
UNOFFICIAL TRANSLATION

IMPORTANT NOTE: In the event of discrepancy between the Greek and English version, the Greek text prevails

RAE DECISION Nr. 644/2018

THIRD REVISION OF THE TARIFF REGULATION FOR THE BASIC ACTIVITIES OF THE NATIONAL NATURAL GAS SYSTEM (NNGS) according to para. 1 of article 88 of Law 4001/2011 and Law 4409/2016

REGULATION FOR TARIFFICATION OF THE BASIC ACTIVITIES OF THE NNGS TARIFF REGULATION FOR THE BASIC ACTIVITIES OF THE NATIONAL NATURAL GAS SYSTEM

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 determination of tariffs for the charge of each Basic Activity according to the provisions of paragraph 2 of article 88 of Law 4001/2011/G.G /A' 179/22.08.2011 (Law), and according to the provisions of article 61 of Law 4409/2016 (G.G A' 136/28.07.2016) as amended by paragraph 12 of article 15 of the Law 4425/2016 (G.G A' 185/30.09.2016).

The present regulation does not regulate the methodology for the definition of tariffs for the Basic Activity of Gas Storage, for the cases where part of the National Natural Gas System is developed pursuant to case (δ) of paragraph 1 of article 67 of the Law, as well as for the case (ιζ) of paragraph 2 of article 68 of the Law.

Article 2
Definitions

1. The terms mentioned in the Tariff Regulation have the content and the meaning attributed to them by Law 4001/2011, and the regulatory acts issued

according to the authorizations of the referred Law. For the implementation of the Tariff Regulation the terms used herein shall have the following meaning:

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

b.) Tariff Recalculation Decision: The decision of RAE, which approves the recalculation of tariffs for each Basic Activity pursuant to the provisions of article 18 or 18A of the Regulation.

c.) Short Term Application: Approved Application for firm Transportation services or Approved Application for LNG Facility services or for interruptible services with duration less than three hundred and sixtyfive (365) continuous days.

d.) Long Term Application: Approved Application for firm Transportation services or Approved Application for LNG Facility services with duration equal or greater than three hundred and sixty-five (365) continuous days.

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

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

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

h.) Marginal Price: The eligible minimum auction price for capacity booking within the transmission capacity auction defined as the sum of

I. The product of the capacity charge coefficient (as defined in article 11) adjusted in proportion to the number of Days of the Year relevant to the standard capacity product for Delivery/ Reception[1] by the corresponding short-term multiplier for the use of the National Natural Gas System (NNGS) (as described in article 13) and

II. In case of bundled product, the respective charge for the same Standard capacity product for Delivery/ Reception applicable to the use of the interconnected Natural Gas System

i.) Settlement Auction Price: The price that will be paid by the Transmission User in order to acquire transmission capacity for Delivery/Reception via the corresponding transmission capacity auction for the relevant standard capacity product for Delivery/ Reception, which is the sum of the Marginal

[1] Translator's note: Gas delivery refers to the entry points and gas reception to the exit points of the Transmission System

Price at the time of the Transmission Capacity for Delivery / Reception usage and the Auction premium.

j.) Reverse Flow: The Natural Gas flow direction opposite to the statistically prevailing flow at an interconnection point

k.) Bi-Directional Flow: Either the statistically prevailing Natural Gas flow direction or the opposite direction.

l.) Old Recoverable Difference is the Recoverable Difference of Years 2006-2015 plus the forecasted Recoverable Difference of Year 2016, as determined according to article 19[B].

J.) As Average Tariff of NNGS for year n of the calculation period is considered the weighted tariff based on the Revenue for Capacity and Commodity for the sum of entries and exits of NNGTS, calculated as follows:

$$AvTar_{\nu} = \frac{RR_{\nu} * TRACap_{\nu}}{\sum CAP_{TRA,\nu} * D_{\nu}} + \frac{RR_{\nu} * (1 - TRACap_{\nu})}{\sum COM_{TRA,\nu}}$$

where:

$AvTar_{\nu}$ is the Average Tariff of NNGS for year ν of the calculation period

RR_{ν} is the Required Revenue to be recovered of the basic activity of Transmission and of the basic activity of LNG Facility, as defined in Article 8A of present Tariff Regulation for each year (v) of the tariff calculation period

$TRACap_{\nu}$ as defined in par.3 of Article 11 of the present Tariff Regulation for year (v) of the tariff calculation period

$\sum CAP_{TRA,\nu}$ is the sum of maximum Daily Quantities of Natural Gas of all entries and exits of the NNGTS which are taken into consideration for the calculation of capacity tariff coefficients for year (v) of the tariff calculation period, according to Articles 9 and 11 par.3 of present Tariff Regulation

D_{ν} is the number of days of year (v) of the tariff calculation period

$\sum COM_{TRA,\nu}$ is the sum of the yearly Quantities of Natural Gas of all entries and exits of NNGTS of year (v) of the tariff calculation period according to par.4 of Article 11 of present Tariff Regulation.

The Average Tariff of NNGS of year (v) of the tariff calculation period is expressed either in €/kWh/y GCV with the capacities ($\sum CAP_{TRA,\nu}$) and commodities ($\sum COM_{TRA,\nu}$) expressed in kWh GCV respectively in the above formula or in €/MWh/y GCV with the capacities ($\sum CAP_{TRA,\nu}$) and commodities ($\sum COM_{TRA,\nu}$) expressed in MWh GCV respectively.

Article 3
Principles and Periods for Calculation and Revision of Tariffs

1. The tariffs shall be determined according to the principle of recovery of the Required Revenue for each Basic Activity of the System Operator, in a way that the criteria 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 for the relevant Basic Activity for every Year of the Tariffs Calculation Period; as Tariff Calculation Period is defined the time period of four (4) consecutive Years.
   b) The actual data concerning the actual Required Revenue and the actual Revenue of the System Operator for the reference year of paragraph 3, in order to secure that no under- or over-recovery of Required Revenue occurs.

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 (4th) Year of each Tariff Calculation Period, which is set as Calculation Year for the following Calculation Period. The Regular Tariff Revision shall be conducted according to the procedure of article [19]. Especially for the first implementation of this regulation, regular tariff revision will be carried out during 2018 which becomes Calculation Year for the following Calculation Period.

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

6. Recalculation of Tariff coefficients for Transmission and LNG Facility for each year of the calculation period, will be carried out during the previous year according to article [18].

7. Extraordinary Recalculation of transmission and LNG tariff coefficients that will be in force during each Year of the Tariff Calculation Period is conducted during the previous year according to article [18A].

CHAPTER B
REQUIRED REVENUE

Article 3A
Required Revenue

1. The Required Revenue for each year (v), 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 at the end of year (v), as defined in articles [4] and [6].

   b) The Regulated Depreciation of assets of the relevant Basic Activity for the year (v) as defined in article [7].

   c) The Regulated Operating Expenses of the relevant Basic Activity for the year (v) as defined in article [7A].

   All the above mentioned calculations are made in accordance with the IFRS standards.

2. The Required Revenue of the NNGS for a certain Year is equal to the sum of Required Revenue for each Basic Activity at the said Year.

3. The Required Revenue for the basic activity of Transmission as well as for the basic activity of LNG Facility is further allocated to every Entries and Exits of the transmission system according to articles [8] and [10].

4. The Required Revenue of each Basic Activity is defined arithmetically for each Year of the Tariff Calculation Period by the Tariff Approval Decision during the Tariff Revision.

Article 4
Regulated Asset Base (RAB)

1. Regulated Asset Base (RAB) of a Basic Activity for the year (v) is the capital employed for the Basic Activity by the System Operator at the end of the year (v).

2. The RAB of a Basic Activity is calculated for each year (v) as the sum of:

   a) The Regulated Undepreciated Value of existing tangible and intangible assets of the relevant Basic Activity at the end of the year (v) according to paragraph 3.

b) The percentage KK (%) of the working capital for the Basic Activity for the year (v) as calculated according to paragraph 5. The working capital for Transmission and LNG Facility is the difference between Current Assets and Current Liabilities as they are presented in the published financial statements of the System Operator, or, per Basic Activity, according to the implementation of the Accounting Unbundling Rules. In any case the working capital cannot exceed the cash safety deposit as this is defined in par. 6, increased by the percentage of 33% and allocated to the Basic Activity of Transportation and LNG Facility proportionally to the Regulated Undepreciated Value of assets of each Basic Activity, as this is defined in point (a) above.

3. The Regulated Undepreciated Value of assets for each Basic Activity at the end of the year (v) is calculated, when from the regulated acquisition value of fixed assets for every Basic Activity at the end of the year (v), as defined in article 4, the following items are excluded:

   a.) The depreciation of fixed assets corresponding to the Regulated acquisition value.

   b.) The unamortized grants that have been included in the share capital at the end of the calculation year, calculated based on the data presented on table 13 of RAE Decision 722/202 (G.G B 2385/27.08.2012) considering that the annual depreciation after the year 2010, is equal to the depreciation of year 2010, i.e. 7.114.759 € / year.

   These grants are allocated between the Transmission Basic Activity and the LNG Facility Basic Activity by seventy –two (72%) and twenty-eight (28%) percent respectively.

4. Subject to paragraph 6, the Regulated Acquisition Value of fixed assets for each Basic Activity at the end of the year (v) is calculated as the acquisition value of fixed assets including assets under construction, minus the following items:

   a.) The own-produced assets not corresponding to materials.

   b.) The connection fees and additional connection fees, as calculated in article [5] and [5A].

   c.) The capitalized interest during construction period with the exception of that corresponding to projects under construction according to RAE Decision 594/2012 (G.G 2093/5.7.2012) which were classified as Major Projects. These projects are included in the RAB on 31.12.2016.

   d.) Grants for fixed Assets recorded in the Financial Statements of the System Operator.

5. The percentage KK (%) of the working capital for each Tariff Calculation Period is defined with the Tariff Approval Decision at any ordinary or extraordinary Tariff review. The percentage KK (%) takes a value proportionally between 50% to 100% according to the level of the current ratio for the Transmission Basic Activity and the LNG Facility Basic Activity. The percentage KK (%) receives value:
    a.) 100% if the current ratio is less than 1.5
    b.) 51%-99% if the current ratio is between 1.5-2 (with linear configuration) and
    c.) 50% if the current ratio is greater than 2.

    In case of negative working capital, the percentage (%) is set equal to zero (0). The Current Ratio is defined as the ratio Current Assets / Current Liabilities. Each month, the System Operator is obliged to retain enough cash to cover at least the budgeted liabilities of the next 4 months.

6. The Operator is obliged to maintain a cash safety deposit equal to twenty percent (20%) of the forecasted yearly operating expenses for the Basic Activity of Transportation and the Basic Activity of LNG including debt and tax payment obligations. In addition, the Operator must maintain any cash reserves required to meet all its planned obligations in accordance with its cash flow budget as well as cash reserves for the availability of Users' financial guarantees and the security of supply account.

7. For the implementation of paragraph 1(a) of article [19A], new projects, completed or under construction, are included in the RAB of the relevant Basic Activity, after the approval of the National Natural Gas System Development Plan or after the publication of the Small Projects List in which they are included.

8. Any revaluation of Assets of the System Operator after the initial recording in the Financial Statements will not be taken into account in the RAB of the corresponding Basic Activity.

9. The distribution of the fixed assets to each Basic Activity is carried out in accordance to the accounting unbundling rules approved by RAE, as per paragraph 4 of article 89 of the Law.

10. The Regulated Asset Base (RAB) is defined arithmetically for each year of the Tariff Calculation Period with the Tariff Approval Decision at any ordinary or extraordinary revision. The same Decision defines the projects that have been included in the forecasted RAB for which disbursements are foreseen within the Tariff Calculation Period and their remaining budget.

Article 5
Definition of Connection Fee

1. In case of a User's Connection Project with the Transmission System, which includes the connection of a Reception Facility or a Connected Gas System, the User who applied for the Connection Project and whose request was approved by the System Operator pursuant to the provisions of the National Natural Gas System (NNGS) Administration Code, shall pay the Connection Fee 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 station for the Natural Gas reception installation, including the cost of telecommunication equipment, up to the limit of three (3) million Euro in 2017 nominal values per metering or metering and regulating station, and

    b) The actual cost of the pipeline upstream of the new Exit 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 2018 in nominal values.

    In case that the length of the pipeline upstream of the new Exit Point exceeds two (2) kilometers, the part of the total actual cost of the upstream pipeline included in the Connection Fee is calculated proportionally with the ratio of 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 2018 in nominal values.

2. The aforementioned monetary limits are adjusted every Year according to the change in the average annual Consumer Price Index (%) of the previous year, as published by the Hellenic Statistical Authority. In case of negative index, the monetary limits will not be adjusted.

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

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

5. The part of the cost of the Transmission User's Connection Project, that reflects the amount that is paid by the applicant Transmission 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 according to paragraph 7 of article [4].

7. In case a reception facility is fed by the transmission system without a relevant metering or metering and regulating station of the National Natural Gas System, the System Operator implements the relevant investment and the Transmission User bears the Connection Fee according to the present article, unless within a period of ninety (90) days after relevant notification by the System Operator, which takes place before the start of the engineering design of the project, the Transmission User notifies the System Operator requesting the disconnection of his installation from the National Natural Gas System.
   For the purpose of this provision, as reception facility is meant the totality of installations belonging to the same physical or legal person within the geographical boundaries of the installation.

Article 5A
Criterion for the Financial Feasibility of a New Project

1. For the financial feasibility of a new Connection Project, pursuant to the provisions of the NNGS Administration 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 for a period of Twenty (20) Years (Average Tariff Period).

2. The Average Tariff for the Use of the NNGS during the Average Tariff Period is calculated according to the mathematic formula of paragraph J of article [2] of present Tariff Regulation, discounted to the first Year of the Average Tariff Period.

3. For the calculation of the net present value of the values referred in the previous paragraph, the Weighted Average Cost of Capital in force is used as discount rate.

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, Connection Fee, capitalized construction period interest and own-produced assets not corresponding to materials, the budgeted Operating Expenses which result from the implementation of the new project, as well as the additional Transmission Capacity and Commodity of Natural Gas which are estimated 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 during the Average Tariff Period, the project is considered as cost-efficient.

6. In case the integration in the RAB of the new project causes an increase tin the Average Tariff for the Use of the NNGS during the Average Tariff Period, the portion of the total cost of the new project that causes the increase of the Average Tariff is calculated.

The calculated portion of the total cost that causes the increase of the Average Tariff may be paid by the Transmission User who requested the connection project as an Additional Connection Fee in order for his request to be accepted by the System Operator according to the provisions of the NNGS Administration Code and the specific provisions of the Connection Agreement. The additional connection fee mentioned is not included in the RAB and relevant depreciation is not recovered.

7. In case the connection project is requested by more than one Transmission Users, the Additional Connection Fee, mentioned above, will be allocated to each Transmission User according to the Transmission Capacity each Transmission User has requested for the relevant connection project.

8. The System Operator, for the evaluation of the impact of the implementation of a Development Project[2] on the tariff for use of the NNGS, pursuant to the provisions of the NNGS Administration Code, may apply the provisions of this article.

Article 6
Return on the Regulated Asset Base (RAB)

1. As Return on the RAB is defined the return that is reasonably expected to be received by an investor on a long term basis 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 the RAB is calculated per Year

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

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

Where:

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

G (Gearing Ratio): The average of the Annual Gearing Ratios concerning Basic Transmission Activity and LNG Activity during the Tariff Calculation Period estimated using data from the Reference Year and in accordance with the most recent business plan of the System Operator.

[2] Translator's note: Two kinds of projects are foreseen in the NNGS Administration Code: Connection projects, which are requested by Users and are not allowed to cause an increase in the average tariff as defined in the Tariff Regulation, and Development projects, which are proposed by DESFA.

The Annual Gearing Ratio is defined as the ratio of the sum of the total debt (D) concerning Basic Transmission Activity and LNG Activity of a Year divided by the sum of the total debt (D) plus the total equity (E) concerning Basic Transmission Activity and LNG Activity.

RAE may justifiably set an average gearing ratio (G) during the Tariff Calculation Period in the case that the estimated capital structure of the System Operator as per the latest Business Plan, is not optimal from the regulatory point of view.

In any case the actual Average Gearing Ratio cannot exceed the value of zero point five (0,5).

The value included in the Tariff Approval Decision is not subject to the limitation of the actual capital structure of the System Operator.

$ROE_{\text{post-tax, nominal}}$ (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 Debt Rate is the average of the annual Debt Rates during the Tariff Calculation Period, according to the most recent business plan of the System Operator.

TX (Tax Rate): The estimated average rate of annual profit taxation of the System Operator, during the Tariff Calculation Period.

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

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

Where:

RFR (Risk Free Rate): The return of an investment without risk which is defined based on the average yield of a ten-year government bond in the twelve months until the last working day of the month (v-2) [where v is the month of the required submission of the required revenue] of the Eurozone Country with the highest Credit Rating by all three major credit rating agencies (Standard & Poor's (S & P), Moody's and Fitch Group). If two or more countries have the same score, the country with the lowest yield in the last twelve (12) months is selected.

CRP (Country Risk Premium): Investment risk rate in Greece. This figure is added to the return on investment without risk and is determined taking into account the economic conditions of investing in a monopolistic activity in Greece, in particular:

a) The investment plan of the System Operator, especially the amount of new funds required to implement it and
b) The margin between the average yield of a ten-year Greek government bond and the ten-year government bond that is used as the basis for

calculating the return on investment without risk (Risk Free Rate) during the same period.

This premium cannot be greater than four percent (4%).

MRP (Market Risk Premium): The market risk premium, which is defined based on historical data and estimates on the evolution of returns of stock versus government bonds, in the largest possible sample of developed countries. To determine this parameter, information may be obtained from relevant reports of accredited financial institutions, universities, and from relevant international literature.

β (Beta factor): Factor of systematic risk of System Operator's own equity, which is based on Blume systematic equity risk factors, for the last five years (5) up to the reference year, for stock exchange listed Transmission and Distribution Gas Network Operators acting without competition in the European Union.

5. The calculation of Weighted Average Cost of Capital of the System Operator in nominal post tax values, in real post tax 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:

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

$WACC_{pre\text{-}tax,\ nominal}$: (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].

$WACC_{post\text{-}tax,\ real}$: (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 average inflation rate of each Year of the Tariff Calculation Period.

$WACC_{pre\text{-}tax,\ real}$: (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, per Basic Activity and per new project category.

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 at any ordinary or extraordinary Tariff Revision.

Article 7
Regulated Depreciation of Fixed Assets

1. The Depreciation of fixed assets of each Basic Activity for every year of the Tariff Calculation Period, included in the Required Revenue (Regulated Asset Depreciation), is the Depreciation for the said year of the Regulated Acquisition Value minus the amortization for the corresponding year of grants that have been included in the share capital of the System Operator in accordance with paragraph 3 (b) of article [4].

2. Any revaluation of Assets of the System Operator after the initial recording in the Financial Statements will not be not taken into consideration in the calculation of the Fixed Assets Depreciation.

3. The Regulated Depreciation of Fixed Assets of each Basic Activity is defined arithmetically for each year of the Tariff Calculation Period in the Tariff Approval Decision at any ordinary or extraordinary Tariff Review.

Article 7A
Regulated Operating Expenses

1. The operating expenses of each Basic Activity for every year of the Tariff Calculation Period which are included in the Required Revenue (Regulated Operating Expenses), are 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 estimation of Regulated Operating Expenses for every Year of the Tariff Calculation Period, the following shall be taken into consideration:

   a) The operating expenses data extracted 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 accounting unbundling rules, which are approved by RAE, pursuant to the provisions of paragraph 4 of article 89 of the Law.

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

c) Any other element that may affect the configuration of operating expenses for the following Years of the Tariffs Calculation Period, 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 Regulated Operating Expenses shall not include:

a) Expenses reimbursed by the Transmission Users separately, in accordance with the provisions of the NNGS Administration Code, as for offsetting the System Operator's costs for supplying balancing gas and operational gas and for security of supply compensations according to RAE Decision 344/2014 (G.G B 2536 / 23.09.2014).

b) System Operator's financial costs

c) Operating costs grants

d) Fines imposed on the System Operator by administrative authorities.

e) Cost provisions. Cost provisions are taken into account the Year they are realized.

4. The Regulated Operating Expenses include:

a) Reasonable costs for the study and evaluation of investments that ultimately did not materialize.

b) The own-produced assets not corresponding to materials.

c) Reasonable System Operator costs for capacity reservation in the NNGS or any other Natural Gas System, that are not compensated in any other way.

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

6. The Regulated Operating Expenses for the Basic Activity of LNG Facility of each Year as mentioned in paragraphs 3 and 4, result after the deduction of income from the sale of electricity from the System Operator 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 provisions.

7. The forecasted Regulated Operating Expenses of each Basic Activity are defined arithmetically for each Year of the Tariff Calculation Period with the Tariff Approval Decision at any ordinary or extraordinary Tariff Revision.

Article 8
Dispersion of Required Revenue of the Basic Activity of LNG Facility

1. Pursuant to the provision of paragraph 3 of Article 88 of the Law, a percentage of the Required Revenue of the Basic Activity of LNG Facility (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.

2. The LNG Facility Dispersion Percentage is defined arithmetically with the Tariff Approval Decision at any ordinary or extraordinary Tariff Revision.

Article 8A
Required Revenue to be Recovered

1. The Required Revenue to Be Recovered for the Basic Activity of Transmission in the year (v) of the Tariff Calculation Period is calculated as the sum of:

   a) The Required Revenue for the Basic Activity of Transmission of the said year (v) of the Tariff Calculation Period.

   b) The Recoverable Difference corresponding to the Basic Transmission Activity at the end of Year (v-2) multiplied by the factor (1 + inf), where inf is the average Consumer Price Index of the Year (v-2), where in case of negative value inf is considered equal to zero, as defined according to article [19A].

   c) In case article 18A is applied during year (v-1), the forecasted Recoverable Difference at the end of Year (v-1), as calculated according to article [19A].

   d) The Old Recoverable Difference which is recovered in year (v) and is allocated to the Basic Activity of Transmission, as determined in accordance with Article [19B].

   e) The product of SocLNG percentage by the sum defined in paragraph 2 of this article.

2. The Required Revenue to be Recovered for the Basic Activity of LNG Facility in Year (v) of the Tariff Calculation Period, is calculated as the product of the percentage (1 - SocLNG) multiplied by the sum of:

a) The Required Revenue for the Basic Activity of LNG Facility for the corresponding year (v) of the Tariff Calculation Period.

b) The Recoverable Difference corresponding to the Basic Activity of LNG Facility at the end of Year (v-2), multiplied by the factor (1 + inf) where inf is the average Consumer Price Index of Year (v-2), where in case of negative value inf is considered equal to zero, as defined according to article [19A].

c) In case article 18A is applied during year (v-1), the forecasted Recoverable Difference at the end of Year (v-1), as calculated according to article [19A].

d) The Old Recoverable Difference which is recovered in year (v) and is allocated to the Basic Activity of Transmission, as determined in accordance with Article [19B].

3. In the Tariff Approval Decision at any ordinary or extraordinary Tariff Review, the Required Revenue to be Recovered for each Basic Activity is defined for the first year of the Tariff Calculation Period. In the Tariff Recalculation Decision issued in accordance with articles [18] and [18A], the Required Revenue to be Recovered in the year relevant to the Tariff Recalculation Decision, is defined.

CHAPTER C
DETERMINATION OF TARIFFS

Article 9
Entries and Exits of the Transmission System

1. The tariff coefficients for the use of the Transmission System are defined separately for each one of the Entry and Exit 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 Administration Code and the Approved Application concluded with the System Operator, according to the Entry or Exit to which said Entry or Exit Point belongs respectively. 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 Administration Code, the Transmission User is allowed to submit an application exclusively for the reservation of Transmission Capacity for Delivery with delivery of Natural Gas to one or more Entry Points, or for the reservation of Transmission Capacity for

Reception with reception of Natural Gas from one 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, respectively, which are included in the relevant Approved application.

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 forecasted 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.

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 island of Revythoussa 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 “North 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. All interconnection points with other Transmission Systems are considered as Entry Points for the purposes of this Regulation. The use as an Exit Point of an Entry Point which is also an Interconnection Point, and vice versa, is charged with the coefficients of the respective Entry as calculated in accordance with Article [11].

7. The definition of Entries and Exits can be modified by the Tariff Approval Decision at any Ordinary or Extraordinary Tariff Revision, or by the Tariff Recalculation Decision at every annual Tariff Recalculation or at the creation of a new Entry Point in the NNGS as defined in paragraph 3 of Article [10] of this Regulation.

8. By the Tariff Approval Decision at any ordinary or extraordinary Tariff Review, the forecasts of Maximum Daily and Annual Quantity of Natural Gas are defined in accordance with paragraph 4 (b) above for the first year of the Tariff Calculation Period. By the Tariff Recalculation Decision in accordance with Article [18], the forecasts of Maximum Daily and Annual Quantity of Natural Gas in accordance with paragraph 4 (b) above are defined for the year relevant to the Tariff Recalculation Decision.

Article 10
Allocation of the Required Revenue to be Recovered from the Basic Activity of Transmission to the Entries and Exits of the Transmission System

1. The Required Revenue to be Recovered of the Basic Transmission Activity as defined in paragraph 1, article [8A] is allocated to the Entries and to the Exits of the Transmission System. The relevant percentages are defined in the Tariff Decision and can be revised at any Ordinary or Extraordinary Tariff Revision.

2. Further allocation of the Required Revenue to be Recovered allocated to the Entries to each Entry, is made so that the capacity and commodity charge coefficients for the use of each Entry, including the charge for the use of the LNG facility for the case of the Entry "Agia Triada", do not significantly differ. The percentages of further allocation resulted as above, are defined in the Tariff Approval Decision at any Ordinary or Extraordinary Tariff Revision and may be reviewed at any Tariff Recalculation, as well as in accordance with paragraph 3 of this Article.

3. In the case of a new Entry Point for which no tariff has yet been defined, the System Operator notifies RAE at least six months (6) prior to the projected operational date of the Entry Point according to the Development Plan. Simultaneously the System Operator submits a proposal to RAE for approval, redefining the allocation percentages referred to in paragraph 2 and the

resulting new coefficients for the use of each Entry, keeping unchanged all other calculation parameters. After approval by RAE, the System Operator shall publish on its website the new tariffs for the use of Entries, which become effective upon the date of start of operation of the new Entry Point, the latter being published in the System Operator's webpage.

4. Further allocation of the Required Revenue to be Recovered by the Exits to each Exit as defined in article [9], is made taking into consideration the adjusted acquisition value of fixed assets of each Exit. The latter is calculated as the acquisition value of the assets of the Exit with the following adjustments:

    a) In the case of North East Exit Zone, the acquisition value of fixed assets of the Exit is decreased by a percentage equal to the product of (aa) the ratio of the acquisition value of fixed assets used for transmission of gas to other Exits as well to the total assets acquisition value and (bb) the ratio of transmitted annual gas quantity that continues towards other Exits to the total gas exiting the North East Exit Zone.

    b) In the case of North Exit Zone, the acquisition value of fixed assets of the Exit is increased by the decrease of the acquisition value of Northeastern Exit calculated in paragraph (a) above, and then the new calculated amount is decreased by a percentage equal to the product of (aa) the ratio of the acquisition value of fixed assets that are used for transmission of gas to other Exits and (bb) the ratio of transmitted annual gas quantity that continues towards other Exits to the total gas exiting the North Exit Zone.

    c) In the case of the South Exit Zone, the acquisition value is increased by the decrease of acquisition value of North Exit calculated in paragraph (b) above.

5. The percentages that allocate the Required Revenue to be Recovered by the Exits to each Exit according to the previous paragraph, are calculated for the year (v) with the data of the year (v-2) and defined in the relevant Tariff Approval or Tariff Recalculation Decision.

Article 11
Calculation of the Tariff coefficients

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, correspondingly, pursuant to the provisions of the NNGS Administration Code and the Approved Transmission Application 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 or is received by him at an Exit of the Transmission System, pursuant to the provisions of the Approved Transmission Application concluded with the System Operator.

2. For the application of the annual Transmission Tariff, the coefficient of charge for reserved Transmission Capacity ($\Sigma\Delta M_i$) and the coefficient of charge for Transmission Quantity (ΣEM_i) are determined separately for each Entry and Exit (i) of the System and for each corresponding year.

3. The coefficient of charge for reserved Transmission Capacity ($\Sigma\Delta M_i$) [in €/(kWh G.C.V./day)/year] is calculated according to the following formula:

$\Sigma\Delta M_i = TRACaP \times RR_{TRA,i} / (CAP_{TRA,i} \times \beta_{TPA,t})$

Where:

TRACap: Regulated percentage (%), which receives a value from zero (0%) to a hundred (100%) percent and is determined by the Tariff Approval Decision at any Ordinary or Extraordinary Tariff Revision.

$RR_{TRA,i}$: The Required Revenue to be Recovered from the Entry or Exit (i) during the corresponding year.

$CAP_{TRA,i}$: 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), respectively, during the corresponding year.

In case of bi-directional gas flow to an Entry Point which is an interconnection point, the sum of projected maximum Daily Quantities to both directions is taken into account.

$\beta_{TRA,i}$: Short-term contracts facilitating factor for the Entry or Exit (i) of the transmission system as defined in paragraph 10.

4. The coefficient of charge for Transmission Quantity of Natural Gas (ΣEM_i) [in €/(kWh G.C.V.)] shall be calculated according to the following formula:

$\Sigma EM_i = (1\text{-}TRACap) \times RR_{TRA,i} / COM_{TRA,i}$

Where:

$COM_{TRA,i}$: The sum of Quantities of Natural Gas delivered to each Entry Point of Entry (i) or received by each Exit Point of Exit (i), respectively, during the corresponding year.

In case of bi-directional gas flow to an Entry Point which is an interconnection point, the sum of projected annual Quantities to both directions is taken into account.

5. The LNG Tariff includes:

   a) Charge in proportion to the Regasification Capacity reserved by an LNG User, pursuant to the provisions of the NNGS Administration Code and the Approved Transmission Application concluded with the System Operator, and

   b) Charge in proportion to the Quantity of LNG that is regasified on behalf of an LNG User, pursuant to the provisions of the NNGS Administration Code and the Approved Transmission Application concluded with the System Operator.

6. For the application of the LNG Tariff, the coefficient of charge for reserved Regasification Capacity (ΣΔΥ) and the coefficient of charge for Quantity of LNG (ΣΕΥ) are determined for each corresponding year.

7. The coefficient of charge for reserved Regasification Capacity ΣΔΥ [in €/(kWh G.C.V./day)/year] is calculated according to the following formula:

$$\Sigma\Delta Y = LNGCap \times RR_{LNG} / (CAP_{LNG} \times \beta_{LNG})$$

Where:

LNGCap: Regulated percentage (%), which receives a value from zero (0%) to one hundred (100%) percent and is determined with the Tariff Approval Decision at any ordinary or extraordinary Tariff Revision.

RR_{LNG}: The Required Revenue to be Recovered from the Basic Activity of LNG Facility during the corresponding year.

CAP_{LNG}: The maximum Daily Quantity of LNG regasified during the corresponding year.

β_{LNG}: Short-term contracts facilitating factor for use of the LNG Facility as defined in paragraph 10.

8. The coefficient of charge for Quantity of LNG (ΣΕΥ) [in €/(kWh G.C.V.)] is calculated according to the following formula:

$$\Sigma EY = (1- LNGCap) \times RR_{LNG} / COM_{LNG}$$

Where:

COM_{LNG}: The annual Quantity of LNG regasified during the corresponding year.

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

    a) The percentage (%) of the variable Operating Expenses to the total Operating Expenses of the respective Basic Activity

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

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

   The numerical values of the above coefficients are defined with the Tariff Approval Decision at any Ordinary or Extraordinary Tariff Revision.

10. The short-term contracts facilitating factors $\beta_{TRA,i}$, β_{LNG} receive value equal to or lesser than the unit (1) and are defined with the Tariff Approval Decision at any Ordinary or Extraordinary Tariff Revision or with the Tariff Recalculation Decision at every yearly Tariff Recalculation, when also recalculation of short-term coefficients B take place, taking into consideration especially the following:

    a) The need to provide incentives to the Transmission Users for the increase of transmitted Volumes of Natural Gas in the NNGS.

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

11. The coefficients $\Sigma\Delta M_i$, ΣEM_i, $\Sigma\Delta Y$ και ΣEY are determined arithmetically in the Tariff Approval Decision for the first Year of the Tariff Calculation Period at any Ordinary or Extraordinary Tariff Revision or in the Tariff Recalculation Decision for the respective year according to articles [18] and [18A].

To determine the value of the coefficients $CAP_{TRA,I}$, $COM_{TRA,i,}$, CAP_{LNG}, COM_{LNG}, the latest available NNGS Development Study published at the System Operators' website, is taken into account.

12.

CHAPTER D
CHARGES AND INVOICING FOR THE USE OF NNGS

Article 12
Charge for the use of NNGS under Long-term Applications for firm services

1. In case of Long-term Transmission Firm Services Approved Applications, the annual charge for the use of each Entry Point i or Exit Point j of the Transmission System shall be calculated according to the following formulas:

$XMi = (\Sigma\Delta Mi+\Pi\Delta) \times \Delta Mi + \Sigma EMi \times \pi Mi$
$XMj = \Sigma\Delta Mj \times \Delta Mj + \Sigma EMj \times \Pi Mj$

Where:

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

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

δMi, ΔMj: The reserved Transmission Capacity for Delivery or Reception, according to the relevant Approved Application for firm services concluded between the User and the System Operator, for the corresponding Entry point i or Exit Point j, in (kWh G.C.V.)/Day.

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

πMi, ΠMj: The Transmission Quantity of Natural Gas allocated to the User at the corresponding Entry point i or Exit Point j during the Year of calculation of the charge, in (kWh G.C.V.)/Year.

ΠΔ: The part of the auction premium above the Marginal Price corresponding to the System Operator, after applying the provisions of paragraph 3 of Article 21 of EU Regulation 2017/460, for Entry Points that are Auction Transmission Capacity points in € / (kWh GCV / Day) / Year. For other Entry Points, ΠΔ has a value equal to zero (0). Especially in the case of Conversion of Capacity, for the amount and duration of the conversion, the term ΠΔ corresponds to the sum of the non-Bundled Capacity and the part of the auction premium of the Bundled Transmission Capacity through which the conversion has been made, as defined in Article 14 hereof.

2. In case of Long-term Approved Firm LNG Services Applications, the annual charge 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 charge for the use of the LNG Facility, in €/Year.

ΣΔY: The coefficient of charge for Booked LNG Capacity for the Year of calculation of the charge, in €/(kWh G.C.V./Day)/Year.

ΔΥ: The reserved Regasification Capacity, according to the relevant Approved Application for firm LNG services concluded between the User and the System Operator, in (kWh G.C.V.)/Day.

ΣΕΥ: The coefficient of charge for Quantity of LNG for the Year of calculation of the charge, in €/(kWh G.C.V.).

ΠΥ: The LNG Quantity regasified on behalf of the User, during the Year of calculation of the charge, in (kWh G.C.V.)/Year.

3. In case that the start date or the expiry day of the Long-term Approved Transmission Firm Services Application or of the Long-Term Approved Firm LNG Services Application, differs from the first or last day of the Year, the following shall apply:

    a) The charge is calculated separately for each part of the duration of the Long-Term Application before and after the change of year.

    b) The coefficients of charge ΣΔMi, ΣΔMj or ΣΔΥ, respectively, as applicable to the respective year, are adjusted proportionately to the number of Days of the Long-term Application for each year.

    c) The amounts ΔMi, ΔMj, ΔΥ, respectively, refer to the total duration of the Long Term Application

    d) For the calculation of the charges according to this article, the values of ΠMi, ΠMj, ΠΥ, respectively, refer to the parts of the duration of the Long Application before and after the change of year, and are multiplied by the coefficients ΣΕMi, ΣΕMj, ΣΕΥ as applicable for the respective year.

Article 13
Charge for the use of NNGS under Short-term Applications for firm services

1. For the calculation of charge under a Short-term Application for firm services for the use of NNGS or for the use of LNG Facility, a Short-term multiplier of charge for the Use of NNGS (Coefficient B) is defined, which can be differrent 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 Application and the season during which the short-term Application is into force.

2. In case of recalculation or revision of tariffs, the System Operator submits to RAE a study with the Operator's proposal for recalculation or revision of the existing Study for the determination of multipliers B for the Year of recalculation or for the first Year of the Tariff Calculation Period respectively, , taking into account the recent available actual capacity reservation data and the demand projection for the said year according to the published NNGS Development Study, subject to the stipulations in paragraph 4 of this Article.

The Short-term Charge multipliers for a given year are defined in a way that the annual revenue for the System Operator that would result from the execution of one and only Long-Term Application with a yearly duration, for Capacity reservation equal to the Maximum Daily Quantity forecasted to be transmitted via the Entry or Exit points of the Transmission System for the respective Entry or Exit (i) or by the LNG Facility, for the corresponding year, taking into consideration the factors βTRA,i, or βLNG respectively as defined in Article [11], and the annual revenue for the System Operator that would result from the execution of a combination of a Long-Term Application as a basis and supplementary short-Term Applications, according to the daily allocation of capacity during the previous year adjusted to the projected demand of the corresponding year, for the corresponding Entry or Exit (i) or LNG facility, are equal (Revenue Equivalence Principle).

3. The determination of the multipliers B for the interconnection points, is made in accordance with the provisions of the relevant European Regulations.

4. The multipliers B are approved by the Tariff Approval Decision at any Ordinary or Extraordinary Tariff Review. The multipliers B can be adjusted by the Tariff Recalculation Decision according to article [18] for the year (v), if the sum of the Recoverable Difference of the Basic Activities of Transmission and LNG Facility for the year (v-2) is greater than 10 percent (10%) of the sum of Required Revenues to Be Recovered of the Basic Activities of Transmission and LNG Facility of the same year before the application of paragraph 3 of article 19A. In case article [18A] is applied, the aforementioned criterion is applied to the forecasted data of Year (v-1).

5. In the case of Approved Short-term Application for Firm Transmission or LNG Services, the total User charge is calculated according to paragraphs 1 or 2 of article [12] with the following adjustments:

    a) The coefficients ΣΔMi, ΣΔMj and ΣΔY are applied adjusted in proportion to the number of Days in the Year in which the Approved Transmission Application is in force, multiplied by the coefficient B corresponding to the total duration of the application.

    b) The amounts ΔMi, ΔMj, ΔY, ΠMi, ΠMj and ΠY accordingly, refer to the total duration of short-term Application.

6. If the total duration of an Approved Short-Term Application for firm Transmission or firm LNG Services includes periods in two consecutive years, the following applies:

    a) The user charge is calculated separately for each part of the duration of the Short-Term Application before and after the change of year.

    b) The coefficients ΣΔMi, ΣΔMj and ΣΔY respectively, as applicable to the respective year, are applied proportionally adjusted to the number of days of the Short-Term Application in each year.

c) The amounts ΔMi, ΔMj, ΔY, respectively, refer to the total duration of the Short-Term Application.

d) The multiplier B refers to the total duration of the Short-Term Application.

e) For the calculation of the charges according to this article, the amounts ΠMi, ΠMj, ΠY respectively, refer to the parts of duration of the Short-Term Application in each year, and are multiplied by the coefficients ΣEMi, ΣEMj, ΣEY respectively as applicable to the corresponding year.

7. The charge for Within-Day Transmission Capacity,booked according to the provisions of Chapter 2B of the NNGS Administration Code is equal to the charge of the Transmission Capacity booked in the relevant Auction Point through a Daily Short-term Application of duration irrespective of the time that the allocation of relevant Transmission Capacity was held.

Article 14
Capacity Reservation Charge in the cases of Release, Transfer, Surrender of Transmission Capacity or LNG Regasification Capacity or in case of Conversion of Transmission Capacity

1. In the case of Release of Transmission Capacity for Delivery/Reception or LNG Regasification Capacity for a certain period of time in accordance with the provisions of the NNGS Administration Code, the User from which the release took place is released from the Capacity Charge corresponding to the released capacity multiplied by coefficient ΣΔMi/ΣΔMj/ΣΔY adjusted proportionally to the number of Days that the capacity release took place and the coefficient B relevant to his approved application. The User in favor of whom the release took place, signs a separate application for the released capacity and is charged according to Articles [12] or [13].

2. In the case of Transfer of Transmission Capacity for Delivery/Reception or LNG Regasification Capacity for a certain period of time in accordance with the provisions of the NNGS Administration Code, the User who transfers the capacity is released from the Capacity Charge corresponding to the transferred capacity multiplied by coefficient ΣΔMi/ΣΔMj/ΣΔY adjusted proportionally to the number of Days that the capacity transfer took place and the coefficient B relevant to his approved application. The User to whom the transfer took place signs a separate application for the transferred capacity and is charged with the same above parameters.

3. In the case of Surrender of Transmission Capacity for Delivery/Reception or LNG Regasification Capacity for a certain period of time in accordance with the provisions of the NNGS Administration Code, the User surrendering the capacity is released from the Capacity Charge corresponding to the surrendered capacity multiplied by coefficient ΣΔMi/ΣΔMj/ΣΔY adjusted proportionally to

the number of Days that the capacity surrender took place and the coefficient B relevant to his approved application. The charge of the surrendered capacity to another User is made according to Articles [12] or [13].

4. Especially in the case of Auction for Release, Transfer, Surrender Transmission Capacity for Delivery/Reception, the Transmission User from which the release took place, the Transferring User and the Surrendering User, in addition to those referred to in paragraphs 1-3, are released from the charge corresponding to the auction premium (ΠΔ) for the respectively capacity. In case of Transfer of capacity, the auction premium is charged to the Beneficiary of the Transferred Capacity.
5. Especially in case of an Auction Point where Capacity Conversion takes place, the relevant User is charged for the amount and for the duration of converted capacity with the sum of the charge of the initial approved Application of firm service and the auction premium (if any) resulting from the allocation of the new standard product of bundled capacity.

Article 15
Charge for Reservation of Interruptible Transmission Capacity

1. In case that, pursuant to the NNGS Administration Code, reservation of Transmission or LNG Regasification Capacity correspondingly on an interruptible basis is permitted, pursuant to the provisions of paragraph 2, Article 71 of the Law, the charge for the use of the NNGS is calculated according to articles [12] or [13] correspondingly, where the Transmission Capacity coefficients are multiplied by (1-Δ). Δ is defined as the probability of interruption of reserved capacity by the System Operator, as calculated and published by the System Operator pursuant to the NNGS Administration Code. The coefficient Δ receives values greater than zero (0) and less than one (1).

2. The value of the coefficient Δ may be defined in the NNGS Network Code.

Article 16
Charge for the use of an Exit Point of the Transmission System servicing a New Customer

1. For the supply of Natural Gas to a Reception Facility servicing 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 takes place (Trial Operation Period), the tariff for use of the exit point for the needs of the new customer, includes only charge proportional to the Natural Gas Quantity allocated to the Transmission User for the new Customer.

2. The relevant tariff coefficient is defined according to the following formula:

$XN\Pi_i = RR_{TRA,\,i} / COM_{TRA,\,i}$

Where:

$XN\Pi_i$: The charge in the year (y) for the reception of Natural Gas by a Reception Facility of a new Customer for the Trial Operation Period at an Exit point of the Exit (i) in €/(kWh G.C.V.).

RR_{TRA}: The Required Revenue to be Recovered from the Exit (i) which includes the said exit point during the said year.

COMi: The sum of the Quantities of Natural Gas received from all Exit Points of the Exit (i) during the said year.

3. The coefficient $XN\Pi_i$ for each Exit (i) is defined in the Tariff Approval Decision for the first year of the Tariff Calculation Period at any Oordinary or Extraordinary Tariff Review and in the Tariff Recalculation Decision for the year corresponding to the Tariff Recalculation Decision according to articles [18] and [18A].

4. After the Trial Operation Period is expired, the normal charges for the use of the Exit are applied.

5. Especially for the year in which the Trial Operation Period expires, the coefficient ΣΔMi is adjusted proportionally to the remaining, after the Trial Operation Period, part of the duration of the Transmission Application within the Year, measured in days.

Article 17
Charge for the Exceeding of Reserved Capacity

1. In case the quantity of Natural Gas allocated to a Transmission User, at the Day (d) at an Entry or Exit Point (i) of the Transmission System in accordance with the provisions of the NNGS Network Code and the approved(s) Application(s), exceeds the total Transmission Capacity for Delivery/Reception respectively, said User had reserved at this Entry or Exit point the same day (d), the User shall pay the System Operator a charge for exceeding the reserved Transmission Capacity. The charge for exceeding the Transmission Capacity is calculated as follows:

    a) In the case of Entry or Exit Point which is not Transmission Capacity Auction Point, by multiplying the difference between Natural Gas Quantity allocated to the User for the Day (d) at the Entry or Exit Point minus the total Transmission Capacity the Transmission User had reserved the same day (d) at this the said Entry or Exit Point multiplied with the corresponding ΣΔMi coefficient divided by 365 and multiplied by the multiplier B corresponding to the reservation of Short-Term Transmission Capacity with duration of one (1) Day increased by the percentage p (%).

b) In the case of a Transmission Capacity Auction Point, by multiplying the difference between Natural Gas Quantity allocated to the User the Day (d) at the Entry or Exit Point minus the total transmission capacity the User had reserved the same day (d) at that Entry or Exit point multiplied by the sum of ΣΔMi and ΠΔ, divided by 365 and multiplied by the multiplier B corresponding to the reservation of Short-Term Transmission Capacity with duration of one (1) Day increased by the percentage p (%).

2. In the case, in accordance with the provisions of the NNGS Network Code, and the approved LNG Application(s), the LNG Quantity that was regasified on behalf of an LNG User on Day (d) exceeds the total reserved LNG Regasification Capacity by the same User on the same day (d), the LNG User shall pay the System Operator a charge for exceeding the reserved LNG Regasification Capacity.
   The charge for exceeding the reserved LNG Regasification Capacity, is calculated by multiplying the difference between the Natural Gas Quantity Regasified on behalf of the LNG Facility User at Day (d), minus the Regasification Capacity the same User had reserved on the same day (d), multiplied by the coefficient ΣΔΥ divided by 365 and multiplied by the multiplier B corresponding to the reservation of Short-Term LNG Regasification Capacity with duration of one (1) Day increased by the percentage p (%).

3. In the cases of paragraphs 1, 2 and 3 of Article [14], for the calculation of the daily excess of Transmission or Regasification Capacity, as Reserved Transmission Capacity for Delivery / Reception or Reserved LNG Regasification Capacity, are meant the figures prior to the application of the cases of Article [14] reduced by the capacity for which a release of charge is applied according to the same article.

4. The percentage p(%) is defined by the Tariff Approval Decision at any Ordinary or Extraordinary Tariff Revision or by the Tariff Recalculation Decision.

Article 17A
Invoicing of the Use of NNGS

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

   a) The capacity charge, according to the reserved 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 the Month, during which the Transmission Application 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 the Entry Point or received by the User at the Exit Point during the Month.

c) The System Operator issues within the first twenty (20) days after the end of the month, to which the Approved Applications relates, an invoice for all Approved Applications of the User that were in effect during the Month, with reference to these Applications. In the invoice issued by the System Operator the following shall be identified:

I. The capacity charge for every Entry Point and for every Exit Point of the Transmission System, which relates to the Approved Transmission Applications before the application of the cases of Article [14].
II. The capacity credit corresponding to release from charge as defined in Article [14] for the corresponding Entry and Exit Points.
III. The commodity charge for every Entry Point and for every Exit Point of the Transmission System, which relates to the Approved Transmission Applications.
IV. The charge for exceeding the reserved capacity according to article [17] for the corresponding Entry and Exit Points.
V. Other charges / credits foreseen in the NNGS Administration Code.
VI. The total charge which is the sum of the above charges/credits.

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

a) The capacity charge, according to the reserved 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 the Month, during which the LNG Approved Application 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 corresponding Quantity of Regasified LNG, during the Month, which was injected to the Transmission System.

c) The System Operator issues within the first twenty (20) days after the end of the month, to which the Approved Applications relate, an invoice for all Approved Applications of the User that were in effect during the Month, with reference to these Applications. In the invoice issued by the System Operator, the following shall be identified:

i. The capacity charge before the application of the cases of Article [14].
ii. The capacity credit corresponding to release from charge as defined in Article [14]
iii. The commodity charge

iv. The charge for exceeding the reserved capacity according to article [17]
v. Other charges / credits foreseen in the NNGS Administration Code.
vi. The total charge which is the sum of the mentioned charges/credits.

Article 18
Annual Recalculation of Transmission and LNG Tariffs

1. Until the 1st of June of every Year (v) of the Tariff Calculation Period, the System Operator calculates the Recoverable Difference for the year (v-1) for every Basic Activity according to article [19A] starting from year v=2017.

2. If the sum of the Recoverable Differences for the Basic Transmission and LNG Activities for the year (v-1), as calculated according to article [19A], and before the application of paragraph 3 of the same article, is in absolute value less than or equal to five percent (5%) of the sum of the Required Revenues to be Recovered for the same activities for the same year, no tariff recalculation is conducted.

3. If the sum of the Recoverable Differences for the Basic Transmission and LNG Activities as calculated according to article [19A] and before the application of paragraph 3 of the same article, is in absolute value greater than five percent (5%) of the sum of the Required Revenues to be Recovered for the same activities for the Year (v-1), the System Operator recalculates the coefficients ΣΔMi, ΣEMi, ΣΔY and ΣEY for every Entry and Exit of the Transmission System and for the LNG Facility and the coefficient for the charge of a new customer ΧΠΝ, for the year (v+1), according to articles [11] and [16], taking into account the said Required Revenue to be Recovered for the year (v+1). If the aforementioned sum of Recoverable Differences of Year (v-1) before the application of paragraph 3 of the article[19A], is in absolute value greater than ten percent (10%) of the sum of the Required Revenues to be Recovered for the same activities for the Year (v-1), the short-term coefficients B are also recalculated for Year (v+1), according to paragraph 4 of article [13].

   The System Operator defines the coefficients CAPTRA,i,v+1, COMTRA,i,v+1, CAPLNG,v+1, COMLNG,v+1 for every Entry and Exit Point of the Transmission System and the LNG Facility according to the NNGS Development Study for the year (v+1) published by the System Operator.

4. During the recalculation of the charges for the Entry Points, in accordance with paragraph 3 of this Article, if required, the Required Revenue to be Recovered allocated to the Entries, is re-allocated to each Entry Point according to paragraph 2 of article [10].

5. If the conditions of paragraph 3 of this Article are met, the System Operator submits to RAE for approval a relevant proposal including the calculated tariff coefficients until the date set out in paragraph 1 of this Article.

6. RAE shall issue the Tariff Recalculation Decision with the approved tariff coefficients for the year (ν+1) which apply from the start of the said year subject to the provisions of par. 5 of article 88 of Law n. 4001/2011.

7. With the Tariff Recalculation Decision, the multipliers for short-term reservations B for the year relevant to the Decision are defined, according to article [13], subject to the provisions of paragraph 4 of article [13].

8. Especially for the Recoverable Difference of year 2016 as well as in case of application of article [18A] in year (ν-1), the Recoverable Difference that is taken under consideration for the application of paragraph 1 of this article, is calculated according to paragraphs 5 and 6 of article [19A].

Article 18A
Extraordinary recalculation of Transmission and LNG Tariff Coefficients

1. In the event that, in the process of the follow-up of the budget of Year (ν) the Operator notices in the second half of the Year, that according to the most recent actual and forecasted data of the Year, the sum of the Recoverable Differences of the Transmission and LNG Basic Activities of the Year is greater in absolute value than fifteen percent (15%) of the sum of Required Revenues to be Recovered of the Basic Activities of Transmission and LNG of that Year, the Operator recalculates the coefficients ΣΔMi, ΣEMi, ΣΔΥ and ΣΕΥ for each Entry and Exit of the Transmission System and the LNG Facility and the charge for a new User ΧΠΝ for the Year (ν+1), according to articles [11] and [16], and defines the values of CAPTRA,i,ν+1, COMTRA,i,ν+1, CAPLNG,ν+1, COMLNG,ν+1 for each Entry and Exit of the Transmission System and the LNG Facility taking into account the most recent demand forecast of the Operator for Year (ν+1). Furthermore, the Operator recalculates the short-term coefficients for Year (ν+1) according to par. 4 of article [13]. In this case, the Recoverable Difference of Year (ν) is calculated based on the forecasted data for this year.
2. The Operator's proposal is submitted to RAE until the 30th of September of Year (ν) and RAE publishes the Tariff Recalculation Decision with the approved tariff coefficients for year (ν+1), which are put in force as defined in the Decision of RAE.
3. For the first implementation of this article the deadline set in par. 2 is extended for one (1) month.
4. If, from the available actual and forecasted data of the Operator in the first half of each Tariff Calculation Year, the fulfillment of the criterion in paragraph 1 is noted, then the Ordinary Revision of Tariffs incorporates also the calculations stemming from this article.

CHAPTER E
TARIFF REVISION

Article 19
Procedure for the definition and Regular Revision of Tariffs

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

    a) The forecasts for the Natural Gas demand, and especially the Daily peak of Quantity and the Annual Quantity, transmitted to the prevailing and reverse flow direction, for the first Year of the Tariff Calculation Period for each Basic Activity and for each Entry and Exit of the Transmission System. The abovementioned forecasts are prepared according to the most recent NNGS Development Study.

    b) The projections for the development of the Regulated Asset Base, the Regulated Assets Depreciation and the Regulated Operating Expenses, and the calculation of the Required Revenue for each Year of the Tariff Calculation Period and for each Basic Activity.

    c) Actual data for the Reference Year and calculation of the Recoverable Difference for the same year and for each Basic Activity, pursuant to Article [19A], with full justification for any exceeding of the total annual Operating Expenses and the total annual Regulated Asset Base of the NNGS compared with the projected figures used for the calculation of the Tariffs.

    d) Calculation of the Required Revenue to be Recovered according to article [8A] for the first Year of the Tariff Calculation Period for each Basic Activity and for every Entry and Exit of the Transmission System.

    e) The Operator's proposal on the Weighted Average Cost of Capital (WACC) with justified documentation.

    f) The Operator’s proposal for the numerical value of other parameters defined in the Tariff Regulation and especially in relation to the percentage of LNG Facility Dispersion, with justification if the proposal modifies the current parameter values.

g) Study for the determination of the multipliers B for the charge of the short-term use of the NNGS according to article [13].

h) Justification of any proposed change with regard to the Entries and Exits of the Transmission System.

2. The Tariff Draft includes all data and parameters, pursuant to the provisions of the Regulation, which are determined with the Tariff Approval Decision, as well as the resulting coefficients for the capacity and commodity charge of Natural Gas for each Basic Activity and each Entry and Exit of the Transmission System.

3. RAE, at its discretion, shall send to the Operator comments on the Draft and in particular on the data referred in paragraph [1].

4. The Operator submits the final proposal within thirty (30) days from the notification of the above-mentioned comments referred in paragraph 3, complying with these comments or any other suggestion of RAE.

5. The Required Revenue and the Required Revenue to be Recovered that is approved by the Tariff Approval Decision, is put in force from the beginning of the Tariff Calculation Period.

6. The new tariffs are applied from the start of the Tariff Calculation Period subject to the provisions of par. 5 of article 88 of Law n. 4001/2011.

Article 19A
Calculation of Recoverable Difference

1. Within (5) months from the beginning of each Year (ν) of the Tariff Calculation Period, the Operator, based on data from his financial statements, shall identify and submit to RAE the actual values of the following figures for said Year, per Basic Activity:

   a) The Regulated Asset Base, as defined in Article [4] for the Year (ν-1).
   b) The Regulated Assets' Depreciation, as defined in Article [7] for the Year (ν-1)..
   c) The Regulated Operating Expenses, as defined in Article [7A] for the Year (ν-1).

   in order to recalculate the Required Revenue to be Recovered for each Basic Activity for the Year (ν-1) according to article [8A], keeping constant the remaining figures involved in the calculation as already approved by RAE.

2. The System Operator also calculates and submits to RAE the Actual Regulated Revenue (invoiced) per Basic Activity for the Year (ν-1), which

includes the revenues from the application of the Tariffs for the use of the NNGS and, at least:

a) Revenue which, according to the NNGS Administration Code and the Guidelines for the Unbundling of Accounts, constitutes revenue of the respective Basic Activity including revenues from delivery of liquefied natural gas to clients from the LNG Facility of Revithoussa.

b) Revenue from the congestion management of the NNGS as defined in point e) of paragraph 2 of article 68 of the Law.

The Actual Regulated Revenue does not include: a) any revenue from the sale of electricity to the Independent Transmission Operator of Electric Energy SA, pursuant to the provision of paragraph 4 of article 68 of the Law, as in force, and any other relevant provision. b) Interest income, grants amortization, any grant of operating cost, Connection Fees and Additional Connection Fees, income from Security of Supply Levy and income from used provisions.

3. The positive or negative difference of the Regulated Revenue to be Recovered for each Basic Activity as calculated in accordance with paragraph 1, from the respective Actual Regulated Revenue of the Operator, calculated in accordance with paragraph 2 after the subtraction, in case of implementation of par.3 of article [19B],of the amount that is subtracted from Old Recoverable Difference, is the Recoverable Difference of Year (ν-1).

4. The numerical value of the aforementioned Recoverable Difference of the NNGS for Year (ν-1) per Basic Activity is defined in the Tariff Approval Decision at any Ordinary or Extraordinary tariff review, for the first Year of the Tariff Calculation Period or in the Tariff Recalculation Decision for the Year concerning the recalculation.

5. Especially, the Recoverable Difference of the Year 2016 that is included in the calculation of the Required Revenue to be Recovered for the Year 2018 in accordance with paragraphs 1 (b) and 2 (b) of article [8A], is calculated as the difference between the Recoverable Difference of 2016 from the estimated Recoverable Difference of the same Year as determined by the Tariff Approval Decision for the Year 2017.

6. In case Article [18A] is applied during Year (ν), the Recoverable Difference of this Year is calculated based on forecasted data for this Year (Forecasted Recoverable Difference) for the purpose of determining the Recalculated Tariffs of Year (ν +1). The difference of the actual Recoverable Difference of Year (ν) from the Forecasted Recoverable Difference is considered as the Recoverable Difference of Year (ν) for the calculation of the Required Revenue to be Recovered of Year (ν + 2).

7. For the calculation of the Recoverable Difference of Year 2016, the provisions of article 61 of Law 4409/2016, as applicable and as specified in Article [8A] of the present Regulation, are applied.

Άρθρο 19Β
Calculation of Old Recoverable Difference

1. The Recoverable Difference of Years 2006-2015 plus the forecasted Recoverable Difference of Year 2016 (Old Recoverable Difference) has been defined at the end of Year 2016 equal to 308.753.733,91 € for the Transmission System and 17.087.059,79 € for the LNG Facility, according to article 61 of the Law 4409/2016 (O.G A 136/28.07.2016) and the Decisions of RAE nr. 344/2016 (O.G. B 3235/7.10.2016) and 352/2016 (O.G. B 3513/1.11.2016).

2. The Old Recoverable Difference at the end of each Year (ν) is defined as the adjusted difference of the relevant amount at the end of Year (ν-1) minus:

(a) the recovered amount during Year (ν) according to paragraph 4 of present article and

(b) the possible part of negative Recoverable Difference (overrecovery) of Year (ν) that is subtracted according to paragraph 3 of present article.

The adjustment of the above difference is conducted with the weighted average debt cost of the Operator of Year (ν), as this is taken into consideration for each Tariff Calculation Period and takes value between zero and five percent (5%).

3. In case the Recoverable Difference of Year (ν) cumulatively for the Transmission System and LNG Facility as calculated based on article [19A], is negative (over-recovery) and exceeds in absolute value five percent (5%) of the Required Revenue to be Recovered for Year (ν) cumulatively for the Transmission System and LNG Facility, the Recoverable Difference of this Year is limited, following an Operator's proposal approved by RAE, to a maximum of ten percent (10%) of the Required Revenue to be Recovered of Year (ν) (Over-recovery Percentage Limit) and the difference is subtracted from the amount of Old Recoverable Difference at the end of Year (ν). The Over-Recovery Percentage Limit is defined a) taking into consideration its impact on the Weighted Average Tariff of NNGS and mainly the smooth de-escalation of NNGS tariffs and b) so as not to cause, if possible, an increase in the Weighted Average Tariff in year ν+1 compared to year ν. Especially for the year 2017 the above Over-Recovery Percentage Limit is set at three per cent (3%).

If the amount to be subtracted exceeds the remaining amount of the Old Recoverable Difference at the end of year (ν-1), then the amount subtracted is limited to the remaining amount of the Old Recoverable Difference.

In case Article [18A] is applied in Year (ν), then this paragraph is applied with the Forecasted Recoverable Difference of said Year.

The amount of the Recoverable Difference of the Year (ν) deducted from the amount of the Old Recoverable Difference at the end of Year (ν) is allocated to the Basic Transmission and LNG Activities in Year ν proportionally to the remaining amount of Old Recoverable Difference of each Basic Activity of Year (ν-1). If the above calculation results in a negative Old Recoverable Difference of the Basic Activity of LNG Facility at the end of year (ν), then the Old Recoverable

Difference of the Basic Activity of LNG Facility is set equal to zero, and the difference is allocated to the Basic Activity of Transmission System, and vice versa.

4. The recoverable amount of the Old Recoverable Difference for the Year 2017 amounts to 2,5 million € for the Transmission System and 0,5 million € for the LNG Facility pursuant to RAE Decision 349/2016 (O.G. B 3235 / 7.10 .2016). The recoverable amount of the Old Recoverable Difference for the Year 2018 is 18,6 million € for the Transmission System and 5 million € for the LNG Facility. From Year ν = 2019 up to Year ν = 2032, the recoverable amount for Year ν results from the division of the residual amount of the Old Recoverable Difference at the end of Year (ν-1) as calculated in accordance with paragraph 2 above, with the difference (2032-ν + 1).

5. The Old Recoverable Difference recovered in each year of the Tariff Calculation Period, is defined in the Tariff Decision in every Ordinary or Extraordinary Revision of Tariffs and in every ordinary or extraordinary recalculation of tariffs for the remaining Tariff Calculation Period.

Article 20
Extraordinary Tariff Revision

1. An Extraordinary Tariff Revision can take place following a written request of the Operator, which is submitted either on his own initiative or upon a relevant suggestion or recommendation of RAE, in the case that a substantial change on the legal, economic or actual data that were taken into account when calculating the Tariffs has occurred. Indicative, but not exhaustive, cases, are the following:

    a) Significant change in Operator's borrowing costs.

    b) Significant change in the overall tax rate of the Operator profits.

    c) Significant change in the Consumer Price Index.

    d) Significant difference between the total Reserved Capacity and / or total Transmitted Quantities to all Entry / Exit Points, in the year preceding the year of the Tariff Extraordinary Review request, and the corresponding forecasts for the same year, as well as between the projection for the year of the Tariff Extraordinary Review request and for the following one, and the corresponding forecasts adopted at the time of the preparation / approval of the Tariffs.

    The request for an Extraordinary Tariff Revision (paragraph 1) shall include a detailed justification of the request and a draft of revised tariffs for the use of the NNGS, followed in particular by:

a) Historical data for the parameters that justify the revision.

b) Data on the deviation of the values of the parameters from the respective forecast values for the corresponding Years of the Tariff Calculation Period.

c) Estimation of the evolution of those factors for each Year following the Year of submission of the request up to and including the Tariff Calculation Year of the next ordinary tariff revision.

d) Assessment of the impact on the Operator's revenues and on the Tariffs of the next Tariff Calculation Period, of a rejection of the Extraordinary Tariff Revision request.

2. The System Operator's request for Tariff Extraordinary Revision is assessed by RAE, which in any case may request additional information and clarifications on the subject. RAE shall decide within three (3) months from the date the Operator's request was considered typically complete.

3. In a Tariff Extraordinary Revision, the Year of the Extraordinary Revision becomes Tariff Calculation Year and the timeframe of the ordinary tariff revisions is adjusted accordingly.

CHAPTER F
FINAL AND TRANSITIONAL CLAUSES

Article 21
Time frame for the first Issue of Tariffs and the Ordinary Tariff Revisions

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

   a) Tariff Reference Year is Year 2015

   b) Tariff Calculation Year is Year 2016

   c) Tariff Calculation Period is Years 2017-2018.

2. Unless a Tariff Extraordinary review occurs after the first issue of Tariffs according to the provisions of the present Tariff Regulation, the time milestones and the sequence of the ordinary tariff revisions, are presented in the Appendix.

Article 22
Final and Transitional Provisions

1. The present Tariff Regulation of the Basic Activities of the NNGS shall enter into force from the date of its publication in the Government Gazette (G.G.).

2. Solely for purposes of tariffication of the Basic Activities of the NNGS, the provisions of the present Tariff Regulation prevail against any contrary provision of the NNGS Administration Code.

Appendix

Time Milestones and Sequence of the Tariff Ordinary Revisions

	Reference Year	**Calculation Year**	**Calculation Period**
First Issue of Tariffs according to the present Tariff Regulation	2015	2016	2017-2018
First Tariff Ordinary Revision	2017	2018	2019-2022
Second Tariff Ordinary Revision	2021	2022	2023-2026
Future Tariff Ordinary Revisions	According to the provisions of the Tariff Regulation		