b Indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the exit from the transmission system at the interconnection for the period 2021 – 2040, according to the planned gas transmission scenarios for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb

Capacity booking	Unit (@NCV)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
S1	HRK/kWh/day	1.6181	1.5385	1.5063	1.4722	1.4459	1.4170	1.3854	1.3250	1.2831	1.2426
S2	HRK/kWh/day	1.5006	1.4274	1.3977	1.3664	1.3419	1.3151	1.2861	1.2316	1.1932	1.1561
S3	HRK/kWh/day	1.3200	1.2565	1.2306	1.2034	1.1816	1.1581	1.1329	1.0872	1.0541	1.0220
S4	HRK/kWh/day	1.3200	1.2565	1.2306	1.2034	1.1816	1.1581	1.1329	1.0872	1.0541	1.0220
Capacity booking	Unit (@NCV)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
S1	HRK/kWh/day	1.2034	1.1664	1.1326	1.0997	1.0678	1.0370	0.9530	0.9266	0.9010	0.8761
S2	HRK/kWh/day	1.1201	1.0862	1.0551	1.0249	0.9957	0.9673	0.8893	0.8651	0.8415	0.8185
S3	HRK/kWh/day	0.9909	0.9615	0.9346	0.9085	0.8832	0.8585	0.7899	0.7688	0.7483	0.7284
S4	HRK/kWh/day	0.9909	0.9615	0.9346	0.9085	0.8832	0.8585	0.7899	0.7688	0.7483	0.7284

Table 1c Indicative amounts of tariff items for gas quantity at transmission system exits for the period 2021 – 2040, according to the planned gas transmission scenarios for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb

Capacity booking	Unit (@NCV)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
S1	HRK/kWh	0.0014	0.0013	0.0013	0.0012	0.0012	0.0012	0.0012	0.0011	0.0011	0.0011
S2	kn/kWh	0.0013	0.0012	0.0012	0.0012	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010
S3	kn/kWh	0.0012	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010	0.0010	0.0009	0.0009
S4	HRK/kWh	0.0012	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010	0.0010	0.0009	0.0009
Capacity booking	Unit (@NCV)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
S1	HRK/kWh	0.0010	0.0010	0.0010	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008
S2	HRK/kWh	0.0010	0.0009	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008	0.0007	0.0007
S3	HRK/kWh	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008	0.0007	0.0007	0.0007	0.0007
S4	HRK/kWh	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008	0.0007	0.0007	0.0007	0.0007

2. The present value of the estimated increase in allowed revenue associated with the expanded capacity included in the appropriate level of the bid for the gas transmission system capacity booking is defined for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb for the purpose of carrying out the binding phase of the Open Season procedure in the total amount of HRK 161,914,595.
3. The indicative amounts of tariff items for gas transmission for the energy entity referred to in item 1 of this Decision shall be adopted by the Croatian Energy Regulatory Agency in a separate decision, to be published in the Official Gazette.
4. This Decision shall be delivered to the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb.
5. This Decision shall be published on the website of the Croatian Energy Regulatory Agency.

Statement of grounds

The energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb, (hereinafter: PLINACRO d.o.o.) submitted on 4 June 2018 to the Croatian Energy Regulatory Agency (hereinafter: HERA) the Request for determining the indicative amounts of tariff items for gas transmission, Class: 310-34/17-03/03, file no.: 3710-18-60 of 30 May 2018 (hereinafter: Request), pursuant to Article 25, par. 1, point a of Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (Text with EEA relevance) (hereinafter: Regulation 2017/459), requesting the determining of indicative amounts of tariff items for gas transmission at the entry into the gas transmission system from the terminal for liquefied natural gas (Omišalj), and at the exit from the gas transmission system at the interconnection (Dravaszerdahely), for the period 2021 – 2040. Further, the energy entity PLINACRO d.o.o. submitted on 13 June 2018 to HERA a supplement to the Request for determining the indicative amounts of tariff items for gas transmission, class: 310-34/17-03/03, file no.: 3710-18-62, of 12 June 2018, in which the energy entity PLINACRO d.o.o. proposes that in order to increase the competitiveness of the terminal for the regasification of liquefied natural gas (hereinafter: the LNG terminal) and to reduce the cost of transmitting gas from the LNG terminal, a reduction in the security coefficient for entry from the LNG terminal k_{UPP} by the amount of 0.50 be considered and that the security coefficient for the exit in Croatia k_{HR} in the amount of 0.45 be applied in the calculation of the indicative amounts of tariff items. Further, the energy entity PLINACRO d.o.o. submitted on 14 June 2018 to HERA a supplement to the Request for determining the indicative amounts of tariff items for gas transmission, class: 310-34/17-03/03, file no.: 3710-18-63, of 14 June 2018, in which the energy entity PLINACRO d.o.o. proposes that the indicative amounts of tariff items be published for the years 2021 – 2040, with the proposal that from the start of LNG terminal operation, i.e. 1 October 2020 until 1 January 2021 indicative amounts of tariff items from 2021 be applied.

Further to the foregoing, in this Decision HERA is defining the subject indicative amounts of tariff items for gas transmission that, for the purpose of carrying out the binding phase of the Open Season procedure, represent the reference prices estimated for the period of the initial bid for the expanded capacity referred to in Article 25, par. 1, point a of Commission 2017/459.

Further to the foregoing, for the purpose of applying the economic test pursuant to Article 22, par. 1, point b of Regulation 2017/459, with this Decision HERA is defining the present value of the estimated increase in allowed revenue of the gas transmission system operator PLINACRO d.o.o. associated with the expanded capacity included in the appropriate level of the bid for the gas transmission system capacity booking.

Introductory remarks

The energy entity PLINACRO d.o.o. is conducting the Open Season procedure while considering the Guidelines for good practice on Open Season procedures (hereinafter: ERGEG Guidelines) adopted on 21 May 2017 by the European Regulators' Group for Electricity and Gas (hereinafter: ERGEG) and which are used in estimating market demand and distribution of the transmission system capacity in a transparent and non-discriminatory manner, as stipulated by the principles laid down in Regulation 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005.

Considering that the energy entity PLINACRO d.o.o. has initiated the Open Season procedure prior to the entry into force of Regulation 207/459, pursuant to Article 31 of Regulation 2017/459, HERA, as the national regulatory authority, adopted a Decision on approving the Proposal of the Rules for the Distribution of the Transmission System Capacity at the Interconnection Dravaszerdahely in the binding phase of the Open Season procedure of the energy entity PLINACRO d.o.o., Savska cesta 88/a, Zagreb, class: 310-34/17-03/03, file no.: 371-03-17-07, of 26 July 2017, whereby carrying out the binding phase of the Open Season procedure was enabled without the application of Articles 26 to 30 of Regulation 2017/459.

At the request of the energy entity PLINACRO d.o.o., on 15 December 2017 HERA adopted the Decision on determining the indicative amounts of tariff items for gas transmission, Class: 310-03/17-28/07, file no.: 371-01-17-01, and on 22 December 2017 Decision on determining the indicative amounts of tariff items for gas transmission, Class: 310-03/17-28/07, file no.: 371-01-17-08, determining the indicative amounts of tariff items for the purpose of carrying out the binding phase of the Open Season procedure, the present value of the estimated increase in allowed revenue of the gas transmission system operator in relation to the expanded capacity for each of the three proposed infrastructure scenarios for the development of the gas transmission system, factor f level for applying the economic test as part of the Open Season procedure and the economic test provider.

As specified in the request by the energy entity PLINACRO d.o.o., the new decision on indicative amounts of tariff items shall be adopted for the following reasons:

- The planned start of LNG terminal operation has been postponed by one year, i.e. from 1 October 2019 to 1 October 2020, whereby the planned commissioning of the evacuation pipeline Omišalj-Zlobin from the LNG terminal was changed in the Request,
- The project of the evacuation pipeline Omišalj-Zlobin shall be co-financed by European funds in the amount of minimum 50 % of the investment, while the amount of 30 % of co-financing was planned in the previous calculation of the indicative amounts of tariff items
- considering the changed properties of the floating storage and regasification unit (FSRU), four gas transmission scenarios are proposed with different levels of planned capacity booking at the entry into the transmission system from the LNG terminal and at the exit from the transmission system at the interconnection, within the same infrastructure scenario as detailed further in this Decision.

The amounts of the indicative amounts of tariff items proposed by the energy entity PLINACRO d.o.o. in the Request have been calculated taking into consideration the provisions of the Methodology for the determination of the amounts of tariff items for gas transmission (Official Gazette, no. 85/13, 158/13 and 118/15) (hereinafter: Methodology) for the purpose of carrying out further the binding phase of the Open Season procedure.

By applying the provisions of Article 28 of the Methodology, the energy entity PLINACRO d.o.o. submitted to HERA information and documentation for the period 2021 – 2040 as follows:

- a transparent and detailed calculation of projected allowed revenue and adjusted allowed revenue for all years in the regulatory period,

- filled out Table 1 Total operating expenditure, Table 2 OPEX, Table 3 Regulated funds, Table 4 Regulated funds amortisation, Table 5 WACC determination elements and Table 6 Allowed revenue referred to in Appendix 1 of the Methodology.
- a transparent and detailed distribution of allowed revenue and the calculation of the indicative amounts of tariff items for gas transmission for all years of the regulatory period
- filled out Table 1 Tariff items for gas transmission, filled out Table 2 The planned contracted firm capacities of the transmission system at the annual level and Table 5 The planned quantity of gas at the exits from the transmission system referred to in Appendix 2 of the Methodology.

Furthermore, in the Request the energy entity PLINACRO d.o.o. calculated the indicative amounts of tariff items for gas transmission according to different scenarios of the gas transmission system capacity booking, whereby the scenarios of the gas transmission system capacity booking have been harmonised with the scenarios of the LNG terminal capacity booking, as explained in more detail further in this Decision.

2 ALLOWED REVENUE

2.1. Projected allowed revenue

The Methodology prescribes that projected allowed revenue should cover justified operating expenses incurred in the performance of the energy activity of gas transmission and ensure a yield on regulated assets. The energy entity PLINACRO d.o.o. calculated the planned allowed revenue according to the corresponding scenarios of the gas transmission system capacity booking concerning the gas transmission from the LNG terminal for the period 2021 – 2040.

2.2. Adjusted allowed revenue

The adjusted allowed revenue for the years in the regulatory period is calculated in a way that net present value of adjusted allowed revenue for the years in the regulatory period is equal to the net present value of projected allowed revenue in the same period, where during the first year of the regulatory period adjusted allowed revenue is equal to projected allowed revenue, and the adjustment coefficient is used, as determined in the iterative procedure (α), in order to determine adjusted allowed revenue in the ensuing years. Adjusted allowed revenue is used to diminish large oscillations in allowed revenue and the resulting amounts of tariff items. The adjustment of allowed revenue was conducted for each regulatory period separately. The amounts of adjusted allowed revenue referred to in the Request are shown in Table 3.

Table 3 Adjusted allowed revenue of the energy entity PLINACRO d.o.o. for the period 2021 – 2040

Adjusted allowed revenue	Unit	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
DP	HRK mil.	490.98	469.71	460.61	451.69	442.94	434.36	425.93	415.17	404.68	394.45
Adjusted allowed revenue	Unit	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
DP	HRK mil.	384.48	375.05	366.48	358.10	349.91	341.91	316.19	309.33	302.62	296.06

2.3. Increase in the allowed revenue in relation to the expanded capacity

In order to apply the economic test for each level of the bid of the expanded capacity project, it is necessary to determine the present value of the estimated increase in allowed revenue of the gas transmission system operator in relation to the expanded capacity included in the corresponding level of the bid for the gas transmission system capacity booking to be covered by the revenue from future capacity lease payments in order for the economic test to be positive. Accordingly, for the energy entity PLINACRO d.o.o. HERA determined the estimated increase in allowed revenue for the scenario of developing the gas transmission system with expanded capacity in relation to the basic scenario of the gas transmission system development, which does not include the development of the gas transport infrastructure from the LNG terminal.

The present value of the estimated increase in allowed revenue was calculated on the basis of the projections of allowed revenue for the period 2021 - 2055, together with applying a discount rate of 5.22%, which corresponds to the nominal value of the weighted average cost of capital before tax (hereinafter: WACC) used in the extraordinary review of allowed revenue for the years of the second regulatory period 2018 - 2021. The current value of the estimated increase in allowed revenue in relation to the expanded capacity included in the corresponding level of the bid for the gas transmission system capacity booking is equal for all four capacity booking scenarios and amounts to HRK 161,914,595.

3 INDICATIVE TARIFF ITEMS

A) Scenarios of the gas transmission system capacity booking

In order to calculate the indicative amounts of tariff items for gas transmission, four scenarios of the gas transmission system capacity booking have been defined, within the same infrastructure scenario, which have been harmonised with the defined scenarios of the LNG terminal capacity booking, as follows:

- S1 – S1 scenario with gas transmission of 1.50 billion m³/year, with capacity booking at the entry from the LNG terminal of 171,233 m³/h (1,644 MWh/h) and at the exit at the interconnection of 114,155 m³/h (1,096 MWh/h)
- S2 – S2 scenario with gas transmission of 1.70 billion m³/year, with capacity booking at the entry from the LNG terminal of 194,064 m³/h (1,863 MWh/h) and at the exit at the interconnection of 136,986 m³/h (1,315 MWh/h)
- S3 – S3 scenario with gas transmission of 2.00 billion m³/year, with capacity booking at the entry from the LNG terminal of 228,311 m³/h (2,192 MWh/h) and at the exit at the interconnection of 180,000 m³/h (1,728 MWh/h)
- S4 – S4 scenario with gas transmission of 2.63 billion m³/year, with capacity booking at the entry from the LNG terminal of 300,000 m³/h (2,880 MWh/h) and at the exit at the interconnection of 180,000 m³/h (1,728 MWh/h)

The planned contracted capacities at the entry into the gas transmission system from the liquefied natural gas terminal and at the exit from the gas transmission system at the interconnection according to the Request is shown in Table 5a and Table 5b.

Table 5a *Planned contracted capacity at the entrance to the gas transmission system from the liquefied natural gas terminal for the period 2021 – 2040*

Capacity booking	Unit (@NCV)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
S1	MWh/h	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
S2	MWh/h	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863
S3	MWh/h	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192
S4	MWh/h	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Capacity booking	Unit (@NCV)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
S1	MWh/h	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
S2	MWh/h	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863
S3	MWh/h	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192
S4	MWh/h	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880

Table 5b *Planned contracted capacities at the exit from the gas transmission system at the interconnection for the period 2021 - 2040.*

Capacity booking	Unit (@NCV)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
S1	MWh/h	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
S2	MWh/h	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315
S3	MWh/h	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728
S4	MWh/h	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728
Capacity booking	Unit (@NCV)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
S1	MWh/h	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
S2	MWh/h	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315
S3	MWh/h	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728
S4	MWh/h	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728

c) Indicative amount of the tariff items for gas transmission

The indicative amounts of the tariff items for the period 2021 – 2040 have been calculated according to the Methodology, with the application of the prescribed security coefficients, whereby the amount of 0.50 was applied as the security coefficient for the entry from the LNG terminal instead of 0.90 as prescribed by the Methodology, while the amount of 0.45 was applied as the security coefficient for the exit in Croatia instead of 0.15 as prescribed by the Methodology. Pursuant to the provisions of Regulation 2017/460, HERA shall adopt a methodology for determining the reference price no later than 31 May 2019. Following the above, HERA has conducted preliminary simulations and calculations in order to determine the reference price and to estimate the cost allocation, whereby the optimum security coefficient for the entry from the LNG terminal k_{UPP} of 0.50 and the amount of the security coefficient for the exit in Croatia k_{HR} of 0.45 have been assumed for the LNG terminal development scenario. The final amounts of the security coefficients and other elements of the methodology for the determination of the reference price shall be defined by HERA following the implementation of the prescribed public consultation procedure on the methodology for the determination of the reference price pursuant to Regulation 2017/460.

Furthermore, the indicative amounts of tariff items for the period 2021 – 2040 have been calculated according to the aforementioned scenarios of the gas transmission system capacity booking, for the contracted permanent capacity on an annual level for the entry into the transmission system from the liquefied natural gas terminal as shown in Table 6a, for the contracted firm capacity on an annual level for the exit from the transmission system at the interconnection as shown in Table 6b and for the amount of gas at the exits from the transmission system as shown in Table 6c. The indicative amounts of the tariff items for gas transmission in the above tables are shown in the unit EUR/MWh because of an easier comparison with the separate decision of HERA on the indicative amounts of tariff items for the regasification of liquefied natural gas. Furthermore, the indicative amounts of tariff items are graphically shown in Figure 1a, Figure 1b and Figure 1c.

Table 6a Indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the entry into the transmission system from the terminal for liquefied natural gas for the period 2021 – 2040 according to the planned gas transmission scenarios

Scenario	Unit	Calorific value	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
S1	EUR/MWh	@ NCV	0.46	0.44	0.43	0.42	0.41	0.40	0.39	0.37	0.35	0.34	0.33	0.32	0.31	0.30	0.29	0.28	0.26	0.25	0.24	0.23	
		@ GCV	0.41	0.39	0.38	0.37	0.36	0.35	0.33	0.33	0.33	0.32	0.31	0.30	0.29	0.28	0.27	0.26	0.25	0.23	0.22	0.22	0.21
S2	EUR/MWh	@ NCV	0.45	0.43	0.42	0.41	0.40	0.39	0.38	0.36	0.35	0.33	0.32	0.31	0.30	0.29	0.28	0.27	0.25	0.24	0.24	0.24	0.23
		@ GCV	0.40	0.38	0.37	0.37	0.36	0.35	0.34	0.32	0.32	0.31	0.30	0.29	0.28	0.27	0.26	0.25	0.23	0.22	0.22	0.21	0.21
S3	EUR/MWh	@ NCV	0.42	0.40	0.39	0.38	0.38	0.37	0.36	0.34	0.33	0.32	0.30	0.30	0.29	0.29	0.28	0.27	0.26	0.24	0.23	0.22	0.22
		@ GCV	0.38	0.36	0.35	0.35	0.34	0.33	0.33	0.32	0.31	0.30	0.28	0.27	0.26	0.26	0.25	0.24	0.23	0.21	0.21	0.20	0.20
S4	EUR/MWh	@ NCV	0.46	0.43	0.43	0.42	0.41	0.40	0.39	0.37	0.35	0.34	0.33	0.33	0.32	0.31	0.30	0.29	0.28	0.26	0.25	0.24	0.23
		@ GCV	0.41	0.39	0.38	0.37	0.37	0.36	0.35	0.33	0.33	0.32	0.31	0.29	0.28	0.28	0.27	0.26	0.25	0.23	0.22	0.22	0.21

Table 6b Indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the exit from the transmission system at the interconnection for the period 2021 – 2040 according to the planned gas transmission scenarios

Scenario	Unit	Caloric value	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
S1	EUR/MWh	@ NCV	0.59	0.56	0.55	0.54	0.53	0.52	0.51	0.48	0.47	0.45	0.44	0.43	0.41	0.40	0.39	0.38	0.35	0.34	0.33	0.32	
		@ GCV	0.53	0.51	0.50	0.48	0.47	0.46	0.47	0.46	0.44	0.42	0.41	0.40	0.38	0.37	0.36	0.35	0.34	0.31	0.30	0.30	0.29
S2	EUR/MWh	@ NCV	0.55	0.52	0.51	0.50	0.49	0.48	0.47	0.45	0.44	0.42	0.41	0.40	0.39	0.37	0.36	0.35	0.32	0.32	0.32	0.31	0.30
		@ GCV	0.49	0.47	0.46	0.45	0.44	0.43	0.42	0.40	0.40	0.39	0.38	0.37	0.36	0.35	0.34	0.33	0.32	0.29	0.28	0.28	0.27
S3	EUR/MWh	@ NCV	0.48	0.46	0.45	0.44	0.43	0.42	0.41	0.40	0.39	0.37	0.36	0.35	0.34	0.33	0.32	0.31	0.28	0.29	0.28	0.27	0.27
		@ GCV	0.43	0.41	0.40	0.40	0.39	0.38	0.37	0.36	0.36	0.35	0.34	0.33	0.32	0.31	0.30	0.29	0.28	0.26	0.25	0.25	0.24
S4	EUR/MWh	@ NCV	0.48	0.46	0.45	0.44	0.43	0.42	0.41	0.40	0.39	0.37	0.36	0.35	0.34	0.33	0.32	0.31	0.28	0.29	0.28	0.27	0.27
		@ GCV	0.43	0.41	0.40	0.40	0.39	0.38	0.37	0.36	0.36	0.35	0.34	0.33	0.32	0.31	0.30	0.29	0.28	0.26	0.25	0.25	0.24

Table 6c Indicative amounts of tariff items for gas quantity at transmission system exits for period – 2040 according to the planned gas transmission scenarios

Scenario	Unit	Caloric value	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040				
S1	EUR/MWh	@ NCV	0.19	0.17	0.17	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.13	0.13	0.13	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.11			
		@ GCV	0.17	0.16	0.16	0.14	0.14	0.14	0.14	0.14	0.13	0.13	0.13	0.12	0.12	0.12	0.11	0.11	0.11	0.10	0.10	0.10	0.10	0.10		
S2	EUR/MWh	@ NCV	0.17	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.09	0.09	0.09		
		@ GCV	0.16	0.14	0.14	0.14	0.13	0.13	0.13	0.13	0.13	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.10	0.10	0.10	0.08	0.08	0.08	0.08	
S3	EUR/MWh	@ NCV	0.16	0.15	0.15	0.15	0.15	0.13	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.09	0.09	0.09	0.09	0.09	0.09	
		@ GCV	0.14	0.13	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.10	0.10	0.10	0.10	0.08	0.08	0.08	0.08	0.08	0.08	0.08
S4	EUR/MWh	@ NCV	0.16	0.15	0.15	0.15	0.15	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.09	0.09	0.09	0.09	0.09	0.09	0.09
		@ GCV	0.14	0.13	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.10	0.10	0.10	0.10	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Figure 1a Indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the entry into the transmission system from the terminal for liquefied natural gas for the period 2021 – 2040 according to the planned gas transmission scenarios (@NCV)

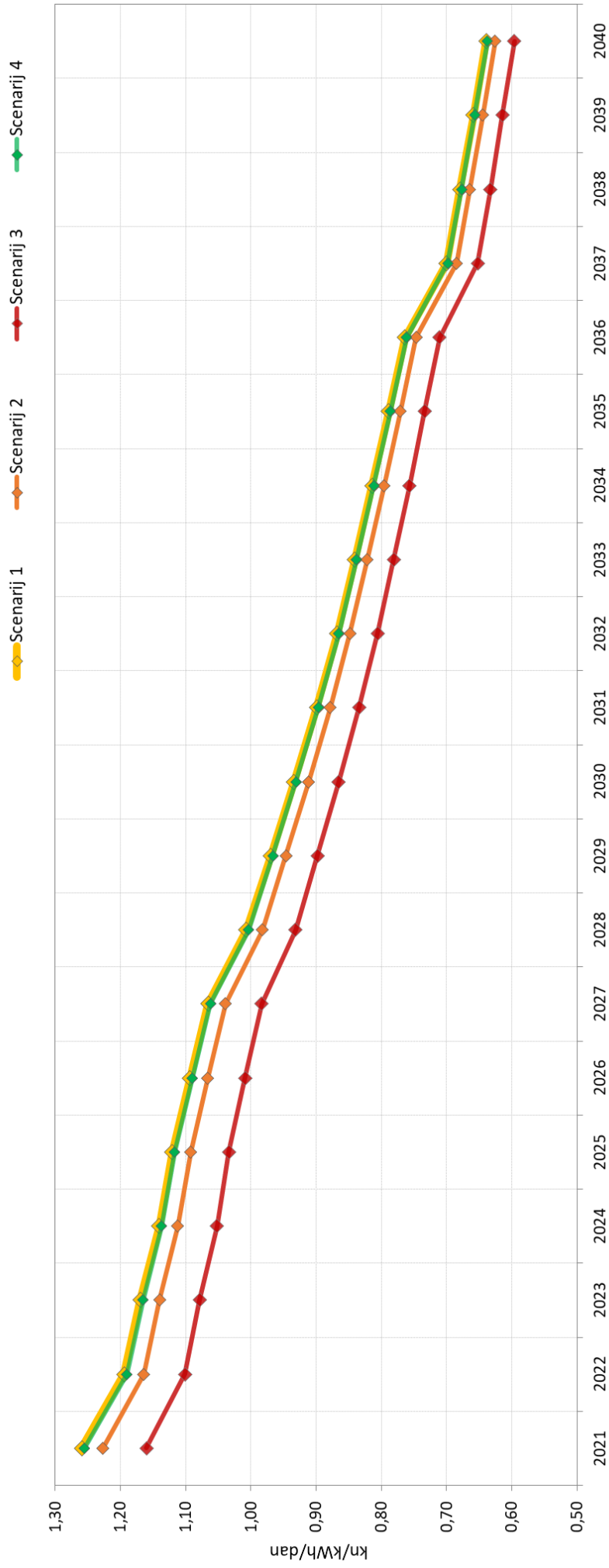


Figure 1b Indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the exit from the transmission system at the interconnection for the period 2021 - 2040 according to the planned gas transmission scenarios (@NCV)

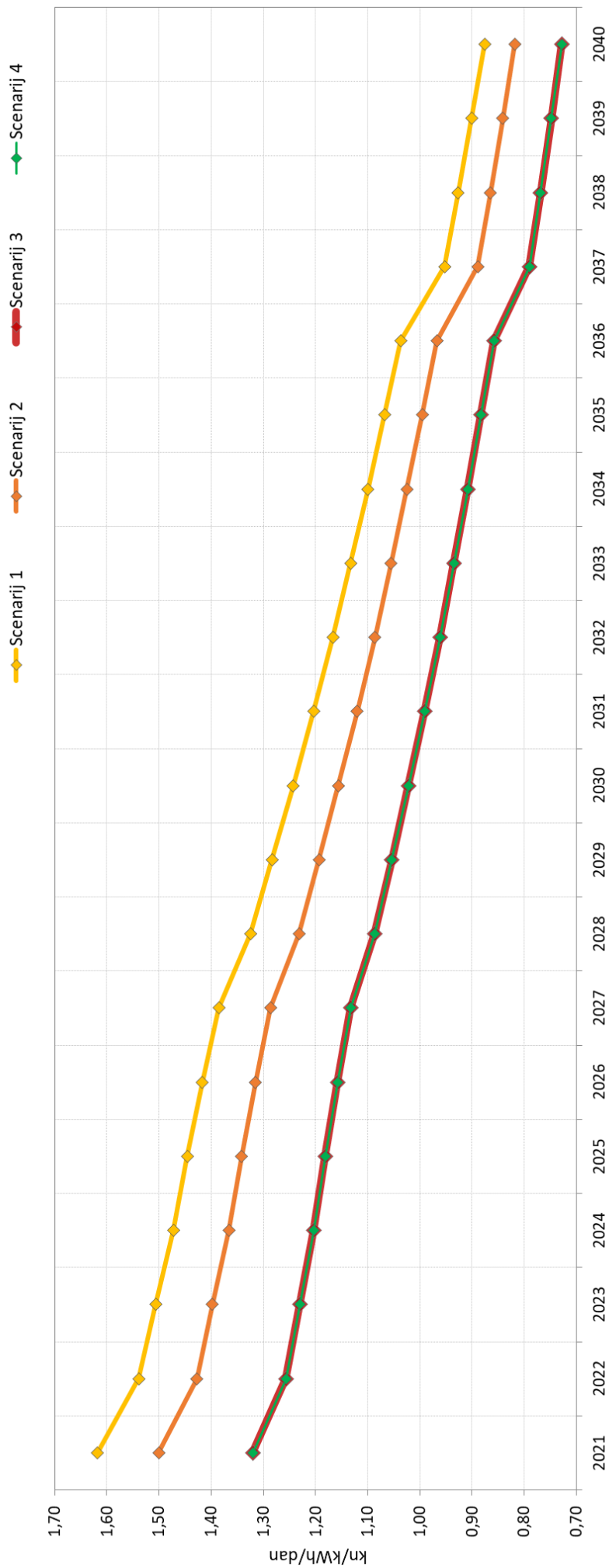
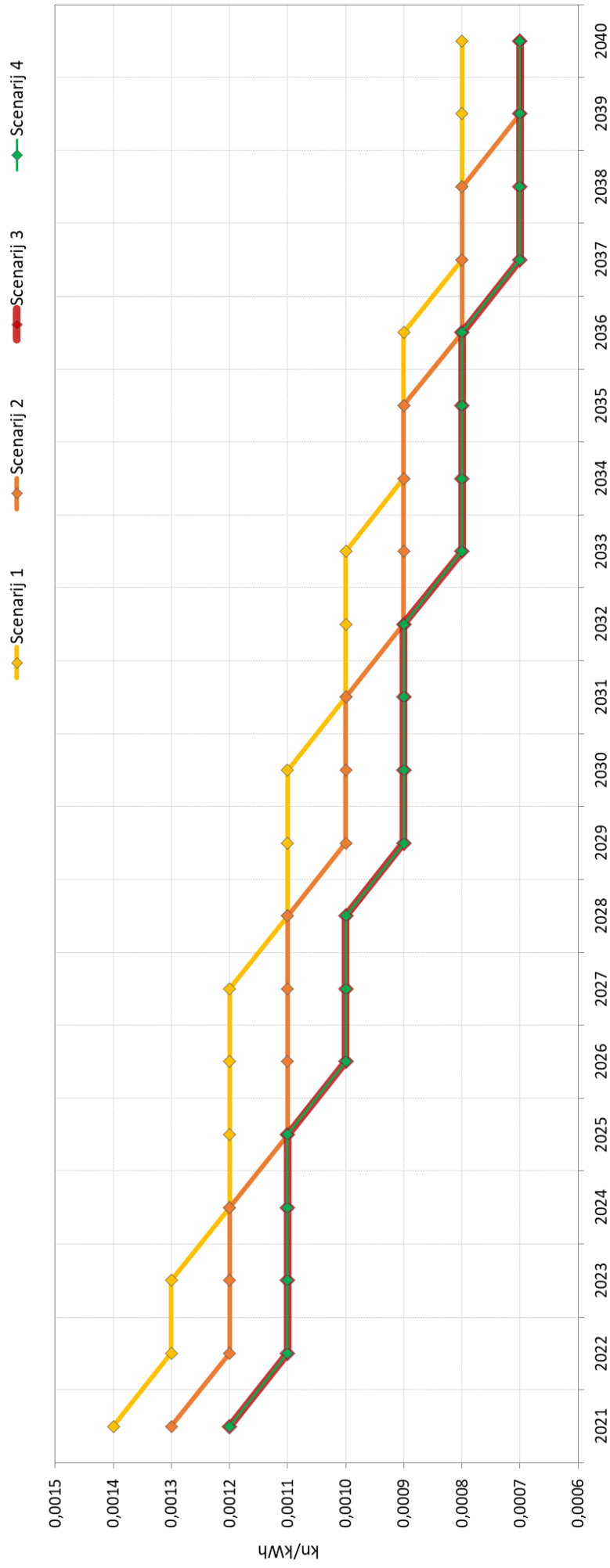


Figure 1c Indicative amounts of tariff items for gas quantity at transmission system exits for period – 2040 according to the planned gas transmission scenarios for the period 2021 – 2040 according to the planned gas transmission scenarios (@NCV)



4 CONCLUSION

Further to the explanations provided in this Decision, HERA holds that it is justified to approve the indicative amounts of tariff items for the contracted firm capacity on an annual basis for entry into the transmission system from the liquefied natural gas terminal, the contracted firm capacity at the annual level for the exit from the transmission system at the interconnection and for the quantity of gas at the exits from the transmission system, as shown in Table 7a, Table 7b and Table 7c.

Furthermore, it shall be emphasized that, if the LNG terminal starts its operation prior to 1 October 2020, the amounts of tariff items for gas transmission that are approximately equal to the amounts of tariff items for 2021 are expected for the period from 1 October until 31 December 2020. HERA shall define the indicated amounts of tariff items in accordance with the Methodology prior to the start of the LNG terminal operation.

Table 7a Indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the entry into the transmission system from the terminal for liquefied natural gas for the period 2021 – 2040, according to the planned gas transmission scenarios for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb

<i>Capacity booking</i>	<i>Unit (@NCV)</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>
S1	HRK/kWh/day	1.2592	1.1944	1.1694	1.1406	1.1205	1.0936	1.0654	1.0069	0.9695	0.9336
S2	HRK/kWh/day	1.2271	1.1642	1.1399	1.1120	1.0924	1.0662	1.0389	0.9826	0.9464	0.9116
S3	HRK/kWh/day	1.1602	1.1012	1.0783	1.0522	1.0335	1.0090	0.9835	0.9317	0.8979	0.8654
S4	HRK/kWh/day	1.2550	1.1904	1.1655	1.1368	1.1168	1.0900	1.0619	1.0037	0.9664	0.9307
<i>Capacity booking</i>	<i>Unit (@NCV)</i>	<i>2031</i>	<i>2032</i>	<i>2033</i>	<i>2034</i>	<i>2035</i>	<i>2036</i>	<i>2037</i>	<i>2038</i>	<i>2039</i>	<i>2040</i>
S1	HRK/kWh/day	0.8991	0.8680	0.8406	0.8141	0.7885	0.7637	0.7002	0.6791	0.6587	0.6390
S2	HRK/kWh/day	0.8782	0.8480	0.8214	0.7956	0.7708	0.7467	0.6847	0.6643	0.6444	0.6253
S3	HRK/kWh/day	0.8342	0.8059	0.7810	0.7568	0.7335	0.7109	0.6521	0.6329	0.6142	0.5962
S4	HRK/kWh/day	0.8964	0.8654	0.8381	0.8117	0.7861	0.7615	0.6981	0.6772	0.6569	0.6372

Table 7b Indicative amounts of tariff items for the contracted firm capacity on a yearly basis for the exit from the transmission system at the interconnection for the period 2021 – 2040, according to the planned gas transmission scenarios for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb

<i>Capacity booking</i>	<i>Unit (@NCV)</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>
S1	HRK/kWh/day	1.6181	1.5385	1.5063	1.4722	1.4459	1.4170	1.3854	1.3250	1.2831	1.2426
S2	HRK/kWh/day	1.5006	1.4274	1.3977	1.3664	1.3419	1.3151	1.2861	1.2316	1.1932	1.1561
S3	HRK/kWh/day	1.3200	1.2565	1.2306	1.2034	1.1816	1.1581	1.1329	1.0872	1.0541	1.0220
S4	HRK/kWh/day	1.3200	1.2565	1.2306	1.2034	1.1816	1.1581	1.1329	1.0872	1.0541	1.0220
<i>Capacity booking</i>	<i>Unit (@NCV)</i>	<i>2031</i>	<i>2032</i>	<i>2033</i>	<i>2034</i>	<i>2035</i>	<i>2036</i>	<i>2037</i>	<i>2038</i>	<i>2039</i>	<i>2040</i>
S1	HRK/kWh/day	1.2034	1.1664	1.1326	1.0997	1.0678	1.0370	0.9530	0.9266	0.9010	0.8761
S2	HRK/kWh/day	1.1201	1.0862	1.0551	1.0249	0.9957	0.9673	0.8893	0.8651	0.8415	0.8185
S3	HRK/kWh/day	0.9909	0.9615	0.9346	0.9085	0.8832	0.8585	0.7899	0.7688	0.7483	0.7284
S4	HRK/kWh/day	0.9909	0.9615	0.9346	0.9085	0.8832	0.8585	0.7899	0.7688	0.7483	0.7284

Table 7c Indicative amounts of tariff items for gas quantity at transmission system exits for period – 2040, according to the planned gas transmission scenarios for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb

Capacity booking	Unit (@NCV)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
S1	HRK/kWh	0.0014	0.0013	0.0013	0.0012	0.0012	0.0012	0.0012	0.0011	0.0011	0.0011
S2	HRK/kWh	0.0013	0.0012	0.0012	0.0012	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010
S3	HRK/kWh	0.0012	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010	0.0010	0.0009	0.0009
S4	HRK/kWh	0.0012	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010	0.0010	0.0009	0.0009
Capacity booking	Unit (@NCV)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
S1	HRK/kWh	0.0010	0.0010	0.0010	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008
S2	HRK/kWh	0.0010	0.0009	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008	0.0007	0.0007
S3	HRK/kWh	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008	0.0007	0.0007	0.0007	0.0007
S4	HRK/kWh	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008	0.0007	0.0007	0.0007	0.0007

Furthermore, the present value of the estimated increase in allowed revenue of the gas transmission system operator PLINACRO d.o.o. associated with the expanded capacity included in the appropriate level of the bid for the gas transmission system capacity is defined for the energy entity PLINACRO d.o.o., Savska cesta 88A, Zagreb for the purpose of carrying out the binding phase of the Open Season procedure in the total amount of HRK 161,914,595.

Further to the foregoing, it has been decided as set out in item 1 and item 2 of the operative part of this Decision.

Pursuant to Article 29, paragraphs 10 and 11 of the Energy Act, HERA shall adopt the indicative amounts of tariff items in a separate decision to be published in the Official Gazette, and therefore, it has been decided as in item 3 of the operative part of this Decision.

Pursuant to Article 29, par. 8 of the Energy Act, HERA shall deliver to the energy entity the decision on approval or rejection of the request for determining or changing the amount of tariff items, and therefore, it has been decided as in item 4 of the operative part of this Decision.

Pursuant to Article 27, par. 9 of the Act on the Regulation of Energy Activity it is stipulated that individual decisions taken by the Board of Commissioners of HERA in exercising public authorities are announced on the HERA website, and therefore, it has been decided as in item 5 of the operative part of this Decision.

President of the Board of Commissioners

Tomislav Jureković, B.Sc.

Instruction on legal remedy

This Decision is enforceable.

This Decision shall not be subject to an appeal, however, it is possible to initiate an administrative action through a lawsuit with the Administrative Court in Zagreb, within 30 days from the day of delivery of this Decision. *

To be submitted to:

1. PLINACRO d.o.o., Savska cesta 88A, Zagreb
2. Files of sessions of the Board of Commissioners
3. Records, here