## CHAPTER A

## GENERAL CLAUSES

### Article 1

### Objective

The Tariff Regulation of the Basic Activities of the National Natural Gas System (Tariff Regulation) regulates the methodology for the preparation of tariffs for the invoicing of each Basic Activity according to the provisions of paragraph 2 of article 88 of the Law 4001/2011/G.O.G /A' 179/22.08.2011 (Law). The clauses of the present regulation do not regulate the methodology for the preparation of tariffs for the invoicing of the Basic Activity of Gas Storage, for the cases where part of the National Natural Gas System is developed pursuant to case (d) of paragraph 1 of article 67 of the Law as well as for the case (q) of paragraph 2 of article 68 of the Law.

### Article 2

### Definitions

1. For the application of the Tariff Regulation, the terms used herein shall have the following meaning:

   a) Tariff Approval Decision: The decision of RAE, based on which the tariffs of each Basic Activity are approved pursuant to the provisions of paragraph 5 of article 88 of the Law.

   b) Short-term Contract: Natural Gas Transmission Agreement or LNG Facility Usage Agreement with duration of less than three hundred and sixty five (365) consecutive Days.

   c) Entry Zone of Transmission System (Entry): Part of the Transmission System which includes at least one (1) Entry Point and which is determined pursuant to the provisions of article [9].

   d) Exit Zone of Transmission System (Exit): Part of the Transmission System which includes at least one (1) Exit Point and which is determined pursuant to the provisions of article [9].

   e) Long-term Contract: Natural Gas Transmission Agreement or LNG Facility Usage Agreement with duration equal to or more than three hundred and sixty five (365) consecutive Days.

   f) Major Project: Users' Connection Project with the NNGS or Project for the Development of NNGS, with a budget exceeding one hundred and thirty million euro

(130.000.000 €) in 2012 prices. For the subsequent years, the aforementioned maximum limit of the Major's Project budget is adjusted proportionally to the change in the average annual Consumer Price Index (%) of the previous year, as published by the Hellenic Statistical Authority.

g) Interconnection Point: The point connecting the National Natural Gas System with another Transmission System, excluding the pipelines transmitting gas from a LNG Facility, a Storage Facility or a production facility of natural gas.

h) Transmission Tariff: The tariff for the use of the Transmission System.

i) LNG Tariff: The tariff for the use of the LNG Facility.

2. As to the remainder, the terms used in the Tariff Regulation are those defined in the relevant articles of the Tariff Regulation, those defined in the Law as well as in the delegated regulatory provisions.

## Article 3

### Principles and Period of Calculation and Revision of Tariffs

1. The tariffs shall be determined according to the Required Revenue recovery principle for each Basic Activity of the System Operator, in a such a way that the criteria of the clause of paragraph 2 of article 88 of the Law as well as those determined in Regulation (EC) 715/ 2009 (EE L 211/36) 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) 1775/2005 are fulfilled.

2. The tariff for each Basic Activity shall be calculated based on:

a) The forecast for the evolution of the Required Revenue and the natural gas demand of the relevant Basic Activity for every Year of the Tariffs Calculation Period; with the term Tariff Calculation Period is defined the time period of twenty (20) consecutive Years.

b) The ex-post data referring to the actual Required Revenue and the actual revenue of the System Operator for every year of a certain period prior to the Tariff Calculation Period (Revision Period), in order to secure that no under- or over-recovery of Required Revenue has occurred.

3. The tariffs shall be prepared by the System Operator during the year prior to the Tariff Calculation Period (Calculation Year), pursuant to the procedure of article [19]. The forecasts in relation to the evolution of the Required Revenue and the natural gas demand of each Basic Activity shall be prepared by the System Operator taking into consideration the relevant actual data of the Year prior of the Calculation Year (Reference Year) and the reasonable estimates of the System Operator in relation to the evolution of the aforementioned data during the Tariff Calculation Period, pursuant to the provisions of article [19].

4. Regular Tariff Revision is conducted within the fourth (4) Year of each Tariff Calculation Period, which is set as Calculation Year for the following Calculation Period. The term Revision Period is defined as the time period which covers the three (3) first Years of the Tariff Calculation Period and the previous Calculation Year. The Regular Tariff Revision shall be conducted according to the procedure of article [19].

5. Emergency Tariff Revision shall be conducted under the conditions and pursuant to the procedure of article [20].

# CHAPTER B

# REGULATED REVENUE

## Article 3A

### Required Revenue

1. The Required Revenue of a Basic Activity shall be calculated for each Basic Activity on a Yearly basis and in nominal values as the sum of:

    a) The Return on the Regulated Asset Base of the relevant Basic Activity, as defined in article [6].

    b) The depreciation of assets of the relevant Basic Activity, as defined in article [7].

    c) The Operating Expenses of the relevant Basic Activity, as defined in article [7A].

2. The term Required Revenue of the NNGS for a certain Year shall mean the sum of Required Revenue of each Basic Activity that is undertaken by the System Operator at the relevant Year.

3. The Required Revenues of the Basic Activity of Transmission as well as of the Basic Activity of LNG is further allocated to each Entry and Exit of the Transmission System according to articles [8] and [10]. The Required Revenue of each Entry and Exit of the Transmission System is calculated pursuant to paragraph [1], where the relevant components refer to the respective Entry and Exit, as well as pursuant to the provisions of article [10].

4. The Required Revenue of each Basic Activity as well as of each Entry and Exit of the Transmission System is defined arithmetically for each Year of the Tariff Calculation Period in the Tariff Approval Decision.

## Article 4

### Regulated Asset Base (RAB)

1. The term Regulatory Asset Base (RAB) of a Basic Activity shall mean the capital employed of the System Operator of the respective Basic Activity and is calculated on an Annually basis. The RAB of each Year refers to the end of the relevant Year value.

2. The term RAB of NNGS of a certain Year shall mean the sum of the RAB of each Basic Activity that is undertaken by the System Operator during the relevant Year.

3. The RAB of a Basic Activity is calculated for each Year as the sum of:

    a) The net value of existing tangible and intangible assets of the relevant Basic Activity, excluding:

    aa) Grants written in the liabilities account 41.10 of the System Operator's accounts, and

    bb) The assets' own-production.

    b) The Working Capital for the relevant Basic Activity, as calculated pursuant to paragraph 4.

    c) System Operator's Disbursements for Planned Projects of the respective Basic Activity of the relevant Year and according to the time of their integration in RAB as defined in paragraph [5], excluding any subsidies and the Connection Fee as of article [5].

4. The Working Capital shall be calculated:

α) For the Basic Activity of Transmission as the sum of:

(i) The value of existing gas into the pipelines of the Transmission System, as this is estimated at the end of each Year after inventory check and according to the method of inventory evaluation applied by the System Operator and

(ii) A certain percentage rate (WCap) of the sum of:

aa) The depreciation of assets of the Basic Activity of Transmission for the relevant Year.

bb) The Operating Expenses of the Basic Activity of Transmission for the relevant Year.

cc) The product of the Weighted Average Cost of Capital, as defined in article [6] with the sum of net value of existing tangible and intangible assets, as defined in case a) of paragraph [3], and of System Operator's disbursements for Planned Projects, pursuant to case c) of paragraph [3], of the Basic Activity of Transmission for the respective Year.

β) For the Basic Activity of LNG as the sum of:

(i) The value of non-pumpable quantity of LNG in the LNG facility, as this is estimated at the end of each Year after inventory check and according to the method of inventory evaluation applied by the System Operator and

(ii) A certain percentage rate (WCap) of the sum of:

aa) The depreciation of assets of the Basic Activity of LNG for the relevant Year.

bb) The Operating Expenses of the Basic Activity of LNG for the relevant Year.

cc) The product of the Weighted Average Cost of Capital, as defined in article [6] with the sum of net value of existing tangible and intangible assets, as defined in case a) of paragraph [3], and of System Operator's disbursements for Planned Expansions, pursuant to case c) of paragraph [3], of the Basic Activity of LNG for the respective Year.

5. The integration of new projects in RAB of the relevant Basic Activity shall be conducted as follows:

a) Major Projects are integrated in RAB from their first Year of operation, after an Emergency Tariff Revision, pursuant to the procedure of article [20]. In that case, RAB includes also the interest of construction period of the relevant project, in nominal values of the first Year of operation of the project as calculated at a rate equal to the Weighted Average Cost of Capital of the respective Basic Activity of the relevant Years.

b) The remainder projects are integrated in RAB at the first Regular Tariff Revision after the approval of the Development Plan of NNGS in which they have been included.

6. Any review of the value of the System Operator's assets, after their first entry in the respective financial statements, is not taken into consideration in the calculation of RAB of the respective Basic Activity.

7. The allocation of the System Operator's assets in each Basic Activity is conducted according to the rules of accounting unbundling, which are approved by RAE, in respect to the provision of paragraph 4 of article 89 of the Law.

8. The Regulated Asset Base of the Basic Activity of Transmission is further allocated to each Entry and Exit of the Transmission System, pursuant to article [10]. The calculation of the Regulated Asset Base for each Entry and Exit of the Transmission System is conducted according to paragraph [3], where the relevant components refer to the respective Entry and Exit, as well as those defined in article [10].

9. The Regulated Asset Base of the Basic Activity of Transmission, as well as of each Entry and Exit of the Transmission System, shall be defined arithmetically for each Year of the Tariff Calculation Period with the Tariff Approval Decision. The same decision shall define the projects, the construction of which is not yet completed, which have been taken into consideration for the forecasts of the Regulated Asset Base, as well as their remaining budget.

10. The percentage rate of WCap shall be defined arithmetically with the Tariff Approval Decision.

11. The Regulated Asset Base of the Basic Activity of Transmission and of LNG and of the Entries and Exits of the Transmission System for the Year 2010, are defined arithmetically in Annex A.

## Article 5

### Definition of Connection Fee

1. In case of a User's Connection Project, which refers to the connection of a Reception Facility or a Connection System of Natural Gas with the Transmission System, the User who applied for the Connection Project and whose request was approved by the System Operator, pursuant to the provisions of the NNGS Network Code, shall pay the Connection Fee, as a lump sum, to the System Operator. The Connection Fee is calculated as the sum of:

   a) The actual construction cost of the relevant metering or metering and regulating stations of Natural Gas receipt, including the cost of telecommunication equipment, up to the limit of three (3) million Euro in 2012 values per metering or metering and regulating station, and

   b) The actual cost of the pipeline upstream of the new Entry Point which is created and up to the limit of two (2) kilometers, including the necessary equipment for the operation of the pipeline, up to the limit of two (2) million Euros in 2012 values. In case that the length of the pipeline upstream of the new Entry Point exceeds two (2) kilometers, the part of the total actual cost of the upstream pipeline is included in the Connection Fee calculated proportionally to the part of the pipeline with a length equal to two (2) kilometers to the total length of the upstream pipeline and up to the limit of two (2) million Euros in 2012 nominal values.

2. The aforementioned monetary limits are adjusted every Year proportionally to the change in the average annual Consumer Price Index (%) of the previous year, as published by the Hellenic Statistical Authority.

3. In respect to the calculation of the cost under cases a) and b) of paragraph [1], the cost of assets' own-production shall not be included, while the interest cost of construction period shall be included.

4. In case the Connection Project is related to more than one User, the Connection Fee for each User is calculated according to the methodology described in paragraph [1], where the amounts of cases a) and b) are allocated among the Users in proportion to the Transmission Capacity that they have applied for the relevant Connection Project.

5. The part of the cost of the User's Connection Project, that reflects the amount that is paid by the applicant User as Connection Fee, is not included in the RAB of the NNGS and its depreciation is not recovered.

6. New investments that are required after the beginning of operation of a Connection Project due to damage or necessary equipment upgrade are realized by the System Operator and are included in the RAB of the NNGS.

7. In case that the User's Connection Project is related to the supply of more than one (1) electricity production units, the installation of a separate metering, or if necessary, metering and regulating station per unit is required. In case the User's Connection Project is related to the supply of electricity production units and other consumption installations of natural gas excluding electricity units, the installation of a metering, or if necessary, metering and regulating station for each one of the electricity units and separately for other consumptions is required.

## Article 5A

### Criterion for the Financial Feasibility of a New Project

1. For the financial feasibility of a new User's Connection Project, pursuant to the provisions of the NNGS Network Code, the System Operator shall estimate the impact that the implementation of the new Project will have on the Average Tariff for the Use of the NNGS during the Tariff Calculation Period.

2. The Average Tariff for the Use of the NNGS during the Tariff Calculation Period is calculated as the quotient of the sum of actual Required Revenue of NNGS for each year (y) of the Tariff Calculation Period, in nominal values of the first Year of the Tariff Calculation Period to the sum of the forecasted transmitted Volumes of Natural Gas at all the Exit Points of the Transmission System for each year (y) of the Tariff Calculation Period and in nominal values of the first Year of the Tariff Calculation Period. The Average Tariff for the Use of the NNGS is expressed in Euro/MWh G.C.V.

3. For the calculation of the net present value of the values referred in the previous paragraph, the Weighted Average Cost of Capital is used as discount rate for the relevant Year of the Tariff Calculation Period.

4. For the calculation of the impact on the Average Tariff for the Use of NNGS are taken into consideration the budgeted cost of implementation of a new Connection Project, excluding grants and Connection Fee, the estimated Operating Expenses which result from the implementation of the new project, as well as the estimated additional Quantities of Natural Gas which are projected to be transmitted in the NNGS due to the implementation of the new project,.

5. In case the integration in the RAB of the new project does not cause an increase in the Average Tariff for the Use of the NNGS of the Tariffs Calculation Period, the project is considered as cost-efficient.

6. The System Operator for the evaluation of the impact of the implementation of a Development Project of the NNGS on the tariff for the use of the NNGS, pursuant to the provisions of the NNGS Network Code, may apply the provisions of this article.

## Article 6

### Return on the Regulated Asset Base

1. The term return on the RAB (Return on RAB) shall mean the return reasonably projected by any investor to be received in the long term from alternative investments of equivalent

risk and is calculated by multiplying the RAB with the Weighted Average Cost of Capital of the System Operator.

2. The Return on RAB is calculated per Year.

3. The Weighted Average Cost of Capital is calculated in nominal pre-tax values according to the following formula:

$$WACC_{pre-tax, nominal} = (1 - G) \times \frac{ROE_{post-tax, nominal}}{(1 - TX)} + G \times DR$$

όπου:

WACC$_{pre-tax, nominal}$ (Weighted Average Cost of Capital pre-tax nominal): The Weighted Average Cost of Capital in pre-tax nominal values.

G (Gearing Ratio): The average of the Annual Gearing Ratios from the Calculation Year until the Year of the next estimated Regular Tariff Revision, according to the latest business plan of the System Operator. The Annual Gearing Ratio is defined as the fraction of the sum of the total debt of a relevant Year to the sum of total debt and total equity of the System Operator of the same Year, excluding from equity the grants written in the liabilities account 41.10 of the System Operator accounts. The Average Gearing Ratio cannot exceed the value of zero point five (0,5).

ROE$_{post-tax, nominal}$ (Return on Equity post-tax, nominal): The projected return on System Operator's equity in nominal post-tax values, which is calculated according to paragraph [4].

DR (Debt Rate): The projected weighted average of the System Operator's Debt amounts, as to the remaining debt amount including any debt guarantee costs, until the next projected Regular Tariff Revision, taking into consideration the latest business plan of the System Operator.

TX (Tax Rate): The estimated weighted average rate of annual profit taxation of the System Operator, until the next projected Regular Tariff Revision, taking into consideration the latest business plan of the System Operator.

4. The expected return of System Operator's equity in nominal post tax values is calculated according to the following formula:

$$ROE_{post-tax, nominal} = RFR + CRP + \beta \times MRP$$

where:

RFR (Risk Free Rate): The return of an investment without risk; it is defined based on the return of government bonds, with at least three-years duration, of countries that belong to Organization for Economic Cooperation and Development (OECD) or the European Union and they have the highest credit rating.

CRP (Country Risk Premium): Percentage of risk which is added to the return of an investment without risk, taking into consideration, especially, the relevant financial circumstances of the country, the exposure of the System Operator to them, the investment program of the System Operator and the amount of new capital required to implement it. For the estimation of the percentage of risk it is possible to take into consideration the return of Greek government bonds, of government bonds of countries that belong to Organization for Economic Cooperation and Development (OECD) or the European Union and they have the highest credit rating, as well as of corporate bonds of Greek companies similar to the System Operator.

MRP (Market Risk Premium): The market risk premium which is defined based on the historical return of stocks versus government bonds, in the largest possible sample

of developed countries. For the estimation of this parameter it is possible that, among others, information form relevant studies of recognized financial institutions, universities, and from relevant international literature and especially from the Global Investment Returns Yearbook that is published from London Business School may be obtained.

β (Beta factor): Factor of systematic risk of System Operator's own equity, which is calculated as the average of the relevant factors of systematic risk of own equity of System Operators of Natural Gas Systems in Member States of the European Union or of the OECD, whose shares are traded on stock markets.

5. The calculation of Weighted Average Cost of Capital of the System Operator in nominal post tax values, in real post tax values and in real pre-tax values is based on the following formulas:

$$WACC_{post-tax,nominal} = WACC_{pre-tax,nominal} \times (1 - TX)$$

$$WACC_{post-tax,real} = \frac{WACC_{post-tax,nominal} - Inf}{(1 + Inf)}$$

$$WACC_{pre-tax,real} = \frac{WACC_{post-tax,real}}{(1 - TX)}$$

Where:

$WACC_{post-tax, nominal}$ (Weighted Average Cost of Capital post-tax nominal): The Weighted Average Cost of Capital of the System Operator in nominal post tax values.

$WACC_{pre-tax, nominal}$ (Weighted Average Cost of Capital pre-tax nominal): The Weighted Average Cost of Capital of the System Operator in nominal pre-tax values, as calculated according to paragraph [3].

TX (Tax Rate): The projected rate of total profit taxation of the System Operator, as calculated according to paragraph [3].

$WACC_{post-tax, real}$ (Weighted Average Cost of Capital post-tax real): The Weighted Average Cost of Capital of the System Operator in real post tax values.

Inf: The average of the projected annual inflations of each Year until the next expected Regular Tariff Revision.

$WACC_{pre-tax, real}$ (Weighted Average Cost of Capital pre-tax real): The Weighted Average Cost of Capital of the System Operator in real pre-tax values.

6. The Weighted Average Cost of Capital may differ per Year of the Tariff Calculation Period and per Basic Activity.

7. The Weighted Average Cost of Capital as well as the parameters for its calculation, according to the provisions of this article, is defined arithmetically with the Tariff Approval Decision.

## Article 7

### Depreciation of Assets

1. For the calculation of depreciation of existing and future assets which are included in the RAB of each Basic Activity for each Year of the Tariff Calculation Period, the following apply:

α) The depreciation of each asset is calculated according to the System Operator's projections and taking into consideration the accounting method that is provided for each asset category from the current legislation.

β) Part of each asset's depreciation which corresponds to any granted asset value is not include in the Required Revenue.

2. Any review of the value of the System Operator's assets, after their first entry in the respective financial statements, is not taken into consideration in the calculation of assets' depreciation.

3. The assets' depreciation of the Basic Activity of Transmission is allocated to each Entry and Exit of the Transmission System, as defined in article [10].

4. The projected assets' depreciation of each Basic Activity, as well as of each Entry and Exit of the Transmission System, is defined arithmetically for each Year of the Tariff Calculation Period with the Tariff Approval Decision.

## Article 7A

### Operating Expenses

1. The term Operating Expenses shall mean the reasonable expenses of the System Operator for the operation and maintenance of the NNGS in an efficient, cost-effective and reliable way.

2. For the projection of Operating Expenses for each Year of the Tariff Calculation Period, the following shall be taken into consideration:

a) The operating expenses data from the System Operator's financial statements of the Reference Year. The allocation of total operating expenses of System Operator to each Basic Activity is conducted according to the rules of accounting unbundling, which are approved by RAE, pursuant to the provisions of paragraph 4 of article 89 of the Law.

b) Index for the change of operating expenses per expense category in nominal values, submitted by the System Operator according to the procedure of article [19].

c) Every other element that may affect the configuration of Operating Expenses for the following Years of the Tariffs Calculation Period and which is submitted by the System Operator, pursuant to the procedure of article [19].

d) The need for continuous improvement of the effectiveness of the System Operator and of the quality of the provided services.

3. The Operating Expenses shall not include:

a) Expenses for the offsetting of operation gas of NNGS.

b) Expenses for the offsetting of LNG Facility Losses and for the Compensation for LNG Losses of NNGS.

c) System Operator's financial costs.

4. The Operating Expenses shall include:

a) Reasonable expenses for the study and evaluation of investments which have not been finally realized.

b) Exchange rate differences that occur from the valuation of debt for asset acquisition.

c) Assets' own-production.

d) Reasonable expenses of the System Operator for capacity booking in NNGS or other Natural Gas Systems, as long as those expenses are not compensated trough any other mechanism.

5.  The Operating Expenses of the System Operator shall also include the reasonable and proportional expenses for his participation to the activities of the European Network of Transmission System Operators for Gas.

6.  From the total Operating Expenses of each Year shall be excluded the sum of any revenue of the System Operator from the selling of electricity to the Independent Power Transmission System Operator, pursuant to the provisions of paragraph 4 of article 68 of the Law, as in force, and to any other relevant clause. The System Operator may request for deduction of the aforementioned revenue from the Operating Expenses of a certain Basic Activity.

7.  The Operating Expenses of the Basic Activity of Transmission are allocated to each Entry and Exit of the Transmission System pursuant to article [10].

8.  The projected Operating Expenses of each Basic Activity as well as of each Entry and Exit of the Transmission System are defined arithmetically for each Year of the Tariff Calculation Period with the Tariff Approval Decision.

## Article 8

### Dispersion of Required Revenue of the Basic Activity of use of LNG Facility

1.  Pursuant to the provision of paragraph 3 of Article 88 of the Law, a percent of the Required Revenue of the Basic Activity of LNG (LNG Facility Dispersion Percentage: SocLNG) may be added to the Required Revenue of the Basic Activity of Transmission and be recovered through the Transmission Tariff. The method for further allocation of the Required Revenue of the Basic Activity of LNG which corresponds to the LNG Facility Dispersion Percentage in the Entries and Exits of the Transmission System is defined in article [10].

2.  The Required Revenue to be Recovered of the Basic Activity of LNG for each Year of the Tariff Calculation Period shall be calculated as the product of coefficient (1 - SocLNG) with the algebraic sum of the Required Revenue of the Basic Activity of LNG for the relevant Year of the Tariff Calculation Period and the Recoverable Difference corresponding to the Basic Activity of LNG for the relevant Year.

3.  The Required Revenue to be Recovered of the Basic Activity of Transmission for each Year of the Tariff Calculation Period shall be calculated as the sum of:

    a) The algebraic sum of Required Revenue of the Basic Activity of Transmission for the relevant Year of the Tariff Calculation Period and the Recoverable Difference that corresponds to the Basic Activity of Transmission for the respective Year and

    b) The product of the coefficient SocLNG with the algebraic sum of the Required Revenue of the Basic Activity of LNG for the relevant Year of the Tariff Calculation Period and the Recoverable Difference corresponding to the Basic Activity of LNG for the relevant Year.

4.  The LNG Facility Dispersion Percentage is defined arithmetically with the Tariff Approval Decision.

# CHAPTER C

## DETERMINATION OF TARIFFS

### Article 9

### Entries and Exits of the Transmission System

1. The tariffs of the Transmission System are defined separately for each one of the Entries and Exits of the Transmission System.

2. The User of the Transmission System is charged separately for the use of each Entry Point to which gas is delivered and for use of the Exit Point from which gas is received, pursuant to the provisions of the NNGS Network Code and to the Transmission Agreement concluded with the System Operator, depending on the Entry and Exit, to which said Entry or Exit Point belongs, correspondingly. The charge for the use of an Exit Point shall not be allowed to differ according to the Entry Point to which the gas, which is received from said Exit Point, is delivered.

3. In case that, pursuant to the NNGS Network Code, the User is allowed to conclude a Transmission Agreement exclusively for booked Transmission Capacity for Delivery and the delivery of Natural Gas to one or more Entry Points or for booked Transmission Capacity for Reception and the reception of Natural Gas from once or more Exit Points, especially in the case of operation of a Virtual Gas Delivery/Reception Point, the Transmission User shall be charged only for the use of the Entry or Exit Points, correspondingly, which are included in the relevant Transmission Agreement.

4. For the determination of the Transmission Tariffs for each Entry and Exit of the Transmission System:

   a) The Required Revenue to be recovered corresponding to the Basic Activity of Transmission is allocated to each Entry and Exit of the Transmission System, pursuant to Article [10].

   b) The forecasts regarding the maximum Daily and Annual Quantity of Natural Gas for each Year of the Tariff Calculation Period are determined separately for each Entry and Exit of the Transmission System. Especially as far as Exits are concerned, the maximum Daily Quantity received from a specific Exit per annum is defined as the sum of maximum Daily Quantities of Natural Gas received from each Exit Point of said Exit, irrespective of the Day of the Year, in which said Quantities are expected to be received from each said Exit Points.

5. The Entries and Exits of the Transmission System are determined as follows:

   a) Entry «Sidirokastro»: the part of the Transmission System from the Import Point of Natural Gas at the Greek-Bulgarian border to the natural gas valve station "Karperi" of the prefecture of Serres, the latter not included.

   b) Entry "Kipi": the part of the Transmission System from the Import Point of Natural Gas at the Greek-Turkish border to the entrance of the valve station at the metering station "Alexandroupoli" of the prefecture of Evros, the latter not included.

   c) Entry "Agia Triada": the part of the Transmission System which includes two offshore pipelines between the LNG Station on the Revythoussa Island and the metering station "Agia Triada" of the prefecture of Attica, the corresponding metering station" Agia Triada" and the pipeline from the metering station "Agia Triada" to the valve station "Megara" of the prefecture of Attica, the latter not included.

d) Exit "North East Zone": the part of the Transmission System from the entrance of the valve station at the metering station "Alexandroupoli" of the prefecture of Evros to the valve station "Komotini" of the prefecture of Rodopi, the latter not included.

e) Exit "Northern Zone": the part of the Transmission System from the valve station "Komotini" of the prefecture of Rodopi and from the natural gas valve station "Karperi" of the prefecture of Serres to the exit of the valve station at the Centre of Operation and Maintenance in Nea Mesimvria of the prefecture of Thessaloniki, excluding the compressor station in Nea Mesimvria.

f) Exit "South Zone": the part of the Transmission System from the exit of the valve station at the Center for Operation and Maintenance in Nea Messimvria of the prefecture of Thessaloniki and southern, including the Compression Station in Nea Messimvria and excluding the Entry "Agia Triada".

6. Changes with regards to the limits of existing Entries and Exits shall be taken into account during the Regular Tariff Revision, pursuant to Article [19], especially in the case of new Development Projects or User Connection Projects. Deletion of an existing Entry or Exit, as well as addition of new Entries or Exits of the Transmission System shall take place after an Emergency Tariff Revision, pursuant to Article [20], especially in the case of new Development Projects or User Connection Projects.

**Article 10**

**Allocation of the Required Revenue to be recovered of the Basic Activity of Transmission to the Entries and Exits of the Transmission System**

1. The RAB and the depreciation corresponding to the assets of the Basic Activity of Transmission for each Year of the Tariff Calculation Period shall be allocated to the Entries and Exits of the Transmission System, as follows:

a) The tangible and intangible assets, the Planned Projects under construction of the System Operator, as well as their respective depreciation, are allocated to the Entries and Exits of the Transmission System:

(i) According to their geographical location and in case this is not possible,

(ii) In proportion to the historical cost of assets that have been already allocated to the corresponding Entry or Exit, pursuant to case (i).

b) The Working Capital of the Basic Activity of Transmission is allocated in proportion of fifty percent (50%) to all Entries and in proportion of fifty percent (50%) to all Exits. The allocation to each Entry and Exit is performed in proportion to the maximum Daily Quantity of Natural Gas that is projected to be transmitted through each Entry or Exit, correspondingly, on the Year of the Tariff Calculation Period that the calculation is performed.

2. The operating expenses of the Basic Activity of Transmission for each Year of the Tariff Calculation Period shall be allocated to the Entries and Exits of the Transmission System, as follows:

a) the operating expenses of the System Operator, that do not refer to supporting activities encompassing the total activities of the System Operator and have been allocated to the Basic Activity of Transmission, are allocated directly to the Entries and Exits, in which they geographically belong. The part of said operating expenses which cannot be allocated geographically is allocated to the Entries and Exits of the Transmission System in proportion to the Operating Expenses already allocated to them, pursuant to the criterion of geographical location.

b) the operating expenses of the System Operator that refer to supporting activities encompassing the total activities of the System Operator and have been allocated to the Basic Activity of Transmission are allocated in proportion of fifty percent (50%) to all Entries and in proportion of fifty percent (50%) to all Exits. The allocation to each Entry and Exit is performed in proportion to the maximum Daily Quantity of Natural Gas that is projected to be transmitted through each Entry or Exit, correspondingly, on the Year of the Tariff Calculation Period that the calculation is performed.

3. The product of the LNG Facility Dispersion Percentage and the algebraic sum of the Required Revenue of the Basic Activity of LNG for each year of the Tariff Revision Period and the Recoverable Difference that corresponds to the Basic Activity of LNG for said Year, is allocated according to a specific percentage (LNG Facility Dispersion Percentage to Exits: SocLNGEx) to the Exits of the Transmission System and according to a percentage equal to (1- SocLNGEx) to the Entries of the Transmission System that constitute Interconnection Points, in proportion to the maximum Daily Quantity of Natural Gas that is projected to be transmitted through each Entry or Exit, correspondingly, on the Year of the Tariff Calculation Period that the calculation is performed.

4. For each Exit *i* of the Transmission System though which a Quantity of Natural Gas is transmitted, servicing  other Exits of the Transmission System, the following shall be determined, applying for the whole Tariff Calculation Period:

   a) The rate *ai* of the historical cost of assets of Exit *i,* which are used for the servicing of other Exits of the Transmission System, to the historical cost of total assets of said Exit, according to the available data of year preceding the Calculation Year.

   b) The rate *βij* of the Annual Quantity of Natural Gas that is transmitted through Exit *i* and continues to another Exit *j* to the sum of Annual Quantity of Natural Gas that is received from all Exit Points of Exit i and Annual Quantity of Natural Gas that is transmitted though said Exit, continuing to other Exits, according to the historical data on the dominant flow direction of the gas during the three (3) last Years before the Calculation Year.  The rate *bij* is determined according to each Exit *j* that is serviced by Exit *i*.

   c) The product of $\pi ij = \alpha i \times \beta ij$. The product of $\pi ij$ is determined according to each Exit *j* that is serviced by Exit *i*.

5. The Required Revenue to be recovered of each Entry of the Transmission System shall be calculated, for each Year of the Tariff Calculation Period, as the algebraic sum of:

   a) The Required Revenue of said Entry, pursuant to the provisions of Article [3A] and the allocation rules of paragraphs [1] and [2].

   b) The part of the Required Revenue and Recoverable Difference of the Basic Activity of LNG that is allocated to said Entry, pursuant to paragraph [3].

   c) The Recoverable Difference that corresponds to said Entry, pursuant to Article [19A].

6. The Required Revenue to be recovered of each Exit of the Transmission System, from which no Quantity of Natural Gas is received originating from other Exits and through which no Quantity of Natural Gas is transmitted that services other Exits of the Transmission System, shall be calculated, for each Year of the Tariff Calculation Period, as the algebraic sum of:

   a) The Required Revenue of said Exit, pursuant to the provisions of Article [3A] and the allocation rules of paragraphs [1] and [2].

b) The part of the Required Revenue and Recoverable Difference of the Basic Activity of LNG that is allocated to said Exit, pursuant to paragraph [3].

c) The Recoverable Difference that corresponds to said Exit, pursuant to Article [19A].

7. The Required Revenue to be recovered of each Exit i of the Transmission System through which a Quantity of Natural Gas is transmitted for the servicing of other Exits j of the Transmission System, shall be calculated for each Year of the Tariff Review Period, according to the following formula:

$$\left(1 - \sum_{j} \pi_{ij}\right) \times A_i$$

where:

$\pi_{ij}$: The coefficient that corresponds to Exit j, which is serviced by Exit i, calculated pursuant to paragraph [4].

$\sum_{j} \pi_{ij}$ : The sum of coefficients $\pi_{ij}$, for all Exits j, which are serviced by Exits i.

$A_i$: The algebraic sum of:

a) The Required Revenue of Exit i, as calculated pursuant to Article [3A] and the allocation rules of paragraphs [1] and [2].

b) The part of the Required Revenue and Recoverable Difference of the Basic Activity of LNG that is allocated to Exit i, pursuant to paragraph [3].

c) The Recoverable Difference that corresponds to Exit i, pursuant to Article [19A].

8. The Required Revenue to be recovered of each Exit j of the Transmission System which is serviced by other Exits i of the Transmission System, is calculated for each Year of the Tariff Revision Period, according to the following formula:

$$\sum_{i} \left(\pi_{ij} \times A_i\right) + B_j$$

Where:

$\pi_{ij}$: The coefficient that corresponds to Exit i, which services Exit j, calculated pursuant to paragraph [4].

$\sum_{j} \pi_{ij}$ : The sun of products $\pi_{ij}$ x Ai, for all Exits i, which service Exit j.

$A_i$: The algebraic sum, as calculated for Exit i, pursuant to paragraph [7].

$B_j$: The algebraic sum of:

a) The Required Revenue of Exit j, as calculated pursuant to Article [3A] and the allocation rules of paragraphs [1] and [2].

b) The part of the Required Revenue and Recoverable Difference of the Basic Activity of LNG that is allocated to Exit j, pursuant to paragraph [3].

c) The Recoverable Difference that corresponds to Exit j, pursuant to Article [19A].

9. In case that an Exit k is serviced by other Exits of the Transmission System and, at the same time, services other Exits of the Transmission System, the Required Revenue to be recovered of Exit k is calculated, for each Year of the Tariff Calculation Period, according to the following subsequent stages:

   a) The amount, which would result for Exit k, pursuant to paragraph [8], with regards to the Exits of the Transmission System that service said Exit k, is calculated.

   b) The Required Revenue to be recovered for Exit k, pursuant to paragraph [7], with regards to the Exits of the Transmission System that are serviced by said Exit k, is calculated, where Aj is equal to the amount that is derived by the calculation performed pursuant to case a).

10. The coefficient SocLNGEx and the coefficients πij are determined in the Tariff Approval Decision.

11. In case of an Emergency Tariff Revision pursuant to subcases (i) and (ii) of case a) of paragraph [1] of Article [20], for the calculation of coefficients πij, regarding the specific Entries and Exits for the inclusion of which the revision takes place, the budgeted items of the next Tariff Calculation Period are taken into account.

## Article 11

### Calculation of the Charges for the Use of the NNGS

1. The Transmission Tariff includes:

   a) Charge in proportion to the Transmission Capacity of Delivery or Reception that is booked by the Transmission User at an Entry or Exit Point, correspondingly, pursuant to the provisions of the NNGS Network Code and the Transmission Agreement concluded with the System Operator, and

   b) Charge in proportion to the Quantity of Natural Gas that is delivered by the Transmission User to an Entry Point or is received by him at an Exit Point of the Transmission System, pursuant to the provisions of the NNGS Network Code and the Transmission Agreement concluded with the System Operator.

2. For the application of the Transmission Tariff, the Charge for Booked Transmission Capacity (ΣΔM) and the Charge for Transmission Quantity of Natural Gas (ΣEM) are determined separately for each Entry and Exit of the System.

3. For the first Year of the Tariff Calculation Period, the Charge for Booked Transmission Capacity (ΣΔMi) for each Entry or Exit (i) of the Transmission System shall be calculated, according to the following formula:

$$\Sigma \Delta M_i = TRACap \times \frac{\sum_y PVRR_{TRA,i,y}}{\sum_y PVCAP_{TRA,i,y}} \qquad [\text{€/(MWh G.C.V./Day)/Year}]$$

where:

TRACap: Regulated percentage (%), which takes a value from zero (0%) to a hundred (100%) percent and is determined by the Tariff Approval Decision.

$PVRR_{TRA,i,y}$: the Required Revenue to be recovered of the Entry or Exit (i), during Year (y) of the Tariff Calculation Period, discounted to the first Year of the Tariff Calculation Period.

$\sum_y PVRR_{TRA,i,y}$ : The sum of factors $PVRR_{TRA,i,y}$ for all Years of the Tariff Calculation Period.

$PVCAP_{TRA,i,y}$: The sum of maximum Daily Quantities of Natural Gas delivered to each Entry Point of Entry (i) or received by each Exit Point of Exit (i), depending on the case, during Year (y) of the Tariff Calculation Period, multiplied by factor $(1+Inf)^{(y-T)}$ and discounted to the first Year of the Tariff Calculation Period. T is the first year of the Tariff Calculation Period and Inf is the projected value of inflation, as estimated by the System Operator for Year (y), pursuant to the provisions of paragraph [5] of Article [6].

$\sum_{y} PVCAP_{TRA,i,y}$ : The sum of factors $PVCAP_{TRA,i,y}$ for all Years of the Tariff Calculation Period.

4. For the first Year of the Tariff Calculation Period, the Charge for Transmission Quantity of Natural Gas (ΣEMi) for each Entry or Exit (i) of the Transmission System, shall be calculated, according to the following formula:

$$\Sigma EM_i = (1 - TRACap) \times \frac{\sum_{y} PVRR_{TRA,i,y}}{\sum_{y} PVCOM_{TRA,i,y}} \qquad [€/(MWh\ G.C.V.)]$$

where:

$PVCOM_{TRA,i,y}$: The sum of Quantities of Natural Gas delivered to each Entry Point of Entry (i) or received by each Exit Point of Exit (i), depending on the case, during Year (y) of the Tariff Calculation Period, multiplied by factor $(1+Inf)^{(y-T)}$ and discounted to the first Year of the Tariff Calculation Period. T is the first year of the Tariff Calculation Period and Inf is the projected value of inflation, as estimated by the System Operator for Year (y), pursuant to the provisions of paragraph [5] of Article [6].

$\sum_{y} PVCOM_{TRA,i,y}$ : The sum of factors $PVCOM_{TRA,i,y}$ for all Years of the Tariff Calculation Period.

5. For each subsequent Year of the Tariff Calculation Period, and until the next tariff revision, the Charge for Booked Transmission Capacity (ΣΔMi) and the Charge for Transmission Quantity of Natural Gas (ΣEMi) for each Entry or Exit (i) of the Transmission System are calculated pursuant to the provisions of Article [18].

6. The LNG Tariff includes:

   c) Charge in proportion to the Regasification Capacity booked by an LNG User at the LNG Facility, pursuant to the provisions of the NNGS Network Code and the Agreement for the Use of LNG concluded with the System Operator, and

   d) Charge in proportion to the Quantity of LNG that is regasified on behalf of an LNG User at the LNG Facility, pursuant to the provisions of the NNGS Network Code and the Transmission Agreement concluded with the System Operator.

7. For the application of the LNG Tariff, the Charge for Booked Regasification Capacity (ΣΔY) and the Charge for Quantity of LNG (ΣEY) are determined.

8. For the first Year of the Tariff Calculation Period, the Charge for Booked Regasification Capacity is calculated, according to the following formula:

$$\Sigma\Delta Y = LNGCap \times \frac{\sum_{y} PVRR_{LNG,y}}{\sum_{y} PVCAP_{LNG,y}} \qquad [\text{€/(MWh G.C.V./Ημέρα)/Έτος}]$$

where:

LNGCap: Regulated percentage (%), which takes a value from zero (0%) to a hundred (100%) percent and is determined by the Tariff Approval Decision.

$PVRR_{LNG,y}$: the Required Revenue to be recovered of the Basic Activity of LNG, during Year (y) of the Tariff Calculation Period, discounted to the first Year of the Tariff Calculation Period.

$\sum_{y} PVRR_{LNG,y}$: The sum of factors $PVRR_{LNG,y}$ for all Years of the Tariff Calculation Period.

$PVCAP_{LNG,y}$: The sum of maximum Daily Quantities of LNG regasified at the LNG Facility, during Year (y) of the Tariff Calculation Period, multiplied by factor $(1+Inf)^{(y-T)}$ and discounted to the first Year of the Tariff Calculation Period. T is the first year of the Tariff Calculation Period and Inf is the projected value of inflation, as estimated by the System Operator for Year (y), pursuant to the provisions of paragraph [5] of Article [6].

$\sum_{y} PVCAP_{LNG,y}$: The sum of factors $PVCAP_{LNG,y}$ for all Years of the Tariff Calculation Period.

9. For the first Year of the Tariff Calculation Period, the Charge for Quantity of LNG shall be calculated, according to the following formula:

$$\Sigma EY = (1 - LNGCap) \times \frac{\sum_{y} PVRR_{LNG,y}}{\sum_{y} PVCOM_{LNG,y}} \qquad [\text{€/(MWh G.C.V.)}]$$

where:

$PVCOM_{LNG,y}$: The sum of LNG Quantities regasified at the LNG Facility, during Year (y) of the Tariff Calculation Period, multiplied by factor $(1+Inf)^{(y-T)}$ and discounted to the first Year of the Tariff Calculation Period. T is the first year of the Tariff Calculation Period and Inf is the projected value of inflation, as estimated by the System Operator for Year (y), pursuant to the provisions of paragraph [5] of Article [6].

$\sum_{y} PVCOM_{LNG,y}$: The sum of factors $PVCOM_{LNG,y}$ for all Years of the Tariff Calculation Period.

10. For each subsequent Year of the Tariff Calculation Period, and until the next tariff revision, the Charge for Booked Regasification Capacity (ΣΔY) and the Charge for Quantity of LNG (ΣEY) are calculated pursuant to the provisions of Article [18].

11. For the calculation of the present value of the series outlined in the above paragraphs, the following shall apply:

a) As discount rate, the Weighted Average Cost of Capital is used of the respective Year of the Tariff Calculation Period and for the respective Basic Activity.

b) The values of said series are assumed to correspond to the beginning of each Year.

12. For the determination of the numerical value of coefficients TRACap και LNGCap, the following are taken into consideration:

    a) The share of the variable cost of Operating Expenses to the total Operating Expenses of the respective Basic Activity.

    b) The need to provide incentives to the Users for the increase of transmitted Volumes of Natural Gas in the NNGS and for the most possibly effective use of it.

    c) The development of competition in the natural gas market.

13. The coefficients TRACap, LNGCap, as well as, for the first Year of the Tariff Calculation Period, the charges ΣΔMi, ΣΕΜi, ΣΔΥ και ΣΕΥ are arithmetically determined by the Tariff Approval Decision.

# CHAPTER D

## TARIFFS AND INVOICING FOR THE USE OF NNGS

### Article 12

### Tariff for the use of NNGS under Long-term Contracts

1. In case of Long-term Transmission Contracts, the annual tariff for the use of each Entry or Exit Point j of the Transmission System shall be calculated according to the following formula:

$$XMj = \Sigma \Delta Mi \times \Delta Mj + \Sigma EMi \times \Pi Mj$$

where:

   XMj: The tariff for the use of the Entry or Exit point j of the Transmission System, in €/Year.

   ΣΔMi: The Charge for Booked Transmission Capacity for the Entry or Exit i of the Transmission System, to which the Entry or Exit point j, correspondingly, belongs, for the Year of calculation of the charge, in €/(MWh G.C.V.)/Day/Year.

   ΔMj: The Booked Transmission Capacity for Delivery or Reception, according to the relevant Transmission Agreement between the User and the System Operator, for the corresponding Entry or Exit Point j, in (MWh G.C.V.)/Day.

   ΣEMi: The Charge for Transmission Quantity of Natural Gas for the Entry or Exit i of the Transmission System, to which the Entry or Exit point j, correspondingly, belongs, for the Year of calculation of the charge, in €/(MWh G.C.V.).

   ΠMj: The Transmission Quantity of Natural Gas allocated to the User at the corresponding Entry or Exit Point j of the to which the Entry or Exit point j, correspondingly, belongs, for the Year of calculation of the charge, during the Year of calculation of the charge, in (MWh G.C.V.)/Ετος.

   Realized Annual Transmission Capacity (hereinafter "ΠΔMj") is defined as the maximum Daily Quantity of Natural Gas, which the User delivered to the System Operator or received from him at the Entry or Exit Point j correspondingly, during the Year of calculation of the charge, in (MWh G.C.V.)/Day.

2. In case of Long-term Contracts for the Use of the LNG Facility, the annual tariff for the use of the LNG Facility shall be calculated according to the following formula:

$$XY = \Sigma\Delta Y \times \Delta Y + \Sigma EY \times \Pi Y$$

Where:

XY: The tariff for the use of the LNG Facility, in €/Year.

$\Sigma\Delta Y$: The Charge for Booked LNG Capacity for the Year of calculation of the charge, in €/(MWh G.C.V.)/Day/Year.

$\Delta Y$: The Booked Regasification Capacity, according to the relevant Agreement for the Use of the LNG Facility between the User and the System Operator, in (MWh G.C.V.)/Day.

$\Sigma EY$: The Charge for Quantity of LNG for the Year of calculation of the charge, in €/(MWh G.C.V.).

$\Pi Y$: The LNG Quantity regasified on behalf of the User, during the Year of calculation of the charge, in (MWh G.C.V.)/Year.

The Realized Annual LNG Capacity (hereinafter "$\Pi\Delta Mj$") is defined as the maximum Daily Quantity of LNG, which the System Operator regasified and delivered daily for injection in the Transmission System on behalf of the User, during the Year of calculation of the charge, in (MWh G.C.V.)/Day.

3. In case that the date of the entry into force or the expiry day of the Long-term Transmission Contract or of the Long-Term Contract for the Use of the LNG facility is different from the first or last day of the Year, the following shall apply:

a) The applied charges $\Sigma\Delta Mi$ or $\Sigma\Delta Y$, correspondingly, which correspond to said Year, are adjusted proportionally to the part of each Year during which the Contract was in force. The part of each Year during which the contract was into force is calculated in Days.

b) The charges of the User for the Use of the Transmission System or for the use of the LNG Facility, correspondingly, are calculated separately for the part of the contract duration before and after the change of Year.

c) For the calculation of charges pursuant to this Article and Article [17], the values of $\Delta Mj$, $\Delta Y$, $\Pi\Delta Mj$, $\Pi\Delta Y$, $\Pi Mj$, $\Pi Y$, where appropriate, refer to the part of the duration of Contract before and after the change of Year.

4. In case of Long-term Transmission Contract, if during the Year the Transmission User modifies, pursuant to the provisions of the NNGS Network Code, the value of Transmission Capacity for Delivery or Reception booked at an Entry or Exit Point, correspondingly, the following shall apply:

a) The charge of the User for the use of said Entry or Exit Point is calculated separately for the parts of the Year before and after the modification of the Booked Transmission Capacity. The parts of the Year before and after the modification are calculated in Days.

b) The charge $\Sigma\Delta Mi$ for the year of tariff calculation and for the Entry or Exit to which said Entry or Exit Point belongs, is applied to each part of the Year and is adjusted proportionally to it, calculated in Days.

c) For the calculation of the charges pursuant to this Article and Article [17], the values of $\Delta Mj$, $\Pi\Delta Mj$, $\Pi Mj$ shall refer to the part of the duration of Contract before and after the modification.

In any other case of modification of the value of the Booked Transmission Capacity for Delivery or Reception, the modification shall not be taken into account during the clearance of the contract, for the execution of which the provisions of paragraph [1] and [3] of this Article, as well as of Article [17], apply.

5. In case of Long-term Contract for the Use of the LNG Facility, if during the Year the LNG User modifies, pursuant to the provisions of Article 73 and 74 of the NNGS Network Code, the value of the booked LNG Regasification Capacity, the following shall apply:

   a) The charge of the User for the use of LNG Facility is calculated separately for the parts of the Year before and after the modification of the Booked Degasification Capacity. The parts of the Year before and after the modification are calculated in Days.

   b) The charge $\Sigma\Delta Y$ for the year of tariff calculation is applied to each part of the Year and is adjusted proportionally to it, calculated in Days.

   c) For the calculation of the charges pursuant to this Article and Article [17], the values of $\Delta Y$, $\Pi\Delta Y$, $\Pi Y$ shall refer to the part of the duration of Contract before and after the modification.

   In any other case of modification of the value of the Booked Regasification, the modification shall not be taken into account during the clearance of the contract, for the execution of which the provisions of paragraph [2] and [3] of this Article, as well as of Article [17], apply.

## Article 13

### Tariff for the use of NNGS under Short-term Contracts

1. For the calculation of tariff under a Short-term Contract for the use of NNGS or for the use of LNG Facility, a Short-term Charge Coefficient for the Use of NNGS (Coefficient B) shall be defined, which can be different for each Basic Activity and for each Entry or Exit of the Transmission System, as well as according to the duration of the Short-term Contract and the season during which the Short-term contract is into force.

2. For the calculation of Coefficient B, the System Operator, during the tariff revision, submits to RAE a relevant study. The mathematical formula for its calculation or the numerical value of Coefficient B is determined in the Tariff Approval Decision.

3. In case of Short-term Transmission Contract or Contract for the Use of the LNG Facility, the total charge of the User shall be calculated pursuant to paragraphs [1] or [2], correspondingly, of Article [12] herein, with the following adjustments:

   a) The charges $\Sigma\Delta Mi$ and $\Sigma\Delta Y$ shall apply after an adjustment in proportion of the number of Days of the part of the Year, during which the contract with the User is into force, and shall be multiplied by the coefficient B, which corresponds to the total duration of the Contract.

   b) The values of $\Delta Mj$, $\Delta Y$, $\Pi\Delta Mj$, $\Pi\Delta Y$, $\Pi Mj$ and $\Pi Y$, where applicable, refer to the total duration of the Short-term Contract.

4. In case that the total duration of the Short-term Contract for Transmission or for the Use of the LNG Facility includes periods in two successive Years, the following shall apply:

   a) The charge of the User is calculated separately for the parts of the duration of the Sort-term Contract before and after the change of Year.

   b) The applied charges $\Sigma\Delta Mi$ and $\Sigma\Delta Y$, where applicable, are adjusted proportionally to the number of duration Days of the Short-term Contract, before and after the change of Year.

   c) For the calculation of the charges pursuant to this Article and Article [17], the values of $\Delta Mj$, $\Delta Y$, $\Pi\Delta Mj$, $\Pi\Delta Y$, $\Pi Mj$ and $\Pi Y$, where applicable, shall refer to the part of the duration of Contract before and after the change of Year.

d) Coefficient B shall refer to the total duration of the Short-term Contract.

5.  In case that during the Short-term Contract the Transmission User modifies, pursuant to the provisions of the NNGS Network Code, the value of Transmission Capacity for Delivery or Reception booked at an Entry or Exit Point, correspondingly, the following shall apply:

    a) The charge of the User for the use of said Entry or Exit Point is calculated separately for the parts of the Contract duration before and after the modification of the Booked Transmission Capacity for Delivery or Reception.

    b) The applied charge $\Sigma\Delta Mi$ is adjusted proportionally to the number of duration Days of the Short-term Contract before and after the modification.

    c) For the calculation of the charges pursuant to this Article and Article [17], the values of $\Delta Mj$, $\Pi\Delta Mj$, $\Pi Mj$ shall refer to the part of duration of the Short Contract before and after the modification.

    d) Coefficient B shall refer to the total duration of the Short-term Contract.

    In any other case of modification of the value of the Booked Transmission Capacity for Delivery or Reception, the modification shall not be taken into account during the clearance of the contract, for the execution of which the provisions of this Article, as well as of Article [17], apply.

6.  In case that during a Short-term Contract, the LNG User modifies, pursuant to the provisions of Article 73 and 74 of the NNGS Network Code, the value of the booked LNG Regasification Capacity, the following shall apply:

    a) The charge of the User for use of the LNG Facility is calculated separately for the parts of the contract duration before and after the modification of the Booked Degasification Capacity.

    b) The applied charge $\Sigma\Delta Y$ is adjusted proportionally to the number of duration Days of the Short-term Contract before and after the modification.

    c) For the calculation of the charges pursuant to this Article and Article [17], the values of $\Delta Y$, $\Pi\Delta Y$, $\Pi Y$ shall refer to the part of the duration of the Short-term Contract before and after the modification.

    d) Coefficient B shall refer to the total duration of the Short-term Contract.

    In any other case of modification of the value of the Booked Regasification, the modification shall not be taken into account during the clearance of the contract, for the execution of which the provisions of this Article, as well as of Article [17], apply.

## Article 14

### Charge for the Booking of Transmission Capacity at a Virtual Entry or Exit Point in the Transmission System

1.  Notwithstanding paragraph [2], in case of booking of Transmission Capacity for Delivery at a Virtual Entry or of Transmission Capacity for Reception at a Virtual Exit Point, the charge for the use of corresponding Virtual Point is calculated pursuant to the provisions of Article [12] and [13], where applicable, differing to the following points:

    a) $\Sigma\Delta Mi$ shall mean the Charge for Booked Transmission Capacity for the Exit or Entry (i), to which said Virtual Entry or Exit Point belongs, correspondingly.

    b) $\Sigma EMi$ shall mean the Charge for Transmission Quantity of Natural Gas for the Exit or Entry (i), to which said Virtual Entry or Exit Point belongs, correspondingly.

2. In the case of booking of Transmission Capacity for Delivery at a Virtual Entry Point with the aim of Natural Gas reselling, pursuant to the more specific provisions and prerequisites of the NNGS Network Code, the charge for the use of said Virtual Entry Point is calculated pursuant to the provisions of Articles [12] and [13], where applicable, differing to the following points:

   a) $\Sigma\Delta Mi$ shall mean the Charge for Booked Transmission Capacity e for the Exit (i), to which said Virtual Entry Point belongs, and is assumed to be equal to zero (0).

   b) $\Sigma EMi$ shall mean the Charge for Transmission Quantity of Natural Gas for the Exit (i), to which said Virtual Entry Point belongs.


## Article 15

### Tariff for interruptible booked Capacity

In case that, pursuant to the NNGS Network Code, the conclusion of a Transmission Agreement or of an LNG Agreement for the booking of Transmission or LNG Regasification Capacity, correspondingly, is allowed on an interruptible basis, pursuant to the provisions of paragraph 2 of Article 71 of the Law, the charge for the use of NNGS is calculated according to the provisions of Article [12], [13] and [14], where applicable, where the capacity charge rates are multiplied by the coefficient $(1-\Delta)$. $\Delta$ shall be defined as the maximum possibility of interruption of the booked capacity by the System Operator, as calculated and published by the System Operator, pursuant to the more specific provisions of the NNGS Network Code. Coefficient $\Delta$ takes values greater than zero and less than the unit.


## Article 16

### Tariff of the Exit Point of Transmission System servicing a New Costumer

1. The tariff for the supply of a Reception Facility of a new Customer connected to the Transmission System at a specific Exit Point, and for the first six (6) months of operation, including the month in which the first delivery and reception of natural gas (Trial Operation Period) takes place, shall include only the charging of the required amount of natural gas as allocated solely for this consumer to the appropriate User for the given Entry and Exit.

2. The relevant tariff for the first Year of the Tariff Calculation Period is set by the Tariff Approval Decision. For the subsequent Years, the tariff is adjusted pursuant to the provisions of Article [18].

3. After the expiry of the Trial Operating Period, for the use of said Exit Point, the typical tariffs for the Basic Activity of Transmission apply.

4. Especially for the year within which ends the Trial Operation Period, the charge $\Sigma\Delta Mi$ is calculated proportionally to the remaining, after the expiry of the Trial Operation Period, part of the Transmission Contract during the year, in days.


## Article 17

### Tariffs for Deviations

1. The deviation of the Actual Booked Transmission Capacity for Delivery or Reception ($\Pi\Delta Mj$) from the Booked Transmission Capacity for Delivery or Reception, correspondingly, (hereinafter «$A\Delta Mj$») for each Entry or Exit Point j of the Transmission System shall be defined as the difference: $A\Delta Mj = \Pi\Delta Mj - \Delta Mj$.

2. The deviation of the Actual Booked Regasification Capacity on the LNG FAcility (ΠΔΥ) from the Booked Regasification Capacity on the LNG Facility (hereinafter «ΑΔΥ») shall be defined as the difference: ΑΔΥ = ΠΔΥ - ΔΥ.

3. The deviations for each Transmission or LNG shall be calculated upon clearance of the relevant Transmission or LNG Contract, correspondingly, pursuant to Article [17A], for the cases as provisioned in Articles [12] and [13], where applicable.

4. If the deviations, as a percentage of the Booked Transmission Capacity for Delivery or Reception or of the Booked LNG Regasification Capacity, are within tolerance limits (hereinafter «OAMj» and «OAY» for the Transmission System and the LNG Facility, correspondingly) identified below, the charges shall be calculated on the basis of actual capacities. In this case, tariffs shall be calculated for each User as follows:

    a) For an Entry or Exit Point j of the Transmission System:

    $XMj = ΣΔMi \times ΠΔMj + ΣEMi \times ΠMj$

    Where ΣΔMi and ΣEMi are the charges of Article [11] for the Entry or Exit I, to which the Entry or Exit Point j belongs, correspondingly, after the adjustment pursuant to the provisions of Articles [12] to [15] included, where applicable.

    b) For the LNG Facility:

    $XY = ΣΔΥ \times ΠΔΥ + ΣEΥ \times ΠΥ$

    where ΣΔΥ and ΣEΥ are the charges of Article [11], after the adjustment pursuant to the provisions of Articles [12] to [15] included, where applicable.

5. In case the deviations, as percentage of the Booked Transmission Capacity for Delivery or Reception or of the Booked LNG Regasification Capacity, where applicable, are outside the tolerance limits, an additional charge to the User is applied on the part of capacity charge of the Transmission Tariff and of the LNG Tariff, correspondingly. In this case, the total tariffs shall be calculated as follows:

    a) For the Entry or Exit point j of the Transmission System:

    $XMj = ΣΔMi \times ΠΔMj \times [1 + Aπ(AΔMj)/ΔMj - Aπ(OAMj)]^{ΣΠM} + ΣEMi \times ΠMj$

    Where:

    ΣΔMi and ΣEMi are the charges of Article [11] for the Entry or Exit i, to which the Entry or Exit Point j belongs, correspondingly, after the adjustment pursuant to the provisions of Articles [12] to [15] included, where applicable.

    Aπ( ): The absolute value of the expression which is in brackets.

    b) For the LNG Facility:

    $XY = ΣΔΥ \times ΠΔΥ \times [1 + Aπ(AΔΥ)/ΔΥ - Aπ(OAΥ)]^{ΣΠΥ} + ΣEΥ \times ΠΥ$

    Where:

    where ΣΔΥ and ΣEΥ are the charges of Article [11], after the adjustment pursuant to the provisions of Articles [12] to [15] included, where applicable.

    Aπ( ): The absolute value of the expression which is in brackets.

6. In case that the deviation is positive, the values of $[1+Aπ(AΔMj)/ΔMj–Aπ(OAMj)]^{ΣΠM}$ and $[1+Aπ(AΔΥ)/ΔΥ–Aπ(OAΥ)]^{ΣΠΥ}$ cannot exceed the value of 1,75.

7. In case that the deviation is negative, the capacity charge cannot be less than 75% of the value of ΣΔMi x ΔMj for the Transmission System and less than 75% of the value ΣΔΥ x ΔΥ for the LNG Facility.

8. In case of Release of Transmission Capacity for a specific duration, pursuant to the provisions of the NNGS Network Code, a new Transmission Agreement shall be signed with the User for whom the release took place. The corresponding capacity charges, which are undertaken by the User submitting the request and withdrawn from the User who performed the release, are calculated pursuant to the provisions of Articles [12] paragraph [4] and [13] paragraph [5].

9. In case of Transfer of Transmission Capacity at Entry or Exit Points of the Transmission System or of LNG Regasification Capacity, for a specific duration, pursuant to the provisions of the NNGS Network Code, the corresponding charges, which are undertaken by the transferee User and withdrawn from the transferor User, are calculated pursuant to the provisions of Articles [12] paragraph [4] and [13] paragraph [5] or [12] paragraph [5] and [13] paragraph [6], where applicable.

10. The tolerance limits of deviations OAMj and OAY shall be defined in the Tariff Approval Decision. For the determination of the tolerance limits, the possibility of congestion in the NNGS, as well as the need to improve incentives to the Users for the possibly most effective use of the NNGS, shall be taken into consideration.

11. The numerical values of coefficients ΣΠΜ and ΣΠΥ shall be determined in the Tariff Approval Decision.


## Article 17A

### Invoicing of the Use of NNGS

1. For the invoicing of use of the Transmission System the following shall apply for each Transmission Agreement:

   a) The capacity charge, according to the booked Transmission Capacity at the Entry or Exit Point of the Transmission System, shall be calculated for each Entry and Exit Point and shall be payable by the Transmission User on a monthly basis, according to the number of Days of Month, during which the Transmission Contract is in effect.

   b) The commodity charge shall be calculated for each Entry and Exit Point of the Transmission System and shall be payable by the Transmission User on a monthly basis, according to the Quantity of Natural Gas delivered from the User at an Entry Point or received by the User at an Exit Point during the month.

   c) On the invoice issued by the System Operator the following shall be identified as such:

      (i) The capacity and the quantity charge for each Entry Point of the Transmission System, to which the Transmission Agreement refers.

      (ii) The capacity and the quantity charge for each Exit Point of the Transmission System, to which the Transmission Agreement refers.

      (iii) The total charge of the Transmission User, pursuant to the Transmission Tariffs, which is calculated as the sum of the above charges.

2. For the invoicing of use of the LNG Facility, the following shall apply for each LNG Contract:

   a) The capacity charge, according to the booked LNG Regasification Capacity, shall be calculated and shall be payable by the LNG User on a monthly basis, according to the number of Days of Month, during which the LNG Contract is in effect.

   b) The commodity charge shall be calculated and shall be payable by the LNG User on a monthly basis, according to the Quantity of regasified Liquified Natural Gas, during the month which is injected in the Transmission System .

c) On the invoice issued by the System Operator the following shall be identified as such:

(i) The capacity charge.

(ii) The commodity charge.

(iii) The total charge of the LNG User, pursuant to the LNG Tariffs, which is calculated as the sum of the above charges.

3. In case of Long-term Contracts, settlement of the charges for the use of NNGS shall take place:

a) At the end of each Year, if the duration of the contract is extended to the subsequent Year, as well.

b) Upon expiry of the Contract.

4. In case of Short-term contracts, settlement of charges for the use of NNGS shall take place upon expiry of the Contract.

**Article 18**

**Annual Adjustment of Transmission and LNG Tariffs**

1. The charges ΣΔMi, ΣEMi, ΣΔY and ΣEY, as well as the charge for the use of Transmission System in case of a new Client, are adjusted for each Year t, beginning from the second Year of the Tariff Calculation Period, pursuant to the following formula:

$$P_t = [1 + \Delta CPI_{t-1} \times (1 - X_t)] \times P_{t-1}$$

where:

$P_t$: The value of the factor at Year t.

$P_{t-1}$: The value of the factor at Year t-1.

$\Delta CPI_{t-1}$: The percentage change of the average annual Consumer Price Index (CPI), as derived by the comparison between the average CPI during the twelve-month period of January-December of the year t-1 and the average CPI during the twelve-month period of the year t-2, and as published by the Hellenic Statistical Authority.

$X_t$: Percentage, which cannot be greater than twenty five percent (25%). The value of coefficient $X_t$ is determined by a RAE Decision within four (4) Months from the beginning of Year t, by reference to the improvement of financial effectiveness along the NNGS management. In case RAE abstains from determining said coefficient within above-mentioned timeframe, the coefficient $X_t$ is assumed to be equal to zero.

2. Within ten (10) working days from the beginning of Year t, the System Operator shall publish on website his assessment with regards to the value of charges ΣΔMi, ΣEMi, ΣΔY and ΣEY, according to the assessed value of coefficient $CPI_{t-1}$ and assuming that $X_t$ is equal to zero.

3. The month following the latest time reference point among the following: a) the month coefficient $CPI_{t-1}$ is published by the Hellenic Statistical Authority, or b) the month coefficient $X_t$ is determined by RAE, or c) the expiry of timeframe of paragraph [1], the System Operator:

a) shall finalize and publish on his website, the factors of paragraph [1], according to the actual value of coefficients $CPI_{t-1}$ and $X_t$.

b) shall re-calculated, according to the finalized tariffs, the User Charges for the use of the NNGS for the previous months of the Year, as well as the deviation with regards to the charge calculated based on the assessed tariff charges of paragraph [2].

c) in the invoicing issued for this Month, shall bill the necessary debit/credit transactions to the Users.

# CHAPTER E
# TARIFF REVISION

### Article 19
### Procedure for the implementation and Regular Tariff Revision

1. Within five (5) months from the beginning of the Calculation Year, the System Operator shall submit to RAE a draft of the revision of tariffs for the use of NNGS (Tariff Draft), which shall be accompanied by the following:

   a) The forecasts for the demand of Natural Gas, and especially of the maximum Daily Quantity and of total Annual of Natural Gas, transmitted along the dominant flow of Natural Gas, according to the statistical data of the last three (3) years before the Calculation Year, for each Year of the Tariff Calculation Period and for each Basic Activity and for each Entry and Exit of the Transmission System. The above-mentioned forecasts are prepared according to the most recent Development Study of the NNGS, taking into consideration any other relevant element and especially the Annual Planning for Gas Balancing. In case the Tariff Calculation Period exceeds the time horizon of the Development Study of the NNGS, the projections of Natural Gas demand for the Years which are not included in the Study shall be set equal to the corresponding demand of the last Year of the Study.

   b) The projections for the Regulated Asset Base and for the assets depreciation and for the Operating Expenses of the System Operator for each Year of the Tariff Calculation Period, for each Basic Activity and for each Entry and Exit of the Transmission System.

   c) Ex-post data for each Year of the relevant Revision Period and calculation of Recoverable Difference for each Basic Activity, and for the NNGS as a whole, pursuant to Article [19A], with complete justification in case of excesses in the total annual budgeted Operating Expenses and the total annual Regulated Asset Base of the NNGS with regards to the projected ones during the preparation of the tariffs, as well as a proposal for the allocation of the Recoverable Difference of NNGS for each Basic Activity and each Entry and Exit of the Transmission System.

   d) Justification of the proposal submitted by the System Operator with regards to the numerical value of all parameters defined in Tariff Regulation, and especially of the Weighted Average Cost of Capital and of the LNG Facility Dispersion Percentage.

   e) Study for the determination of coefficients B for the charge of use of the NNGS in case of Short-term Contracts.

   f) Justification of any possible submitted change with regards to the limits of Entries and Exits of the Transmission System.

2. In the Tariff Draft, all the elements, which pursuant to the provisions of the Regulation shall be determined by the Tariff Approval Decision, as well as the derived capacity and

commodity charges of Natural Gas for each Basic Activity and each Entry and Exit of the Transmission System shall be included.

3. The Tariff Draft, as well as any other element which RAE deems necessary, shall be subject by RAE to public consultation of at least thirty (30) days.

4. Within sixty (60) days from the end of consultation, RAE shall send to the System Operator the remarks on the Draft and especially on the elements provisioned in paragraph [1].

5. The System Operator, taking into consideration the above-mentioned remarks, shall submit his final proposal within sixty (60) days from receiving said remarks from RAE.

6. Until the new tariffs enter into force, and notwithstanding paragraphs 3 and 4 of Article 15 of the Law, the existing tariffs shall be in effect and any possible differences in the revenues of the System Operator shall be taken into account for the calculation of the Recoverable Difference during the next Revision Period.

## Article 19A

### Calculation of Recoverable Difference

1. Within (3) months from the end of each Year of the Revision Period, the System Operator, based on the data of his financial reports, shall identify and submit to RAE the accounting values of the following elements for said Year, per Basic Activity:

    a) The Regulated Asset Base, as defined in Article [4].

    b) The depreciation of assets, as defined in Article [7].

    c) The operating expenses, as defined in Article [7A].

2. According to the procedure for tariff revision, the System Operator shall calculate for each Year ($\mu$) of the corresponding Revision Period:

    a) The Required Revenue to be recovered of each Basic Activity, according to the accounting data of [1] for the corresponding Year, maintaining all other numerical elements that are inserted in the calculation the same as those assumed during the previous revision.

    b) The actual regulated revenue of the System Operator per Basic Activity, in which the revenues from the application of Tariffs for the Use of NNGS are included, as well as, at least:

    > (i) Revenues, which according to the NNGS Network Code are revenues, corresponding said Basic Activity.

    > (iii) Revenue from the congestion management of the NNGS, pursuant to the provisions of case e) of paragraph 2 of Article 68 of the Law.

    The actual regulated revenue shall not include possible revenues of the System Operator from the sale of electricity to the Independent Transmission System Operator for Electricity S.A., pursuant to the provisions of paragraph 4 of Article 68 of the Law, as applies, and to other provisions.

    c) The difference, for each Year ($\mu$) of the corresponding Revision Period, between the Required Revenue to be recovered for each Basic Activity, as calculated pursuant to case a) herein, and the corresponding actual regulated revenue of the System Operator, as calculated pursuant to case b) herein, taking also into account for said calculation the factor $X_t$ applied on said Year.

3. The positive or negative difference of each Year of the Revision Period, as calculated pursuant to case c) of paragraph [2], shall be discounted to the First Year of the Tariff

Calculation Period (T), by multiplying factor $(1+WACC)^{(T-\mu)}$, where the term WACC shall mean the Weighted Average Cost of Capital which was valid during the specific Year of the Revision Period for the corresponding Basic Activity. The algebraic sum of above differences for all Years of the Revision Period shall be the Recoverable Difference of the Revision Period for the corresponding Basic Activity. The Recoverable Difference of NNGS for a specific Revision Period shall mean the sum of the Recoverable Difference for each Basic Activity carried out by the System Operator during the corresponding Revision Period.

4. The Recoverable Difference shall be allocated to each Basic Activity and to each Entry and Exit of the Transmission System in proportion to the contribution of the corresponding Basic Activity and of the Entry and Exit to the formation of Recoverable Difference, taking into account the LNG Facility Dispersion Percentage. In case that the application of the proportional allocation, pursuant to the above subparagraph, results in a burden on specific Entries or Exits of the Transmission System in a way that would deter their use by the Users due to excessively high charges, the Recoverable Difference can be allocated to all Entries and Exits of the Transmission System as a fixed increase in the capacity charges of each Entry and Exit, correspondingly.

5. For the determination of the Required Revenue to be recovered for each Basic Activity and for each Entry and Exit of the Transmission System pursuant to Articles [8] and [10], the part of the Recoverable Difference (RD) which is allocated to each Basic Activity and to each Entry or Exit of the Transmission System, pursuant to paragraph [4], shall be further allocated to each Year ($\lambda$) of the first (n) Years of the new Tariff Calculation Period, according to the following formula:

$(RD)/n \times (1+WACC)^{(\lambda-T)}$

where the term WACC stands for the applicable Weighted Average Cost of Capital during the new Tariff Calculation Period.

6. The arithmetic value of the Recoverable Difference of NNGS, the method for allocation of the Recoverable Difference to each Basic Activity and to each Entry and Exit of the Transmission System, the arithmetic value of the Recoverable Difference of each Basic Activity and of each Entry and Exit of the Transmission System and the arithmetic value of factor (n) shall be determined by the Tariff Approval Decision.


**Article 20**

**Emergency Tariff Revision**

1. An Emergency Tariff Revision can take place at the request of the System Operator, which is submitted either on his own initiative or upon a relevant advice or referral of RAE, in case one or more of the following conditions shall be met:

   a) In case that during the Year after the Year, during which the request for an emergency revision is submitted by the System Operator, the following will be implemented:

   (i) a Major Project, or

   (ii) a New Entry or Exit of the Transmission System, or

   (iii) a New Exit Point, the projected Booked Transmission Capacity for Reception of which was not taken into account in the immediately preceding Regular Tariff Revision, and which capacity is greater than the sum of projected Booked Transmission Capacity for Reception of all existing Exit Points of the Exit, to which said Exit Point belongs.

b) In case that the financial, legal or actual facts that had been taken into account in the tariff preparation have substantially altered. Such cases shall include but not limited to the following:

(i) Significant change in the cost of debt for the System Operator.

(ii) Significant change in the effective tax rate of profits for the System Operator.

(iii) Significant change in the average annual Consumer Price Index with regards to the previous Year.

(iv) The case, under which the total Booked Transmission Capacity for Delivery or Reception at Entries or Exits of the Transmission System or the Booked LNG Regasification Capacity during the Year preceding the request, as well as the projections with regards to said quantities for the Year following the request, are significantly less or more than the corresponding projections which had been taken into account for the tariff preparation.

2. The request for an Emergency Tariff Revision shall be submitted by the System Operator to RAE in writing, and shall include detailed documentation of the reasons of submitted request and a draft on updated tariffs for the use of the NNGS. Specifically, the following are submitted along with the request:

a) Historical data concerning the factors that expedite the revision.

b) Data on the deviation of such factors with regards to their projected value for the corresponding Years of the Tariff Calculation Period.

c) Assessment on the projection of such factors for each Year subsequent to the Year of request submission up to the Calculation Year of the next Regular Tariff Revision.

d) Impact assessment on the revenues of the System Operator and the tariffs of the next Tariff Calculation Period, in case of rejection of the emergency revision request.

The request of the System Operator for Emergency Tariff Revision is assessed for by RAE. In case that no additional documents for completion of any missing data are requested by RAE within thirty (30) days of the request, the request is considered complete. The formal completeness of the request does not prohibit RAE to request any additional information or clarifications that are relevant to the substantiation of the request. RAE shall deliver a decision within three (3) months from the date the request of the System Operator was considered to be complete. Reject of the request of the System Operator shall be fully justified by RAE. The non deliverance of decision by RAE shall not constitute implicit acceptance of the request.

3. For the Emergency Tariff Revision, the Year the revision takes place is set as the Calculation Year, and in respect of the other issues, the timing of implementation of the subsequent Regular Tariff Revisions is adjusted accordingly.

## CHAPTER F

## FINAL AND TRANSITIONAL CLAUSES

### Article 21

### Times of First Issue of Tariffs and Regular Revision

1. For the first issue of tariffs pursuant to provisions of Tariff Regulation, the following shall apply:

a) As Reference Year is defined the Year 2010.

b) As Calculation Year is defined the Year 2011.

c) As first Revision Period is defined the period between Years 2006 and 2010.

d) As first Year of the first Tariffs Calculation Period is defined the Year 2012.

2. Notwithstanding any Emergency Tariff Revision after the first issue of the tariffs, pursuant to the provisions of the Regulation, the time related milestones and the sequence of Regular Tariff Revisions are presented in Annex B.

## Article 22

### Calculation of Recoverable Difference of Transitional Period

1. For the calculation of Recoverable Difference of each Year or part of the Year from the entry into force of ministerial decision 4955/2006 until the entry into force of the tariffs that are published pursuant to the provisions of the Regulation, the rules of this article herein shall apply.

2. For each Year from 2006 to 2011:

   a) The ex-post Required Revenue of the System Operator shall be calculated according to the methodology and the Weighted Average Cost of Capital pursuant to the ministerial decision 4955/2006, as in force, without prejudice to paragraphs [5] and [6].

   b) For the calculation of Recoverable Difference in values of the corresponding first Year of the new Tariff Calculation Period, the discount rate to be used shall be the Weighted Average Cost of Capital, as defined in ministerial decision 4955/2006, as in force.

3. System Operator's Expenses for the offsetting of LNG Facility Losses, which were realized until the date of issue of the NNGS Network Code (G.O.G B 379/1.4.2010), shall be included in the Operating Expenses of the Year, in which they were realized. System Operator's Expenses for the offsetting of LNG Facility Losses, which were realized after the date of issue of the NNGS Network Code shall not be included in the Operating Expenses of the Year, in which they were realized and shall not be taken into consideration for the calculation of Recoverable Difference.

4. System Operator's Revenues from the sale of electricity to the Hellenic Transmission System Operator S.A or to the Independent Power Transmission System Operator shall be excluded from the total Operating Expenses of the Year, in which they were realized and shall not be considered as revenue for the calculation of Recoverable Difference.

5. The ex-post Working Capital of the Basic Activity of Transmission for the Years 2010 and 2011 shall be calculated as the sum of:

   a) The value of Natural Gas into the pipelines of the Transmission System as this was estimated on 31.12.2010 and 31.12.2011 respectively, after inventory check and according to the method of inventory evaluation, applied by the System Operator and
   b) Amount equal to the one twelfth of the part of the total revenue of the System Operator, which corresponds to the revenue of the Basic Activity of Transmission for the Years 2010 and 2011, respectively.

6. The ex-post Working Capital of the Basic Activity of LNG for the Years 2010 and 2011 shall be calculated as the sum of:

   a) The value of Natural Gas of non-pumpable quantity of LNG in the LNG facility as this was estimated on 31.12.2010 and 31.12.2011 respectively, after inventory check and according to the method of inventory evaluation, applied by the System Operator and

b) Amount equal to the one twelfth of the part of the total revenue of the System Operator, which corresponds to the revenue of the Basic Activity of LNG for the Years 2010 and 2011, respectively.

7. The Recoverable Difference of the first Revision Period shall be calculated overall for the Basic Activities of the System Operator, without distinction between the Basic Activity of Transmission and LNG, and is allocated solely to the Exits of the Transmission System proportionally to the forecasted maximum Daily Quantity of Natural Gas, which is received from each one of them for each of the first three (3) Years of the first Tariff Calculation Period. Expenses for studies and evaluation of investments, which were not finally realized, during the period 2006-2010, shall be incorporated in the Operating Expenses of Year 2010. Exchange rate differences which have been accumulated until 31.12.2012 from debt liabilities shall be incorporated in the Operating Expenses of Year 2010.

## Article 23

### Allocation Rules for the Calculation of the Regulated Asset Base and the Assets' Depreciation of a Basic Activity

Until the first Regular Tariff Revision which follows the approval of the rules of accounting unbundling from RAE, pursuant to paragraph 4 of article 89 of the Law, for the calculation of the Regulatory Asset Base and the assets' depreciation of a Basic Activity for each Year of the Tariff Calculation Period, the following shall apply:

a) The tangible and intangible assets as well as the Planned Projects under construction of the System Operator, as well as their depreciation, shall be allocated between the Basic Activities of Transmission and LNG, according to their geographical location.

b) The System Operator's assets which correspond to supporting services for the overall activities of the System Operator, and their depreciation, as well as the Planned Projects under construction which cannot be allocated geographically, and their depreciation, shall be allocated to the Basic Activities of Transmission and LNG proportionally to the value of assets already allocated to the relevant Basic Activity, pursuant to paragraph a).

## Article 24

### Allocation Rules for the Calculation of the Operating Expenses of a Basic Activity

1. Until the first Regular Tariff Revision, which follows the approval of the rules of accounting unbundling from RAE, pursuant to paragraph 4 of article 89 of the Law, for the application of the provisions of case a) of paragraph [2] of article [7A], for the calculation of Operating Expenses for each Basic Activity for each Year of the Tariff Calculation Period, the rules of the present article shall apply.

2. Operating Expenses which do not correspond to supporting services for the overall activities of the System Operator's, are allocated directly between System Operator's regulated and non-regulated activities. The payroll expenses shall be allocated between regulated and non-regulated activities through the System Operator's system of time sheet and the remaining expenses of all other types shall be allocated according to the relevant invoices, as these are defined by the System Operator.

3. The part of operating expenses, as these are estimated pursuant to paragraph [2], which does not correspond to supporting services for the overall activities of the System Operator and refers to regulated services, shall be allocated to each Basic Activity as follows:

a) Operating Expenses, the identification and characterization of which by the System Operator is possible, are allocated directly to the Basic Activity that they relate. The payroll expenses are allocated to each Basic Activity through the System Operator's system of time sheet and the remaining expenses of all other types are allocated to each Basic Activity according to the relevant invoices, as these are defined by the System Operator.

b) In case their identification and characterization is not possible from the System Operator, the operating expenses shall be allocated proportionally to the operating expenses that have already been allocated to the relevant Basic Activity pursuant to case a) of paragraph herein.

4. Operating Expenses that refer to supporting services for the overall activities of the System Operator shall be allocated to the System Operator's regulated and non-regulated activities proportionally to the operating expenses that do not relate to supporting services and have been already allocated to the regulated activities of the System Operator pursuant to paragraph [2].

5. The part of operating expenses, as calculated pursuant to paragraph [4], which relates to supporting services for the overall activities of the System Operator and corresponds to regulated activities shall be allocated to each Basic Activity proportionally to the value of assets which have been included in the Basic Activity.

6. The total operating expenses that are allocated to each Basic Activity shall result from the sum of: a) the operating expenses which are allocated to each Basic Activity pursuant to paragraph [3], and b) the operating expenses that are allocated to each Basic Activity pursuant to paragraph [5].


## Article 25

### Coefficient for Short-term Use of NNGS

For the first issue of tariffs pursuant to the provisions of Tariff Regulation, the Tariff Coefficients for Short-term Use of NNGS are determined in such a way that revenue earned by the System Operator from the conclusion of a single Long-Term Contract of one-year duration for the booking of Transmission Capacity equal to or more than the maximum Daily Quantity estimated to be transmitted through the Transmission System or through the Entries and Exits of the Transmission System for the relevant Year, and the revenue earned by the System Operator from the conclusion of a combination of one base Long-term Contract and supplementary Short-term Contracts for the periods of Year, during which high Daily Quantities of Natural Gas are observed, are equal (Revenue Equivalence Principle).


## Article 26

### Final Provisions

1. Within one (1) month after entry into force of the Tariff Regulation, the System Operator shall submit to RAE a draft on tariffs for the use of NNGS, pursuant to the provisions of Chapter [F] and the values of parameters that are defined in Annex [A] to [C] of the Tariff Regulation herein.

2. Within three (3) months after entry in force of the Tariff Regulation, the System Operator shall submit to RAE:

    a) A recommendation for the amendment of the NNGS Network Code, to the points deemed necessary due to the provisions of the Tariff Regulation.

b) A proposal for the amendment of the Standard Natural Gas Transmission Agreement and the Standard LNG Usage Facility Agreement, to the points deemed necessary due to the provisions of the Tariff Regulation.

3. Within two (2) months after entry into force of the tariffs pursuant to paragraph [1], the contracted parties in existing Transmission Agreements and LNG Usage Facility Agreements must take all necessary steps to ensure that the existing agreements between them include terms similar to the ones stipulated in the new standard approved agreements pursuant to paragraph [2]. RAE, in order to ensure the equal treatment of all parties in the Natural Gas market and the proper functioning of the market, shall monitor the relevant progress and efforts of the parties and may therefore impose recommendations, suggestions or any other appropriate means.

4. When the tariffs as of paragraph [1] enter into force, pursuant to the provisions of paragraph 5 of article 88 of the Law, the Ministerial Decision 4955/2006, as in force, shall cease to apply, with the explicit exception of the provisions necessary for the calculation of Recoverable Difference pursuant to the provisions of article [22] herein.

## ANNEX A

## REGULATED ASSET BASE FOR YEAR 2010

The Regulated Asset Base of NNGS for year 2010 is set equal to 976.939.041,49 Euro.

The Regulated Asset Base for the Basic Activity of Transmission for year 2010 is set equal to 682.781.154,34 Euro.

The Regulated Asset Base for the Basic Activity of LNG for year 2010 is set equal to 294.157.887,15 Euro.

The Regulated Asset Base for year 2010 for each Entry and Exit of the Transmission System, pursuant to the provisions of Tariff Regulation herein, is determined according to the following table:

| Entry/Exit | RAB (Euro) |
|---|---|
| Entry Sidirokastro | 25.022.386,68 |
| Entry Kipi | 19.588.914,79 |
| Entry Agia Triada | 15.508.082,39 |
| Exit North Zone | 178.199.931,51 |
| Exit North East Zone | 29.670.755,46 |
| Exit South Zone | 414.791.083,51 |

**ANNEX B**

**TIME RELATED MILESTONES AND SEQUENCE OF REGULAR TARIFF REVISIONS**

| | Reference Year | Calculation Year | Revision Period | Tariff Calculation Period |
|---|---|---|---|---|
| First publication of tariffs based on Regulation | 20 10 | 2011 | 2006-2010 | 2012-2031 |
| First Regular Tariff Revision | 2014 | 2015 | 2011-2014 | 2016-2035 |
| Second Regular Tariff Revision | 2018 | 2019 | 2015-2018 | 2020-2039 |
| Subsequent Regular Tariff Revisions | Pursuant to the provisions of the Regulation | | | |

**ANNEX C**

**Values of coefficients for the first publication of tariffs pursuant to the provisions of Regulation**

- The percentage rate of WCap is equal to 5%.

- The factor G is equal to 0,276.

- The factor DR is equal to 5,95%.

- The effective tax rate for the System Operator TX is equal to 0,20.

- The factor RFR is equal to 0,63%.

- The factor CRP is equal to 6,75%.

- The factor MRP is equal to 5,90%.

- The factor $\beta$ is equal to 0,5.

- The factor Inf is equal to 1,5%.

- The LNG Facility Dispersion Percentage (SocLNG) is equal to 75%.

- The factor SocLNGEx is equal to 50%.

- The coefficient $\pi_{ij}$ for i: North East Zone Exit and j: North Zone Exit is equal to 96%.

- The coefficient $\pi_{ij}$ for i: North Zone Exit και j: South Zone Exit is equal to 30%.

- The coefficients TRACap and LNGCap are set equal to 80%.

- The tolerance rate for the deviations OAMj and OAY are set equal to ± 10%.

- The coefficients ΣΠΜ and ΣΠΥ are set equal to 1,20 in case of a positive deviation and to 1,00 in case of a negative deviation.

- The factor (n) for the calculation of the Recoverable Difference is set equal to the value of (3).

- The factor $X_t$ for t=2013 and t=2014 is set equal to zero percent (0%).