

METHODOLOGY FOR SETTING NATURAL GAS TRANSMISSION TARIFFS

I. SUBJECT OF METHODOLOGY

This Methodology sets the regulation method for the natural gas transmission tariff which is based on justified operational costs and the adequate return on investments into efficient performance of an energy activity, elements for which tariffs are set (hereafter: tariff elements) and the method of calculation of regulated prices, i.e. tariffs, method of calculation of natural gas transmission service, duration of tariff and regulatory period as time period for which the natural gas transmission tariff is calculated, method of assessment of cost justifiability, method, procedure and deadlines for the submission of documentation and type of documentation which the transmission system operator submits to the Energy Agency of the Republic of Serbia (hereafter: Agency), as well as the method of setting transmission tariff, i.e. method of setting transmission tariff when more than one operator performs natural gas transmission and transmission system operation on the territory of the Republic of Serbia and principles of efficient mechanism for the compensation of revenues and costs, levels of multipliers, seasonal factors and discounts, use of effected auction premium and other issues in line with the law regulating the energy sector and the decree regulating network codes on harmonized natural gas transmission tariffs.

II. METHODOLOGICAL APPROACH

The regulation method applied in this Methodology is based on the regulatory regime „rate of return’ in line with which the level of allowed revenue for the regulatory period, i.e. natural gas tariff is set for the transmission system operator. The tariff provides:

- 1) coverage of justified operation costs as well as the relevant return of investments into transmission activity and transmission system operation thereby securing short-term and long-term security of supply, i.e. sustainable system development;
- 2) safe system operation;
- 3) incentives for economic and energy efficiency;
- 4) non-discrimination, i.e. equal treatment of system users;
- 5) prevention of cross-subsidizing between different activities performed by the transmission system operator and between different system users;
- 6) predictability of transmission tariffs during the regulatory period and
- 7) prevention of cross-border trade impairment.

The allocation of allowed revenue to tariff elements and the calculation of tariffs is based on entry-exit system and by application of model „capacity-weighted distance’.

The obligation to implement this methodology jointly when more than one transmission system operators perform natural gas transmission and transmission system operation on the territory of the Republic of Serbia is established.

III. TERMS AND DEFINITIONS

The terms used in this Methodology shall mean the following:

- 1) Gas Year – time period starting from 04.00 a.m. UTC on October of a year and ending at 04.00 a.m. UTC on October of the following year during daylight saving time;
- 2) Gas Day – time period between 5.00 a.m. UTC until 5.00 a.m. of the following day during standard time, i.e. between 4.00 a.m. UTC until 4.00 a.m. UTC of the following day during daylight saving time;
- 3) Gas Quarter – time period of three (3) Gas Months starting from October 1, January 1, April 1 and July 1 and ending on January 1, April 1, July 1 and October 1 while the beginning and the end of the Gas Quarter is at 05.00 a.m. UTC during standard time and at 04.00 a.m. UTC during daylight saving time;
- 4) Gas Month – time period starting at 05.00 a.m. UTC of the first Gas Day during a calendar month and ending at 05.00 a.m. UTC of the first Gas Day of the following calendar month during standard time, i.e. starting at 04.00 a.m. UTC of the first Gas Day of a calendar month and ending at 04.00 a.m. UTC of the first Gas Day of the following calendar month during daylight saving time;
- 5) Gross Calorific Value or GTV – energy content for the reference combustion temperature of 298.15 K (25°C) corresponding to the higher heating value metered in line with ISO15971, in kWh/Nm³;
- 6) TRANSMISSION SYSTEM exit point – exit point on the natural gas transmission system where natural gas is delivered by the transmission system operator to the distribution system, another transmission system, natural gas storage or to an end user connected to the transmission system;
- 7) Info-code – set of energy-related and economic data given in tables which are submitted to the Agency so as to comply with the regular reporting procedure and when a decision on the natural gas transmission tariff is submitted for approval;
- 8) kWh – natural gas energy volume which is calculated as the product of the natural gas volume in Normal Cubic Metres (Nm³) and Higher Heating Value of natural gas;
- 9) Normal Cubic Meter or Nm³ - natural gas volume taking a volume of one cubic meter of natural gas at temperature 273.15 K (0°C) and under absolute pressure of 1.01325 bar
- 10) Backhaul Capacity – interruptible capacity contracted for natural gas transmission in the direction opposite to the physical flow of natural gas on the entry point on the transmission system from another transmission system or from a storage, i.e. on the exit point on the transmission system into another transmission system or into a storage;
- 11) Regulatory Period – time period of five Gas Years for which general rules for allowed transmission system operator's revenue are established by this Methodology;
- 12) Paired Transmission System – interconnected natural gas transmission systems on the territory of the Republic of Serbia where two or more operators perform natural gas transmission and which, for the purpose of this Methodology, are considered as a whole (single entry-exit system) for which operators establish tariffs jointly, except on connection points (points which are at the same time exits from one and entries into another transmission system);
- 13) Tariff Elements – account values to which the revenue of the transmission system operator arising from the transmission system service which is approved for the tariff period in line with this Methodology are allocated;
- 14) Tariff Period – time period of one Gas Year during which a certain level of regulated prices and reference price is applied – hereafter and in formulae and formulae explanations, it is referred to as t;
- 15) Contracted Capacity – the capacity on the entry point and/or exit point of the transmission system which was contracted by the system user with the transmission system operator in order to use the natural gas transmission service within a certain time period, in kWh/day and

- 16) TRANSMISSION SYSTEM entry point– entry point on the natural gas transmission system where natural gas is offtaken by the transmission system operator either from another natural gas transmission system, from natural gas producer or from a natural gas storage.

Other terms used in this Methodology shall mean the same as in the law regulating the energy sector (hereafter: the Law) and in the decree regulating the network code on harmonized natural gas transmission tariffs (hereafter: Decree).

In calculations made pursuant to the formula in this Methodology, all the values expressed in percentages are divided by 100.

IV. SETTING ALLOWED REVENUE

Allowed revenue of the transmission system operator is calculated based on justified operation costs and adequate return on efficient investments into natural gas transmission activities and natural gas transmission system operation.

The cost justifiability is assessed by taking into account the nature of the relevant cost, its functionality, by certifying the volumes and price resulting in bearing such costs, by comparative analysis of costs of the transmission system operator based on the data on the costs in the previous period and the costs of other transmission system operators both in the country and in the region (benchmarking).

IV. 1. Common operational costs, assets, depreciation costs and other revenues

Common operational costs include operational costs arising from the functioning of the transmission system operator which, apart from dealing in natural gas transmission and transmission system operation either performs another energy activity at a regulated price or which, apart from these energy activities, deals in other energy, i.e. different activities which are not considered to be energy-related, but those costs cannot be directly allocated to individual activities.

Common assets are the assets (intangible investments except the goodwill, real estate, facilities and equipment) necessary for the operations of the transmission system operator which, apart from dealing in natural gas transmission and natural gas transmission system operation, either performs another energy activity at a regulated price or which, apart from these energy activities, performs other energy-related activities, i.e. other activities which are not considered to be energy-related, but those costs cannot be directly allocated to individual activities.

Common depreciation costs are the depreciation of costs for common funds arising from the operations of the transmission system operator which, apart from dealing in natural gas transmission and transmission system operation either performs another energy activity at a regulated price or which, apart from these energy activities, deals in other energy, i.e. different activities which are not considered to be energy-related, but those costs cannot be directly allocated to individual activities.

Other common revenues are other revenues arising from the engagement of common resources of the transmission system operator which cannot be directly allocated to individual activities.

Common operational costs, assets, depreciation costs and other revenues are allocated to the operations of natural gas transmission and transmission system operation for which allowed revenue is set and to other energy-related activities, i.e. other activities which are not considered to be energy-related, all based on rules (keys) for the allocation of common balance items established in the general act on accounting and accounting policies of the energy entity and in the decision on method, procedure and deadlines for keeping accounting records for the purpose of regulation and for the purpose of procedure of unbundling accounts for different activities.

IV. 2. Calculation of the allowed revenue

The calculation of the allowed revenue of the natural gas transmission system operator during the tariff period during the regulatory period shall be made by the application of the following formula:

$$DP_t = PT_t + PNT_t$$

where:

DP_t - allowed revenue of the natural gas transmission operator during t period (in RSD);

PT_t - revenue arising from the transmission service of the transmission system operator during t period (in RSD) and

PNT_t - revenue from services which exclude transmission of the transmission system operator during t period (in RSD).

The revenue from transmission services of the transmission system operator is accrued from transmission tariffs based on capacity.

The revenue from services which exclude transmission of the transmission system operator include revenues from non-standard services and revenues arising from connection services to the natural gas transmission system.

The revenue from services which exclude transmission are accrued by the transmission system operator in terms of Decree from tariffs for services which exclude transmission which are established in the act on prices of non-standard services and in the act on connection costs adopted in line with the Law and which correspond to costs, which are non-discriminatory, objective and transparent and charged to persons using the concrete service which excludes transmission in order to minimize the possibility of cross-subsidizing between system users to the lowest level.

The revenue arising from transmission services of the natural gas transmission system operator based on the performance of activities including natural gas transmission and transmission system operation is established for each tariff period of the regulatory period and is calculated by the application of the formula:

$$PT_t = OT_t + A_t + PPTK * RS_t + TG_t + KE_t - (PNU_t + OP_t)$$

where:

PT_t - revenue arising from the transmission service of the transmission system operator during t period (in RSD);

OT_t - operational costs in t period (in RSD);

A_t - depreciation costs in t period (in RSD);

$PPTK$ - rate of return of regulated assets during the regulated period (in %);

RS_t - regulated assets in t period (in RSD);

TG_t - costs to cover losses in natural gas transmission system in t period (in RSD);

KE_t - correction element in t period (in RSD);

PNU_t - revenues from non-standard services during t period (in RSD) and

OP_t - other revenues in t period (in RSD).

The correction element during the tariff period which is calculated for the calendar year preceding to the tariff period, i.e. for previous calendar years for which the correction element was not calculated is included

in the revenue arising from the transmission services in the tariff period at most in the amount of up to 30% of revenues from the transmission services in the tariff period prior to the inclusion of the correction element while the remaining parts of the correction elements are included in the revenue arising from transmission services for the following tariff period.

The revenues arising from transmission services of the transmission system operator in tariff periods during the regulatory period are settled by the application of the following formulae:

$$PP_1 = PT_1$$

$$PP_t = PP_{t-1} * (1 + A) \text{ for } t = 2, 3, 4, 5$$

where:

PP_t – settled revenues from transmission services during t period (t) and

A – settlement coefficient established by iterative procedure by which net present value of settled revenues from transmission services is equalized with net present value of revenues from transmission service for all tariff periods during the regulatory period if the following condition is met:

$$\sum_{t=1}^5 \frac{PT_t}{(1 + PPTK)^t} = \sum_{t=1}^5 \frac{PP_t}{(1 + PPTK)^t}$$

Settled revenues arising from transmission services of the transmission system operator which are calculated for tariff periods during the regulatory period in line with this section are amended during the regulatory period based on the inclusion of the correction element into settled revenues arising from transmission services for the following tariff periods.

$$KPP_t = PP_t - KE_1 + KE_t \text{ if:}$$

$$| KE_t | < 0.3 * ((OT_1 + A_1 + PPTK * RS_1 + TG_1 - (PNU_1 + OP_1))) \text{ i.e.}$$

$$KPP_t = PP_t - KE_1 + 0.3 * ((OT_1 + A_1 + PPTK * RS_1 + TG_1 - (PNU_1 + OP_1))), \text{ if:}$$

$$| KE_t | > 0.3 * ((OT_1 + A_1 + PPTK * RS_1 + TG_1 - (PNU_1 + OP_1))) \text{ и } KE_t > 0 \text{ i.e.}$$

$$KPP_t = PP_t - KE_1 - 0.3 * ((OT_1 + A_1 + PPTK * RS_1 + TG_1 - (PNU_1 + OP_1))) \text{ if:}$$

$$| KE_t | > 0.3 * ((OT_1 + A_1 + PPTK * RS_1 + TG_1 - (PNU_1 + OP_1))) \text{ и } KE_t < 0$$

Where:

KPP_t – corrected settled revenue from the transmission services during t period and

1 – index indicating the first tariff period.

In specific circumstances, upon a justified request of transmission system operators which is assessed by the Agency, settled revenues from the transmission services of the transmission system operator which are calculated for tariff periods during regulatory period in line with this section may be changed during the regulatory period if specific circumstances arise which cause costs which the transmission system operator could not plan or prevent and which effect the level of revenues from the transmission service for the tariff period to the amount of more than 10%.

The tariff period during which the revenues from transmission services of the transmission system operator are changed in line with the paragraph above is considered to be the first tariff period of the existing regulatory period.

IV. 2.1. Operational costs

Operational costs are justified costs arising from the performance of natural gas transmission and transmission system operation and they include:

- 1) Natural gas purchase price for balancing purposes;
- 2) Costs of material and energy;
- 3) Wages, compensations and other personal expenses;
- 4) Production services costs;
- 5) Intangibles;
- 6) Part of reserves for charges and other perks for employees disbursed during the regulatory period and
- 7) Costs of leasing facilities with the right to use them of over one year.

These operational costs also include:

- Operational costs for assets procured free of charge;
- Regulatory charge which represents a part of natural gas transmission tariff and
- Fee for the transmission system owner when the transmission system is organized as an independent system operator.

The regulatory fee is established by the application of the formula:

$$RN_t = 1.50\% * (UOT_t + A_t + PPTK_t * RS_t)$$

where:

RN_t – regulatory fee during t period (in RSD);

UOT_t – operational costs established prior to the inclusion of purchase value of natural gas for balancing purposes and cost of the regulatory fee during t period (in RSD);

A_t – depreciation costs during t period (in RSD);

$PPTK_t$ - rate of return of regulated assets during the t period (in %) and

RS_t – regulated assets in t period (in RSD).

The fee to the transmission system owner when a transmission system operator is organized as an independent system operator is considered as justified operational cost and is established by the application of the formula:

$$N_t = (VA_t + PPTK * VPNS_t),$$

Where:

N_t – fee to the transmission system owner when a transmission system operator is organized as an independent system operator during t period (in RSD);

VA_t – depreciation costs of the transmission system which is not owned by an independent system operator during t period (in RSD);

$PPTK$ - rate of return of regulated assets during the regulated period (in %) and

$VPNVSt$ – net value of the transmission system which is not owned by an independent system operator in the beginning of t period (in RSD).

IV. 2.2. Depreciation costs

Depreciation costs are justified depreciation costs for assets employed for the performance of natural gas transmission and natural gas transmission system operation, while those costs also include depreciation costs for assets procured free of charge.

Depreciation costs include depreciation costs of existing assets in the beginning of the tariff period and depreciation costs of assets which will become active during the tariff period.

Depreciation costs of existing assets and the assets which will become active during the tariff period are calculated by application of the pro rata method within estimated useful life of assets.

Depreciation costs of assets which will become active during the tariff period are added to the capital which comprises of 50% of the value of active intangibles, real estate, facilities and equipment during the preparation.

Depreciation costs are calculated by application of the following formula:

$$A_t = APS_t + AAS_t$$

where:

A_t – depreciation costs in t period (in RSD);

APS_t – depreciation costs of existing assets in t period (in RSD) and

AAS_t – depreciation costs of assets which will become active in t period (in RSD).

Depreciation costs of existing assets which comprise the natural gas transmission system are established based on specific registry on gross, correction and net value of the real estate, facility and equipment which comprise the natural gas transmission system by the application of annual rate of depreciation in line with the decision on manner, procedure and deadlines for keeping accounting registries for the purpose of regulation and execution of procedure of unbundling accounts for different activities.

The transmission system operator is obliged to provide separate registry on costs of depreciation assets which comprise the natural gas transmission system. Depreciation costs of other assets which comprise other intangibles, real estate, facilities and equipment engaged for transmission activity and natural gas transmission operation are established based on data given in business registries.

IV. 2.3. Regulated assets

Regulated assets are net value of intangibles, real estate, facilities and equipment engaged for the performance of natural gas transmission and natural gas transmission system operation, with the exception of:

- Goodwill;
- Advances for intangibles, real estate, facilities and equipment;
- Net value of assets procured free of charge, such as grants, third party participation in the construction of the natural gas transmission system, assets collected based on construction of connections, etc. and

- Net value of intangible assets, real estate, facilities and equipment during the preparation phase which will not become active during the tariff period or which are not justified and/or efficient.

Justifiability and efficiency of investments in natural gas transmission system development aiming at meeting natural gas demand growth, removing congestions in the network and increasing the security and quality of delivery are determined on the basis of compliance of investments into the natural gas transmission system development plan with the investment plan and annual programme, i.e. operational plan of an energy entity.

Regulated assets represent the capital for the calculation of the income based on the assets employed which can be collected by the transmission system operator during the tariff period.

The value of regulated assets is calculated as the arithmetic mean of the values of regulated assets in the beginning of the tariff period and the values of regulated assets in the end of the tariff period by application of the following formula:

$$RS_t = (PRS_t + KRS_t)/2$$

where:

RS_t – regulated assets in t period (in RSD),

PRS_t - value of regulated assets in the beginning of t period (in RSD) and

KRS_t - value of regulated assets in the end of t period (in RSD).

The value of regulated assets in the beginning of the tariff period is calculated by application of the following formula:

$$PRS_t = PNVS_t - PSBN_t - PNSUP_t$$

where:

$PNVS_t$ – net value of intangibles, real estate, facilities and equipment in the beginning of the t period (in RSD);

$PSBN_t$ - net value of assets procured free of charge in the beginning of the t period (in RSD) and

$PNSUP_t$ - net value of intangibles, real estate, facilities and equipment in the preparation phase in the beginning of the t period, which will not become active during the t period or which are not justified and/or efficient (in RSD).

The value of regulated assets in the end of tariff period is calculated by application of the following formula:

$$KRS_t = PRS_t - ARS_t + \Delta SUP_t - NOPS_t - \Delta SBN_t - \Delta NSUP_t$$

where:

ARS_t – depreciation costs of regulated assets which do not include depreciation costs for assets procured free of charge during the t period which are calculated as defined by this Methodology (in RSD);

ΔSUP_t – change of values of intangibles, real estate, facilities and equipment in the preparation phase during t period, plus net value of intangibles, real estate, facilities and equipment in the preparation phase in the beginning of the t period, which will become active in t period (in RSD);

$NOPS_t$ – net value of assets which are either misappropriated and/or permanently taken out of service in t period (in RSD);

ΔSBN_t – change of value of assets procured free of charge in t period (in RSD) and

$\Delta NSUP_t$ – change of value of intangibles, real estate, facilities and equipment in the preparation phase which will not become active in t period or which are not justified and/or efficient (in RSD).

The value of regulated assets is established based on data on the value of assets on December 31 of a year prior to the tariff period for regulated assets in the beginning of tariff period and on December 31 of a year when tariff period begins for regulated assets in the end of tariff period.

The net value of regulated assets which include real estate, facilities and equipment for natural gas transmission is established based on separate registry on gross, correction and net value of real estate, facilities and equipment by application of annual depreciation rates in line with decision on manner, procedure and deadlines for keeping accounting registries for the purpose of regulation and execution of procedure of unbundling accounts for different activities.

Gross value of real estate, facilities and equipment which comprises the natural gas transmission system is measured in line with historical cost, i.e. in the amount of disbursed cash or cash equivalents or fair value of the fee given at the moment property was acquired.

In case the transmission system operator performs revalorization of the value of real estate, facilities and equipment comprising the natural gas transmission system, the effects of revalorization are not registered in a separate registry. For each tariff period, the transmission system operator is obliged to provide a separate registry on gross, correction and net value of the real estate, facilities and equipment comprising the natural gas transmission system.

Net value of regulated assets which include other non-material property, real estate, facilities and equipment engaged in the performance of natural gas transmission and transmission system operation is established on the basis of the data given in business registries, regardless of the manner of measurement of the property value.

IV. 2.4. Rate of return on regulated assets

Rate of return on regulated assets is set as the nominal weighted average costs of capital prior to the taxation of the transmission system operator.

The rate of return on regulated assets is established on the last day of the calendar year preceding the regulatory period and it cannot be changed during the regulatory period.

Nominal weighted average costs of capital represents weighted average costs of equity and weighted average costs of borrowed assets, while the weighting factor for equity amounts to 0.4 and for borrowed assets to 0.6. It is calculated prior taxation by application of the following formula:

$$PPTK = (0.4 * CK) / (1 - P) + 0.6 * PK$$

where:

PPTK – rate of return for regulated assets (in %);

CK – rate of return for capital (in %);

P – income tax rate pursuant to the current legal regulations (in %) and

PK – weighted average rate of return of borrowed capital (in %).

Rate of return for capital is established by the application of capital asset pricing model by the application of the formula:

$$SK = R_f + \beta * (R_m - R_f)$$

where:

SK – rate of return for capital (in %);
R_f – rate of return for risk free investments (in %);
β – beta coefficient and
(R_m – R_f) – premium for market risk (in %).

Rate of return for risk free investments is established on the basis of average nominal interest rate of the last three emissions of state RSD bonds with maturity of ten years or more issued by the Republic of Serbia.

Beta coefficient reflects the rate of risk of investment into natural gas transmission and transmission system operation in comparison to the risk of investment in the market and it is established by the comparative analysis of beta coefficient with other transmission system operators in the country and in the region (benchmarking).

Premium for market risk reflects the additional income of investors above the rate of return for risk free investments for taking over the investment risk in the market and it is established by comparative analysis of premia for market risk with other transmission system operators in the country and in the region (benchmarking).

Borrowed capital in terms of this subsection represents the sum of long-term liabilities and short-term financial liabilities which serve for the financing of regulated assets.

Weighted average rate of return for borrowed capital is established as weighted average interest rate to total borrowed assets which serve for the financing of regulated assets. Weighting factors are shares of concrete borrowed assets in the total borrowed assets sum.

Interest rate for borrowed funds which serve for the financing of regulated assets is justified to the level of carefully, rationally and efficiently borrowed assets.

In case the transmission system operator does not use the borrowed capital in terms of this subsection, the weighted average rate of return for borrowed capital equals to the reference interest rate on the last day of the calendar year preceding the regulatory period and in line with data from the National Bank of Serbia.

IV. 2.5. Natural gas costs for losses recovery

The costs for the natural gas transmission system losses recovery is set by application of the following formula:

$$TG_t = G_t * CG_t$$

where:

TG_t – costs of natural gas for natural gas losses recovery in t period (in RSD);

GG_t – natural gas volume necessary for the natural gas transmission system loss recovery in t period (in kWh) and
 CG_t – justified weighted average purchase natural gas price including all justified affiliated costs for purchase price of natural gas for losses recovery in t period (in RSD/kWh).

The volume of natural gas necessary for natural gas transmission system losses recovery in t period is calculated by application of the following formula:

$$GG_t = Kl_t * SG_t / (1 - SG_t)$$

where:

Kl_t – natural gas volume delivered from the natural gas transmission system in t period (in kWh) and
 SG_t – justified the natural gas transmission system loss rate in t period (in %).

Justified natural gas transmission system loss rate during the regulatory period is set based on the following: realized natural gas loss rate in the past three years, analysis of transmission system state-of-play and comparative analysis of realized loss rates of other transmission system operators both in the country and in the region (benchmarking).

IV. 2.6. Revenue harmonization (correction element)

The revenue from transmission services of the transmission system operator is harmonized by the application of the correction element.

The harmonization of revenues from transmission services is performed by the establishment of insufficient, i.e. extra revenue from the transmission services and by its inclusion into the following tariff period.

Correction element is the value which either decreases or increases the revenue from the transmission services during the tariff period by the difference between the amount of the realized revenue based on realized tariff elements and regulated prices for which an approval was given for the calendar year preceding the tariff period calculated as defined by this Methodology based on energy values, costs and revenues accrued during the calendar year preceding the tariff period, i.e. in previous calendar years for which correction was not made.

The correction element is calculated by application of the following formula:

$$KE_t = (Ra_g - R_g) * (1 + I_g)$$

where:

KE_t – correction element in t period (in RSD);

Ra_g – justified revenue arising from the performance of natural gas transmission activities and transmission system operation during a calendar year preceding the tariff period calculated in line with this Methodology based on actual energy values, costs and revenues (in RSD);

R_g – realised revenue arising from realized tariff elements and regulated prices for which an approval was given during the calendar year which precedes the tariff period including the amount from the mechanism for compensation between transmission system operators (in RSD);

I_g – consumer prices index in the Republic of Serbia in the calendar year which precedes the tariff period, pursuant to the data published by the body responsible for statistics (in %) and

g – calendar year preceding the tariff period.

If the regulated prices were not applied from the beginning of the calendar year, the correction element is calculated only for a segment of the period during which the regulated prices were applied.

The revenue from services which do not include transmission is not harmonized since that revenue is calculated on the basis of realized costs.

Transmission system operators use the regulatory account where data on the level of correction element are registered. The correction element is calculated in a manner including the calendar year which precedes the tariff period. In addition, the data on the amount of revenue which served as the basis for the calculation of the correction element are registered in the regulatory account. Each transmission system operator uses only one regulatory account.

IV. 2.7. Revenues from non-standard services

Revenues from non-standard services are revenues which are accrued by the system operator by providing services upon a customer's i.e. system user's request or services aiming at the removal of consequences of customer's i.e. system user's actions which are against regulations based on an act of a transmission system operator on prices of non-standard services such as: revenues based on the issuance of approval with conditions for the performance of works in the protection area of the pipeline, revenue based on suspension of natural gas delivery, revenues based on the issuance of an opinion on energy permit issuance and other revenues.

IV. 2.8. Other revenues

Other revenues include revenues collected by the commitment of resources meant for natural gas transmission activities and natural gas transmission system operation, such as: revenue collected by balancing activities, revenues based on performance and commodity, revenues collected by selling regulated assets, revenues arising from contracted capacity overrun, revenues arising from damage compensations, revenues in terms of contracted backhaul capacity, revenues from auction premia and other revenues.

IV. 3. Transmission system operators' compensation mechanism principles

If at least two transmission system operators perform natural gas transmission activity and transmission system operation on the territory of the Republic of Serbia at regulated prices, these operators transmission tariffs as a whole together in line with this methodology and they agree on an efficient mechanism for compensation in order to settle the differences arising between revenues accrued by the application of established transmission tariffs regarded as a whole and tariffs which were established in line with this methodology for each transmission system separately.

In the agreement on the application of an efficient mechanism for compensation referred to in paragraph 1, transmission system operators agree on their mutual obligations in line with following principles:

- 1) Each transmission system operator calculates the difference between:
 - Revenue arising from the transmission service for the t period established based on common tariffs and agreed tariff elements during t period and
 - Revenues arising from the transmission service for the t period established based on individual tariffs and agreed tariff elements during t period,

- 2) In the difference referred to in the previous item is positive, the transmission system operator pays for the difference to other transmission system operators which have the negative difference and
- 3) Paying the difference referred to in previous items is made on monthly basis to the level representing 1/12 of the difference for the t period. The deadline for the payment is the 20th (the twentieth) day of the month for the difference calculated for the previous gas month.

V. TARIFF ELEMENTS

Capacity tariff elements to which approved revenue from transmission services for the tariff period is allocated are established.

Approved revenue from transmission service for each tariff period during the regulatory period is established in a manner defined by section IV.2 as the revenue arising from transmission service (for the first tariff period), i.e. settled revenue from the transmission service (for other tariff periods during the regulatory period) and is applied for the calculation of framework reference tariffs.

During the regulatory period, following the inclusion of the correction element for each tariff period, allowed revenues from transmission service which is established in a manner defined in section IV.2 as corrected revenue from the transmission service is applied for the calculation of tariffs.

Tariff element is the calculation value which is established for each tariff period and to which allowed revenue from the transmission service of the transmission system operator is allocated.

Capacity tariff elements are set for the entry points on the transmission system and for the exit points on the transmission system.

Three transmission system entries are established:

- 1) TRANSMISSION SYSTEM entry which is a homogenous sum of all entry points which are connected to the exit points from another transmission system (points of connection between two transmission systems);
- 2) PRODUCTION entry which is the cluster of all entry points from production and
- 3) STORAGE entry which is the entry point into natural gas storage.

Three transmission system exits are established:

- 1) LOCAL CONSUMPTION exit which is a sum of all local consumption exit points;
- 2) INTERCONNECTOR exit which is the interconnector exit point and
- 3) STORAGE exit which is the exit point from natural gas storage.

Capacity tariff element is set based on plan of contracted annual, quarter, monthly, daily and intraday capacity during the tariff period.

Commodity tariff elements are given in kWh/day.

V.1. Capacity tariff elements for transmission system entry points

Capacity tariff elements for the transmission system entry points are the following elements:

- 1) 'TRANSMISSION SYSTEM entry capacity',
- 2) 'PRODUCTION entry capacity' and

3) 'STORAGE entry capacity'.

Tariff element „TRANSMISSION SYSTEM entry capacity' is set for each entry point on the transmission system where transmission system operator off-takes natural gas from another transmission system and it is determined as a sum of contracted capacity during the tariff period transmission system entry points.

Tariff element „PRODUCTION entry capacity' is set for all entry points on the transmission system where the transmission system operator off-takes natural gas from natural gas producers and it is determined as a sum of planned contracted capacity during the tariff period on entry points from production.

Tariff element „STORAGE entry capacity' is set for entry point on the transmission system where the transmission system operator off-takes natural gas from a natural gas storage and it is determined as a sum of planned contracted capacity during the tariff period on the entry point from the storage.

V.2. Capacity tariff elements for the transmission system exit points

Capacity tariff elements for exit points on the transmission system are the following:

- 1) 'LOCAL CONSUMPTION exit capacity';
- 2) 'INTECONNECTOR exit capacity ' and
- 3) 'STORAGE exit capacity '.

Tariff element 'LOCAL CONSUMPTION exit capacity' is set for all exit points on the transmission system where the transmission system operator delivers natural gas to end customers, distribution systems or another transmission system on the territory of the Republic of Serbia and it is determined as a sum of planned contracted capacity during the tariff period on all exit points where the transmission system operator delivers natural gas to end customers, distribution systems or another transmission system on the territory of the Republic of Serbia.

Tariff element 'INTECONNECTOR exit capacity' is set for each exit point on the transmission system where transmission system operator delivers natural gas to a transmission system of a neighbouring country and it is determined as a sum of planned contracted capacity during the tariff period where transmission system operator delivers natural gas to a transmission system of a neighbouring country.

Tariff element 'STORAGE exit capacity' is set for exit point from the transmission system where the transmission system operator delivers natural gas into natural gas storage and it is determined as a sum of planned contracted capacity during the tariff period on the exit point into the storage.

VI. ALLOCATION OF ALLOWED REVENUE FROM TRANSMISSION SERVICES TO TARIFF ELEMENTS

Allowed revenue from transmission service for the tariff period is allocated to capacity tariff elements to entries and exits from the transmission system.

VI.1. Allocation of a part of maximum allowed revenue allocated to tariff elements for capacity to transmission system entry and exit points

Allowed revenue from transmission services is allocated to tariff elements for capacity for entries into the transmission system and to tariff elements for capacity for exits from the transmission system depending on planned contracted capacity for each of tariff elements and depending on the distance between each of entry points and each of exit points of the natural gas transmission system.

Allowed revenue from the transmission service is allocated to entries into the transmission system and to exits from the transmission system in line with the following formulae:

$$\begin{aligned} \text{OPTU}_t &= 0.5 * \text{OPT}_t \\ \text{OPTI}_t &= 0.5 * \text{OPT}_t \end{aligned}$$

Where:

OPT_t - allowed revenue from transmission service in t period (in RSD);
 OPTU_t - segment of allowed revenue from transmission service allocated to tariff elements for capacity for entries into the transmission system in t period (in RSD) and
 OPTI_t - segment of allowed revenue from transmission service allocated to tariff elements for capacity for exits into the transmission system in t period (in RSD).

VI.1.1. Allocation of revenue from transmission service allocated to entry points

Segments of allowed revenue from transmission service allocated to the entry points on the transmission system are established on the basis of weighted average distance for each point of entry into the transmission system.

VI.1.1.1. Weighted average distance for entry point

Weighted average distance for each point of entry into the transmission system is calculated in line with the following formula:

$$\text{PPU}_{ul} = \sum_{iz} (\text{KAP}_{iz} * U_{ul, iz}) / \sum_{iz} \text{KAP}_{iz}$$

Where:

PPU_{ul} – weighted average distance for the point of entry into the transmission system (in km);
 KAP_{iz} – planned contracted capacity for each point of exit from the transmission system (in kWh/day);
 $U_{ul, iz}$ – distance between the entry point for which the weighted average distance is calculated and every point of exit from the transmission system (in km).

VI.1.1.2. Weighted average distance for homogenous group of entry points

For a homogenous group of entry points a unique weighted share and unique tariff element is calculated. Weighted average distance for homogenous group of 'k' entry points is established in line with the following formula:

$$\text{PPUH}_{ul} = \sum_k (\text{KAP}_{ul,k} * \text{PPU}_{ul,k}) / \sum_k \text{KAP}_{ul,k}$$

Where:

PPUH_{ul} – weighted average distance for homogenous group of entry points (in km);
 $\text{KAP}_{ul,k}$ – planned contracted capacity for each of 'k' entry points from the homogenous group (in kWh/day);

PPU_{u,k} – weighted average distance for each of 'k' entry points from the homogenous group (in km).

VI.1.1.3. Weighted average distance for 'STORAGE entry'

'STORAGE entry point' is unique which is why the weighted average distance for entry from storage is calculated in line with formula from item VI.1.1.1.

VI.1.1.4. Weighted average distance for 'PRODUCTION entry'

'PRODUCTION entry point' is a unique cluster and it includes a group of entry points into the transmission system from production which is why the weighted average distance for 'PRODUCTION entry' is calculated in line with the formula from VI.1.1.1 with the distance of the 'PRODUCTION entry' with the highest capacity.

VI.1.1.5. Weighted average distance for homogenous group of entry points from another transmission system

Entry points from another transmission system make a homogenous group of 'k' entry points from another transmission system for which a unique tariff element entry capacity from the transmission system is established.

Weighted average distance for each of entry points from another transmission system is calculated in line with formula from item VI.1.1.1.

Weighted average distance for a homogenous group of 'k' entry points from another transmission system is calculated in line with formula from item VI.1.1.2.

VI.1.1.6. Weighting factor of cost of entry into the transmission system in allowed revenue from transmission service

The weighting factor in the allowed revenue from transmission service for each of entries into the transmission system 'u' in a segment of allowed revenue from the transmission service allocated to tariff elements for capacity for entries into the transmission system is calculated in line with the following formula:

$$PTU_u = KAP_u * PPU_u / \sum_u (KAP_u * PPU_u)$$

Where:

PTU_u – weighting factor for entry 'u' into the transmission system in the segment of allowed revenue from the transmission service allocated to tariff elements for capacity for entries into the transmission system;

KAP_u – planned contracted capacity for entry 'u' into the transmission system (in kWh/day);

PPU_u – weighted average distance for entry 'u' into the transmission system (in km) and

u – entry into the transmission system from storage, production or another transmission system.

VI.1.1.7. Final weighting factors of cost of entry into the transmission system in the allowed revenue from transmission service

A discount is established for the 'STORAGE entry' and, thereby, the final weighting factors of cost of entry in a segment of allowed revenue from transmission services allocated to tariff elements for capacity for entries into the transmission system are calculated in line with the following formulae:

$$PTUK_{sk} = (1 - KPU_{sk}) * PTU_{sk}$$

$$PTUK_{ts} = PTU_{ts} + (KPU_{sk} * PTU_{sk}) * (PTU_{ts} / (PTU_{ts} + PTU_{pg}))$$

$$PTUK_{pg} = PTU_{pg} + (KPU_{sk} * PTU_{sk}) * (PTU_{pg} / (PTU_{ts} + PTU_{pg}))$$

Where:

$PTUK_{sk}$ – final weighting factor of cost of 'STORAGE entry in a segment of allowed revenue from transmission service allocated to tariff elements for capacity for entries into the transmission system;

$KPU_{sk} - 0.75$ – discount coefficients for 'STORAGE entry';

PTU_{sk} – weighting factor of cost for 'STORAGE entry in a segment of allowed revenue from transmission service allocated to tariff elements for capacity for entries into the transmission system;

$PTUK_{ts}$ – final weighting factor of cost for 'TRANSMISSION SYSTEM entry' in a segment of allowed revenue from transmission service allocated to tariff elements for capacity for entries into the transmission system;

PTU_{ts} – weighting factor for 'TRANSMISSION SYSTEM entry' in the segment of allowed revenue from transmission service allocated to tariff elements for capacity for entries into the transmission system;

$PTUK_{pg}$ – final weighting factor of cost for 'PRODUCTION entry' within the allowed revenue from transmission service allocated to tariff elements for capacity for entries into the transmission system;

PTU_{pg} – weighting factor of cost for 'PRODUCTION entry' in a segment of allowed revenue from transmission service allocated to tariff elements for capacity for entries into the transmission system.

VI.1.1.8. Allocation of a segment of allowed revenue from transmission service to entries

Allocation of a segment of allowed revenue from transmission service allocated to tariff elements capacity for each entries into the transmission system is calculated in line with the following formulae:

$$OPTU_{ts,t} = PTUK_{ts} * OPTU_t$$

$$OPTU_{pg,t} = PTUK_{pg} * OPTU_t$$

$$OPTU_{sk,t} = PTUK_{sk} * OPTU_t$$

$OPTU_{ts,t}$ - a segment of allowed revenue from transmission service allocated to tariff element 'TRANSMISSION entry capacity' in tariff period t (in RSD);

$OPTU_{pg,t}$ = a segment of allowed revenue from transmission service allocated to tariff element 'PRODUCTION entry capacity' in tariff period t (in RSD);

$OPTU_{sk,t}$ = a segment of allowed revenue from transmission service allocated to tariff element 'STORAGE entry capacity' in tariff period t (in RSD).

VI. 1.2. Allocation of revenue from transmission service allocated to exits

Segments of allowed revenue from transmission service allocated to exits from the transmission system are established on the basis of weighted average distance for each of points of exit from the transmission system.

VI.1.2.1 Weighted average distance for exit point

Weighted average distance for each point of exit from the transmission system is calculated in line with the following formula:

$$PPU_{iz} = \sum_{ul} (KAP_{ul} * U_{iz,u}) / \sum_{ul} KAP_{ul}$$

Where:

PPU_{iz} – weighted average distance for the point of exit from the transmission system (in km);

KAP_{ul} – planned contracted capacity for each point of exit from the transmission system (in kWh/day);

$U_{iz,u}$ – distance between exit point for which weighted average distance is calculated and each point of entry into the transmission system (in km).

VI.1.2.2. Weighted average distance for a homogenous group of exit points

Homogenous group of exit points is defined if there is a greater number of exit points into local consumption, into interconnector and into the storage. A unique weighted share and unique tariff element are calculated for a homogenous group of exit points.

Weighted average distance for a homogenous group of 'm' exit points is established in line with the following formula:

$$PPUH_{iz} = \sum_m (KAP_{iz,m} * PPU_{iz,m}) / \sum_m KAP_{iz,m}$$

Where:

$PPUH_{iz}$ – weighted average distance for a homogenous group of exit points (in km);

$KAP_{iz,m}$ – planned contracted capacity for each of 'm' exit points from the homogenous group (in kWh/day);

$PPU_{iz,m}$ – weighted average distance for each of „m' exit points from the homogenous group (in km).

VI.1.2.3. Weighted average distance for 'STORAGE exit point'

„STORAGE exit point' is unique which is why the weighted average distance for exit into storage is calculated in line with the formula given in item VI.1.2.1.

VI.1.2.4. Weighted average distance for 'INTERCONNECTOR exit'

„INTERCONNECTOR exit' is unique which is why the weighted average distance for exit into interconnector is calculated in line with the formula given in item VI.1.2.1.

VI.1.2.5. Weighted average distance for a homogenous group of points for 'LOCAL CONSUMPTION exit'

'LOCAL CONSUMPTION exit' points make a homogenous group of 'm' 'LOCAL CONSUMPTION exit' points for which a unique tariff element 'LOCAL CONSUMPTION EXIT CAPACITY' is established.

Weighted average distance for each of 'LOCAL CONSUMPTION exit' points is calculated in line with formula given in item VI.1.2.1.

Weighted average distance for a homogenous group of 'm' 'LOCAL CONSUMPTION exit' points is calculated in line with the formula given in item VI.1.2.2.

VI.1.2.6. Weighting factor of exit from the transmission system within the allowed revenue from transmission service

Weighting factor within the allowed revenue from transmission service for each of exits from the transmission system 'i' within a segment of allowed revenue from transmission service allocated to tariff elements for capacity for exits from the transmission systems is calculated in line with the following formula:

$$PTI_i = KAP_i * PPU_i / \sum_i (KAP_i * PPU_i)$$

Where:

PTI_i – weighting factor for exit 'i' from the transmission system within a segment of allowed revenue allocated to tariff elements for capacity for exits from the transmission system;

KAP_i – planned contracted capacity for exit 'i' from the transmission system (in kWh/day);

PPU_i – weighted average distance for exit 'i' from the transmission system (in km) and

i – exit from the transmission system into: storage, interconnector or local consumption.

VI.1.2.7. Final weighting factor of cost of exit from the transmission system within the allowed revenue from the transmission service

A discount is established for the exit into the storage in a manner that a final weighting factor of the cost of exit within a segment of an allowed revenue from transmission service allocated to tariff elements for capacity for exits from the transmission system is calculated in line with the following formulae:

$$PTIK_{sk} = (1 - KPI_{sk}) * PTI_{sk}$$

$$PTIK_{dp} = TUI_{dp} + (KPI_{sk} * PTI_{sk}) * (PTI_{dp} / (PTI_{dp} + PTI_{in}))$$

$$PTIK_{in} = PTI_{in} + (KPI_{sk} * PTI_{sk}) * (PTI_{in} / (PTI_{dp} + PTI_{in}))$$

PTIK_{sk} - final weighting factor of cost for the 'STORAGE exit' within a segment of allowed revenue from transmission service allocated to tariff elements for capacity for exits from the transmission system;

KPI_{sk} – 0.75 – discount coefficient for the 'STORAGE exit';

PTI_{sk} – weighting factor of cost for the 'STORAGE exit' within a segment of allowed revenue from transmission service allocated to tariff elements for capacity for exits from the transmission system;

PTIK_{dp} - final weighting factor of cost for the 'LOCAL CONSUMPTION exit' within a segment of allowed revenue from transmission service allocated to tariff elements for capacity for exits from the transmission system;

PTI_{dp} - weighting factor of cost for 'LOCAL CONSUMPTION exit' within a segment of allowed revenue from transmission service allocated to tariff elements for capacity for exits from the transmission system;

PTIK_{in} - final weighting factor of cost for 'INTERCONNECTOR exit' within a segment of allowed revenue from transmission service allocated to tariff elements for capacity for exits from the transmission system;

PTI_{in} - weighting factor of cost for 'INTERCONNECTOR exit' within a segment of allowed revenue from transmission service allocated to tariff elements for capacity for exits from the transmission system.

VI.1.2.8. Allocation of a segment of allowed revenue from transmission service to exits

The allocation of a segment of allowed revenue from transmission service allocated to tariff elements for each exit into the transmission system is calculated in line with the following formula:

$$OPTI_{dp,t} = PTIK_{ts} * OPTI_t$$

$$OPTI_{in,t} = PTIK_{pg} * OPTI_t$$

$$OPTI_{sk,t} = PTIK_{sk} * OPTI_t$$

$OPTI_{dp,t}$ – segment of allowed revenue from transmission service allocated to tariff element 'LOCAL CONSUMPTION EXIT CAPACITY' in tariff period t (in RSD);

$OPTI_{in,t}$ - segment of allowed revenue from transmission service allocated to tariff element 'INTERCONNECTOR EXIT CAPACITY' in tariff period t (in RSD) and

$OPTI_{sk,t}$ - segment of allowed revenue from transmission service allocated to tariff element 'STORAGE EXIT CAPACITY' in tariff period t (in RSD);

VII. TARIFFS

Tariffs are set for each of tariff elements for the capacity as indicated in part V.1 and V.2 hereof.

Depending on the type of contracted capacity (firm capacity or interruptible capacity), the tariffs are set as firm capacity tariffs and as interruptible capacity tariffs. Depending on the timeline for which the capacity is contracted (year, quarter, month, day, hours), tariffs are set as annual, quarterly, monthly, daily and intraday tariffs and thereby they correspond to standard capacity products which are established in a decree which regulated network code on calculation and allocation of natural gas transmission capacity.

Tariffs for interruptible capacity are daily tariffs for interruptible capacity and tariffs for backhaul capacity which can be annual, quarterly, monthly and daily tariffs.

Tariffs for each capacity tariff element are given in RSD/kWh/day rounded to four decimal points.

VII. 1. Annual firm capacity tariffs

Annual firm capacity tariffs represent the quotient of allowed revenue from transmission service allocated to relevant capacity tariff element pursuant to the subsection VI.1.1 and VI.1.2 hereof and of relevant tariff element set pursuant to section V.1 and V.2 hereof, by application of the following formulae:

$$TKU_{ts} = OPTU_{ts,t} / PUKU_{ts}$$

$$TKU_{pg} = OPTU_{pg,t} / PUKU_{pg}$$

$$TKU_{sk} = OPTU_{sk,t} / PUKU_{sk}$$

$$TKI_{dp} = OPTU_{dp,t} / PUKI_{dp}$$

$$TKI_{in} = OPTU_{in,t} / PUKI_{in}$$

$$TKI_{sk} = OPTU_{sk,t} / PUKI_{sk}$$

where:

TKU_{ts} – annual firm capacity tariff per tariff element 'TRANSMISSION SYSTEM entry capacity' (in RSD/kWh/day);

TKU_{pg} – annual firm capacity tariff per tariff element 'PRODUCTION entry capacity' (in RSD/kWh /day);

TKU_{sk} – annual firm capacity tariff per tariff element 'STORAGE entry capacity' (in RSD/kWh/day);

TKI_{dp} – annual firm capacity tariff per tariff element 'LOCAL CONSUMPTION exit capacity' (in RSD/kWh/day);

TKI_{in} – annual firm capacity tariff per tariff element 'INTERCONNECTOR exit capacity' (in RSD/kWh/day);

TKI_{sk} – annual firm capacity tariff per tariff element 'STORAGE exit capacity' (in RSD/kWh/day);

PUKU_{ts} - tariff element 'TRANSMISSION SYSTEM entry capacity', set as planned contracted capacity for the tariff period on the points of entry into the transmission system from other transmission systems (in kWh/day);

PUKU_{pg} - tariff element 'PRODUCTION entry capacity', set as planned contracted capacity for the tariff period on the points of entry into the transmission system from production (in kWh/day);

PUKU_{sk} - tariff element 'STORAGE entry capacity', set as planned contracted capacity for the tariff period on the points of entry into the transmission system from storage (in kWh/day);

PUKI_{dp} - tariff element 'LOCAL CONSUMPTION exit capacity', set as planned contracted capacity for the tariff period on the points of exit from the transmission system towards local consumption (in kWh/day);

PUKI_{in} - tariff element 'INTERCONNECTOR exit capacity', set as planned contracted capacity for the tariff period on the points of exit from the transmission system towards interconnector (in kWh/day) and

PUKI_{sk} - tariff element 'STORAGE exit capacity', set as planned contracted capacity for the tariff period on the points of exit from the transmission system towards storage (in kWh/day).

Planned contracted capacity for tariff period for each of entry and each of exit points PUKU (PUKU_{ts}, PUKU_{pg},

PUKU_{sk}) and each of exit points from the transmission system PUKI (PUKI_{dp}, PUKI_{in}, PUKI_{sk}) is calculated in line with the following formula:

$$PUK = PUKG + PUKK + PUKM + PUKD + PUK\check{C}$$

Where:

PUK – plan of contracted capacity for tariff period (in kWh/day);

PUKG – plan of contracted annual capacity (in kWh/day);

PUKK – plan of contracted quarterly capacity boiled down to annual capacity (in kWh/day);

PUKM – plan of contracted monthly capacity boiled down to annual capacity (in kWh/day);

PUKD - plan of contracted daily capacity boiled down to annual capacity (in kWh/day);

PUK\check{C} - plan of contracted hourly capacity boiled down to annual capacity (in kWh/day).

Plan of contracted quarterly, monthly, daily and hourly capacity rounded to annual capacity for the tariff period is calculated in line with the following formulae:

$$PUKK = 1.1 * \sum_k (SF_k * PUK_k * (BDK_k / BDTP))$$

$$\text{PUKM} = 1.2 * \sum_m (\text{SF}_m * \text{PUK}_m * (\text{BDM}_m / \text{BDTP}))$$

$$\text{PUKD} = 2 * \sum_m (\text{SF}_m * \text{PUK}_d * (1 / \text{BDTP}))$$

$$\text{PUK}\check{\text{C}} = 2.2 * \sum_m (\text{SF}_m * \text{PUK}_{\check{\text{c}}} * (1 / \text{B}\check{\text{C}}\text{TP}))$$

Where:

SF_k – seasonal factor for the relevant 'k' quarter;

FS_m – seasonal factor for the relevant 'm' month;

PUK_k - plan of contracted quarterly capacity within the relevant 'k' quarter;

PUK_m – plan of contracted monthly capacity within the relevant 'm' month;

PUK_d - plan of contracted daily capacity within the relevant 'm' month;

$\text{PUK}_{\check{\text{c}}}$ - plan of contracted hourly capacity within the relevant 'm' month;

BDK_k – number of gas days within the relevant 'k' quarter;

BDM_m - number of gas days within the relevant 'm' month;

$\text{B}\check{\text{C}}\text{M}_m$ - number of hours within the relevant 'm' month;

BDTP - number of gas days within the tariff period;

$\text{B}\check{\text{C}}\text{TP}$ - number of hours within the tariff period.

VII.2. Tariffs for quarterly, monthly and daily firm capacity

VII.2.1. Tariffs for quarterly, monthly and daily firm capacity

Tariffs for quarterly, monthly and daily firm capacity are established in line with the following formula:

$$\text{TKK} = \text{NMKK} * \text{SF} * \text{TK} * \text{BD} / \text{BDTP}$$

Where:

TKK – adequate tariff for quarterly, i.e. monthly, i.e. daily firm capacity (in RSD/kWh/day);

NMKK – level of multiplier of annual tariff for short-term capacity which is applied for the calculation of tariffs for firm capacity shorter than a year from subsection VII.2.3;

SF – seasonal factor from subsection VII.2.4;

TK – adequate annual tariff for firm capacity (in RSD/kWh/day);

BD – number of days within a quarter, i.e. a month, i.e. one for daily capacity;

BDTP – number of days within the tariff period.

VII.2.2. Tariffs for intraday firm capacity

Tariffs for intraday firm capacity are established in line with the following formula:

$$\text{TKUD} = \text{NMKK} * \text{SF} * \text{TK} * \check{\text{C}} / \text{B}\check{\text{C}}\text{TP}$$

Where:

TKUD – adequate tariff for intraday firm capacity (in RSD/kWh/day);

TK – adequate annual tariff for firm capacity (in RSD/kWh/day);

Č – duration of intraday capacity in hours

BČTP – number of hours during a tariff period

Tariff for intraday firm capacity is established for one hour and then it is multiplied by the number of hours for which the capacity was contracted.

VII.2.3. Levels of multipliers for quarterly, monthly, daily and intraday tariffs for firm capacity

Levels of multipliers of the annual firm capacity tariff which are applied for the calculation of tariff for firm capacity shorter than one year (NMKK) are:

- 1) 1.1 – for quarterly capacity;
- 2) 1.2 – for monthly capacity;
- 3) 2.0 – for daily capacity and
- 4) 2.2 – for intraday capacity.

VII.2.4. Seasonal factors

Seasonal factors reflect different levels of the use of the transmission system per month during a year.

Tariff elements 'TRANSMISSION SYSTEM entry capacity', 'PRODUCTION entry capacity', 'STORAGE entry capacity', 'LOCAL CONSUMPTION exit capacity', 'INTERCONNECTOR exit capacity' and 'STORAGE exit capacity' are set by the application of the level of season factors (SF) which are set for each month during a year based on actual use of the transmission system per month in the last five calendar years and which are indicated in the following table:

Month	January	February	March	April	May	June	July	August	September	October	November	December
Quarterly	1.65	1.65	1.65	0.56	0.56	0.56	0.57	0.57	0.57	1.43	1.43	1.43
Monthly	2.08	1.54	1.33	0.69	0.52	0.48	0.55	0.53	0.63	0.94	1.45	1.91
Daily	2.08	1.54	1.33	0.69	0.52	0.48	0.55	0.53	0.63	0.94	1.45	1.91
Intraday	2.08	1.54	1.33	0.69	0.52	0.48	0.55	0.53	0.63	0.94	1.45	1.91

VII.3. Daily tariff for firm capacity

Daily tariff for interruptible capacity equals to the adequate daily tariff for firm capacity established in line with subsection VII.1.3. hereof.

VII.4 Tariffs for backhaul capacity

Tariffs for annual, quarterly, monthly and daily backhaul capacity are calculated in line with the following formulae:

$$TPKG = 0.1 * TK$$

$$TPKK = 0.1 * TKKK$$

$$TPKM = 0.1 * TKKM$$

$$TPKD = 0.1 * TKKD$$

Where:

TPKG – annual tariff for backhaul capacity for TRANSMISSION SYSTEM entry, for STORAGE entry/exit and for INTERCONNECTOR exit (in RSD/kWh/day);

TK – adequate annual tariff for firm capacity from subsection VII.1.2. hereof (in RSD/kWh/day);

TPKK – quarterly tariff for backhaul capacity for TRANSMISSION entry, for STORAGE entry/exit and for INTERCONNECTOR exit (in RSD/kWh/day);

TKKK – adequate quarterly tariff for firm capacity from subsection VII.1.3. hereof (in RSD/kWh/day);

TPKM - monthly tariff for backhaul capacity for TRANSMISSION entry, for STORAGE entry/exit and for INTERCONNECTOR exit (in RSD/kWh/day);

TKKM - adequate monthly tariff for firm capacity from subsection VII.1.3. hereof (in RSD/kWh/day);

TPKD - daily tariff for backhaul capacity for TRANSMISSION entry, for STORAGE entry/exit and for INTERCONNECTOR exit (in RSD/kWh/day);

TKKD - adequate daily tariff for firm capacity from subsection VII.1.3. hereof (in RSD/kWh/day);

VII.5. Capacity Tariffs for Paired Transmission System

Capacity tariffs for Paired Transmission System are calculated in line with this methodology when at least two operators perform natural gas transmission and transmission system operation on the territory of the Republic of Serbia.

Operators referred to in paragraph 1 calculate capacity tariffs for Paired Transmission System by applying this methodology for transmission systems they operate and for those transmission systems which are considered as a whole (as one entry-exit system).

VII.5.1. Tariffs for annual firm capacity for Paired Transmission System

Tariffs for annual firm capacity for Paired Transmission System are calculated as the quotient of joint allowed revenue from the transmission service allocated to adequate tariff element for capacity and of adequate tariff element in line with the formula from the section VII.1. hereof.

Joint allowed revenue from transmission service is the sum of revenue from transmission service of all operators whose systems are parts of the Paired transmission system.

Joint allowed revenue from transmission service is allocated 50% to entry points and 50% to exit points of the Paired transmission system.

The following tariff elements are established for the Paired transmission system:

- 1) Tariff element 'TRANSMISSION SYSTEM entry capacity' which is established as a sum of tariff elements 'TRANSMISSION SYSTEM entry capacity' of all operators whose systems are a part of Paired transmission system reduced by the planned capacity of entry into the transmission system on the entry which represents the exchange point between to transmission systems which are paired.

- 2) Tariff element 'PRODUCTION entry capacity' which is established as a sum of tariff elements 'PRODUCTION entry capacity' of all operators whose systems are a part of Paired transmission system.
- 3) Tariff element 'STORAGE entry capacity' which is established as a sum of tariff elements 'STORAGE entry capacity' of all operators whose systems are a part of Paired transmission system.
- 4) Tariff element 'LOCAL CONSUMPTION exit capacity' which is established as a sum of tariff elements 'LOCAL CONSUMPTION exit capacity' of all operators whose systems are a part of Paired transmission system reduced by the planned capacity of exit from the transmission system which is the connection point with another transmission system (exit connected to the entry into another natural gas transmission system).
- 5) Tariff element 'INTERCONNECTOR exit capacity' which is established as a sum of tariff elements 'INTERCONNECTOR exit capacity' of all operators whose systems are a part of Paired transmission system.
- 6) Tariff element 'STORAGE exit capacity' which is established as a sum of tariff elements 'STORAGE exit capacity' of all operators within the Paired transmission system.

Weighted average distance for each of entry points, weighted share of each of entries, final weighting shares of entry because of discount for STORAGE entry in a segment of joint allowed revenue from the transmission service allocated to tariff elements for the capacity for entries into the Paired transmission system and the allocation of a segment of joint allowed revenue from transmission service allocated to entries into the Paired transmission system for entries are calculated in line with formulae from subsection VI.1.1 hereof.

Weighted average distance for each of exit points, weighted share of each of exits, final weighted shares of exits due to the discount for 'STORAGE exit' within a segment of joint allowed revenue from transmission service allocated to tariff elements for capacity for exits from the Paired transmission system and the allocation of a segment of joint revenue from transmission service allocated to exits of Paired transmission system for exits are calculated in line with formulae from subsection VI.1.2 hereof.

Tariffs from paragraph 1 established in line with this Methodology are applied on entries and exits from the Paired transmission system as reference prices for annual firm capacity.

Tariffs from paragraph 1 are used for the establishment of tariffs from subsections VII.5.2, VII.5.3 and VII.5.4, hereof.

Tariffs from paragraph 1 and tariffs from subsections VII.5.2, VII.5.3 and VII.5.4 established in line with this Methodology are applied as reserve prices of standard capacity products on entries and exits from the Paired transmission system in line with the decree which regulates the network code for the calculation and allocation of natural gas transmission capacity.

VII.5.2. Tariffs for quarterly, monthly and daily firm capacity for Paired transmission system

Tariffs for quarterly, monthly and daily firm capacity for Paired transmission system are calculated in line with the formula from subsection VII.2.1 while the adequate annual tariff for firm capacity for Paired transmission system is established in line with the subsection VII.5.1 hereof.

VII.5.3. Daily tariffs for firm capacity for Paired transmission system

Daily tariffs for firm capacity for Paired transmission system are calculated in line with the formula from subsection VII.3 while the adequate annual tariff for firm capacity for Paired transmission system is established in line with the subsection VII.5.1 hereof.

VII.5.4. Tariffs for backhaul capacity for Paired transmission system

Tariffs for backhaul capacity for Paired transmission system are calculated in line with the formula from subsection VII.4 while the adequate annual tariff for firm capacity for Paired transmission system is established in line with the subsection VII.5.1 hereof.

VIII. METHOD OF CALCULATION OF NATURAL GAS TRANSMISSION SERVICE

VIII.1. General rules

Natural gas transmission service is calculated in line with the contracted capacity by the application of tariffs for capacity which are established in line with this Methodology, increased by auction premium, if there was an auction premium, calculated reductions for contracted interruptible capacities, if they were interrupted and calculated charges for contracted capacity overrun in case of overrun.

Transmission system operator calculates the natural gas transmission service in line with tariffs for capacity except in case when capacity on entry and/or exit was contracted on auctions on which capacity demand was higher than the capacity offered by the transmission system operator on that auction.

In case referred to in paragraph 2, transmission system operator calculates the natural gas transmission service by applying the established tariff for capacity and realized auction premium for the amount of contracted capacity.

Reserve prices of capacity on auctions are equal to tariffs for capacity which were established in line with this Methodology.

Natural gas transmission service contracted for several gas years, i.e. several tariff periods is calculated in line with tariffs established by this methodology while they are applied during a gas year for which capacity was contracted, i.e. potentially increased by the auction premium if it was contracted on auction.

For one system user, capacity tariffs are applied to the contracted capacity for each entry point on the transmission system, i.e. the exit point on the transmission system, while natural gas transmission system service pursuant to the tariffs for annual and quarterly capacity is calculated by allocating the amount set by application of the annual, i.e. quarterly tariff in line with the number of accounting periods during a year (12), i.e. a quarter (3).

For one system user, backhaul capacity tariffs are applied to the contracted backhaul capacity for the TRANSMISSION SYSTEM entry point, for STORAGE entry/exit point and for the INTERCONNECTOR exit point while natural gas transmission system service pursuant to the tariffs for annual and quarterly backhaul capacity is calculated by allocating the amount set by application of the annual, i.e. quarterly tariff in line with the number of accounting periods during a year (12), i.e. quarter (3).

The manner of calculation of natural gas transport service is regulated by the transmission system operator and the system user, in line with the law, regulations on conditions for natural gas delivery and supply, Decree, Transmission System Network Code and this Methodology.

Provisions of paragraphs 1-8 of this section are applied accordingly for the calculation of the natural gas transmission service by the application of tariffs for capacity for Paired Transmission System from section VII.5 hereof.

VIII.2. Calculation of natural gas transmission service in line with tariffs for daily interruptible capacity

In case of interruption of whole contracted daily capacity or a segment of contracted daily capacity, it is considered that the interruption of such contracted transmission service lasted for a whole Gas Day, regardless of the actual duration of the interruption during that Gas Day.

In case there is an interruption of transmission service contracted by the use of interruptible daily capacity during a Gas Day, transmission system operator is obliged to reduce the bill for the transmission service to that user by the amount which is equal to three times as high amount of the tariff for daily interruptible capacity.

The monthly amount for natural gas transmission service for contracted daily interruptible capacity for tariff elements for capacity calculated by the application of adequate daily tariff for interruptible capacity is reduced by a monthly amount of reduction during a month 'm' established in line with the following formula:

$$UDP_m = 3 * TKKD * \sum KDP_i$$

Where:

UDP_m – monthly amount of reduction during a month 'm' calculated for interrupted daily capacity (in RSD);

TKKD – adequate daily tariff during a month 'm' for firm capacity from subsection VII.1.3 hereof (in RSD/kWh/day) and

$\sum KDP_i$ – a sum of interrupted contracted daily interruptible capacity per days during a month 'm' (in kWh/day).

VIII.3. Calculation of the charge for contracted capacity overrun

VIII.3.1. Calculation of the charge for contracted capacity overrun of one system user

The charge for contracted capacity overrun during the accounting period is calculated for each day when the overrun occurred, for each entry point on the transmission system or the exit point on the transmission system, by application of the following formula:

$$N_{pk} = 1.2 * TKKD * K_p$$

where:

N_{pk} – charge for relevant contracted capacity overrun (in RSD);

TKUD – adequate tariff for daily firm capacity from subsection VII.1.4 hereof (in RSD/kWh/day) and

K_p – overrun of contracted capacity established as the difference between natural gas energy during one day withdrawn on the entry point or delivered on the exit point and the sum of contracted firm and interruptible capacity for adequate entry or exit point of one user for that day (in kWh/day).

VIII.3.2. Calculation of the charge for contracted capacity overrun of several system users on one entry or exit point on the transmission system

Contracted capacity overrun for several system users on a certain entry or exit point on the transmission system is calculated as stipulated in item VIII.3.1 if the total withdrawn or delivered daily natural gas quantity of all the system users in that point exceeds the sum of contracted annual, monthly and daily firm and interruptible capacities of these system users in that point.

VIII. 4. Reduced transmission services due to interruption of firm capacity

The reduction in billing transmission service due to irregular natural gas transmission by transmission system operator is set for each day of partial or full interruption of contracted annual, quarterly, monthly and daily firm capacity on any entry point into or exit point from the transmission system for any day of interruption of over five days during a calendar year.

The reduction in billing transmission service to the system user due to partial or full interruption of firm capacity for each day of interruption of over five days during a calendar year equals to the three times as high tariff for daily firm capacity.

The total monthly amount for the natural gas transmission service for contracted firm capacity per tariff elements for capacity is reduced for the monthly amount of reduction during a month "m" set in line with the following formula:

$$UPN_m = 3 * TKKD * (UNK_i - NK_i)$$

where:

UPN_m – monthly amount of reduction during a month "m" calculated for interrupted firm capacity (in RSD);

TKKD – relevant daily tariff during a month „m“ for firm capacity from section VII.1.3 hereof (in RSD /kWh/дан);

UNK_i – a sum of contracted annual, quarterly, monthly and daily firm capacity of system users on entry point into or exit point from the transmission system where capacity was interrupted during each day after five days of interruption during a calendar year (in kWh/day) and

NK – a segment of contracted firm capacity which was not interrupted on entry point into or exit point from the transmission system on which capacity was interrupted during each day after five days of interruptions during a calendar year (in kWh/day).

IX. MANNER, PROCEDURE AND DEADLINES FOR THE SUBMISSION OF APPLICATION FOR APPROVAL TO NATURAL GAS TRANSMISSION SYSTEM TARIFF AND SUBMISSION OF DATA AND DOCUMENTS

IX.1. Manner and deadlines for submission of application for approval of natural gas transmission system tariff for tariff period

IX.1. Method and deadline for the submission of requests for approval of natural gas transmission tariff for a tariff period

IX.1.1. At the latest until April 30 of a year when the tariff period begins, transmission system operator submits a request for the approval of an act on natural gas transmission tariff for approval. The request is drafted for that tariff period and for all subsequent tariff periods during the regulatory period.

Attached to the request referred to in paragraph 1, transmission system operator submits:

- 1) act on transmission tariffs where prescribed tariffs from sections VII.1., VII.2., VII.3. and VII.4. hereof are indicated for tariff periods referred to in paragraph 1;
- 2) completed tables of Info Code for the calculation of natural gas transmission tariffs which are published on the website of the Agency (www.aers.rs) and
- 3) other data upon the request of the Agency.

IX.1.2. If more than one operator performs natural gas transmission and transmission system operation at regulated tariffs on the territory of the Republic of Serbia, those operators, at the latest until April 30 of a year during which tariff period begins, submit a request for the approval of a joint act on transmission

tariffs to the Agency. They draft the act jointly by the application of this methodology for that tariff period and all subsequent tariff periods during the regulatory period.

Attached to the request referred to paragraph 1, transmission system operators submit:

- 1) agreement on mechanisms for compensation by which transmission system operators agreed on efficient settlement between revenues from transmission tariffs for transmission systems considered as a whole and transmission tariffs for each independent transmission system;
- 2) joint act on transmission tariffs for transmission systems considered as a whole where they indicate prescribed tariffs for capacity for Paired transmission system referred to in section VII.5. hereof;
- 3) evidence from section IX.1.1 par. 2. it. 2) and 3);
- 4) other acts upon the request of the Agency.

IX. 2. Regular submission of data and documentation

The transmission system operator(s) submit the following to the Agency:

- 1) data and documentation in line with the regulation regulating method, procedure and deadlines for bookkeeping registry, accounts unbundling procedure for each activity and submission of data and documentation for regulation purposes;
- 2) completed tables of Info Code for regular reporting which are published on the website of the Agency in line with the tempo defined in these tables and
- 3) other data and documentation upon the request of the Agency in line with the Law.

IX.3. Irregular requests

A request for the approval of an act on tariffs, i.e. of a joint act on tariffs is considered as if it had not been submitted if the data and documentation referred to in sections IX.1.1, IX.1. 2 and IX.2 was not submitted to the Agency within deadlines and in a manner prescribed hereof.

IX.4. Modification of tariffs upon the request of the Agency

If, based on submitted data and documentation from sections IX.1.1 and IX.2. hereof, the Agency within the scope of its jurisdiction set by the Law acknowledges that the transmission system operator yields revenues higher than the justified revenue arising from the application of this methodology via the application of regulated tariffs, the transmission system operator is obliged to submit a new request for the approval of a decision on natural gas transmission tariffs with a decision on tariffs upon the Agency request within 30 days upon the receipt of the request of the Agency.

If, based on submitted data and documentation from sections IX.1. and IX.2, the Agency within the scope of its jurisdiction set by the Law acknowledges that the transmission system operators yield revenues higher than the joint justified revenue arising from the application of this methodology via the application of regulated tariffs, transmission system operators are obliged to submit a request for the approval of a joint act on natural gas tariffs for transmission systems considered as a whole with a joint decision on tariffs within 30 days upon the receipt of the request of the Agency.

Once the conditions for the joint application of this methodology during a regulatory period cease or are created, transmission system operators are obliged to submit a request for an approval of an act on tariffs for an independent transmission system within 30 days upon the day of receipt of the request of the Agency, i.e. a request for the approval of a joint act on tariffs with the relevant decision on tariffs.

In case referred to par.1-3, transmission system operators submit the completed tables of the Info Code referred to in item IX.2.1 item 2) along with the request and the relevant decision on tariffs.

IX.5. Method of submission

Transmission system operator submits the data and documentation from sections IX.1, IX.2 and IX.4 hereof to the Agency in the form of an electronic document or in the written form signed by an authorised person while the completed tables of the Info Code are submitted in the electronic form to the e-mail address of the Agency.

X. APPLICATION OF THE METHODOLOGY

Once the conditions referred to in section IX.1.2 are met, transmission system operators apply this methodology jointly by:

- 1) Setting approved revenues and calculated tariffs in line with sections VII.1- VII.4 hereof;
- 2) Agree on efficient mechanisms for compensation and settle revenues and costs in line with principles referred to in section IV.3 and
- 3) Based on tariffs and agreements established in line with items 1) and 2), they calculated tariffs for capacity for Paired Transmission System in line with section VII.5 hereof.

In order to provide the predictability of tariffs during a regulatory period, transmission system operator(s) establish(es) prescribed tariffs for the forthcoming tariff period and all subsequent tariff periods during the regulatory period (general reference tariffs) in line with this methodology in the act on tariffs, i.e. in the joint act on tariffs (hereafter jointly: Act on tariffs).

In the Act on tariffs, transmission system operator(s) indicate prescribed tariffs for capacity in RSD/kWh/day which they established for tariff periods in line with section VII.1-VII.4, i.e. VII.5 hereof, as well as the duration of each tariff period during which these tariffs are applied.

If until May 31 of a year during which a subsequent tariff period begins transmission system operators do not provide an approval of a new Act on tariffs, natural gas transmission services continue to be calculated by the application of tariffs which were approved to be applied during that tariff period.

Revenues accrued from auction premia are used by the transmission system operators for the reduction of transmission tariffs for the following tariff period, i.e. tariff periods.

Transmission system operator divides the revenues from auction premia accrued via the sale of paired capacity products on joint auctions into equal parts in line with the regulation regulating network code for the capacity calculation and allocation except if it was agreed otherwise with the approval of the Agency.

For the purpose of the application of this Methodology, the Agency will publish the tables of Info Code on their website. The Info Code includes templates for the submission of economic and energy-technical data for a tariff period and other data necessary for regular indication of data which are relevant for the establishment of allowed revenue and calculation of natural gas transmission tariff in line with this Methodology.

By way of exception from paragraph 1, transmission system operator, which had partial exception from the application of regulated prices on the day of entry into force of this Methodology approved, continues establishing natural gas transmission system tariff in line with methodology which was adopted in line with an act on exemption.

Regulatory period lasts five gas years except for the first regulatory period which begins on October 1, 2024 and ends on October 1, 2027.

XI. MANNER AND DEADLINES FOR PERIODICAL CONSULTATION AND SUBMISSION OF FRAMEWORK REFERENCE TARIFFS PROPOSAL

At the latest until June 1, during a year when the last tariff period of the regulatory period begins, for the purpose of periodic consultation in line with the Decrees, the Agency publishes a draft of amendments to this methodology or a draft of a new methodology for setting natural gas transmission tariff on their website.

At the latest until October 1 during a year when the last tariff period of the regulatory period begins, the transmission system operator submits the draft of an act on general reference transmission tariffs which are calculated for all tariff periods of the subsequent regulatory period in line with the methodology draft referred to in par.1 hereof to the Agency for the purpose of final consultation.

Transmission system operators submit as an attachment of the act referred to in par.2:

- 1) Calculation of framework reference tariffs for access to each separate transmission system considered as a part of a whole and which are proposed by the transmission system operator for all tariff periods within the incoming regulatory period in line with the methodology referred to in paragraph 1;
- 2) Completed tables of Info Code for the calculation of natural gas transmission system tariffs which are published on the website of the Agency (www.aers.rs) and
- 3) Other data upon the request of the Agency.

If, at the moment of final consultation, there are several operators performing natural gas transmission and transmission system operation, at the latest within the deadline referred to in par.2, the operators submit a draft of an agreement on mechanisms for compensation (settlement) between revenues accrued by the application of proposed general reference transmission tariffs for transmission systems considered as a whole and proposed general reference tariff for independent transmission system as well as the data referred to in par.3 to the Agency.

The data and the documentation referred to in par.2 are submitted by the transmission system operator(s) in the format of electronic document or in the written form signed by an authorised person while the completed tables of the Info Code are submitted in the electronic form to the e-mail address of the Agency.

A draft of the act on framework reference tariffs is considered as it was not submitted to the Agency if the documents and data referred to in paragraph 2 and 3 are not submitted within the deadlines and in a manner prescribed by this Methodology.

At the latest until December 1 of a year which precedes the year when a new regulatory period begins, the Agency organizes final consultation by publishing a draft of framework reference tariffs for tariff periods during a new regulatory period as well as other documents prescribed by the decree.

Depending on the results of final consultation, the Agency can amend this Methodology or adopt a new one at the latest by April 1 of a year when a new regulatory period begins.

XII. TRANSITIONAL AND FINAL PROVISIONS

Until the first establishment of natural gas transmission tariffs in line with the provisions of this Methodology, transmission system operators apply tariffs which were valid on the day of the entry into force of this Methodology.

Until the first establishment of natural gas transmission tariff in line with the provisions of this Methodology, natural gas transmission service for a system user shall be calculated on the basis of tariffs per tariff rates defined in line with the Decision on Establishment of Methodology for Setting Natural Gas Transmission System Use-of-System Charge ('Official Gazette of RS', No. 93/12) and decisions on amendments to this Methodology which were published in the 'Official Gazette of RS' No. 123/12, 5/14, 116/14, 30/15, 62/16, 111/17, 4/19, 78/22 and 130/22).

On the day this Methodology enters into force, the Decision on Setting Methodology for Setting Natural Gas Transmission System Use-of-System Charge ('Official Gazette of RS', No. 93/12, 123/12, 5/14, 116/14, 30/15, 62/16, 111/17, 4/19, 78/22 and 130/22) ceases to be valid.

Natural gas transmission system operators shall submit an application for an approval of the act on transmission tariffs considered as a whole until September 1, 2024 to the Agency.

This Methodology is published in the "Official Gazette of the Republic of Serbia" and it enters into force and is applied as of August 15, 2024.