

Pursuant to Article 46, paragraph 1, item 1), subitem (5), paragraph 2, item 3) hereof and Article 67, paragraph 2, with reference to Article 37, paragraph 1 of the Energy Law ("Official Gazette of RS", No. 57/11 and 80/11 – correction),

The Council of the Energy Agency of the Republic of Serbia, on its 193th session held on September 26, adopted the following

DECISION

1. Methodology for Setting Natural Gas Transmission Use-of-System Charges is hereby determined (hereafter: Methodology), printed along with this decision and represents its integral part.
2. As of the date this Decision enters into force, the Decision on Determining Methodology for Setting Tariff Elements for Calculating Prices for Access to and Use of System for Natural Gas Transport and the Methodology for Setting Tariff Elements for Calculating Prices for Access to and Use of System for Natural Gas Transport ("Official Gazette of RS", No. 68/06, 1/07, 100/08, 116/08, 64/10 and 45/11).
3. This Decision shall be published in the "Official Gazette of the Republic of Serbia" and enter into force on October 1, 2012.

Number: 539/2012-Д-І/11
Belgrade, September 26, 2012

The Council of the Energy Agency of the Republic of Serbia

PRESIDENT

Ljubo Mačić

METHODOLOGY FOR SETTING NATURAL GAS TRANSMISSION USE-OF-SYSTEM CHARGES

I. SUBJECT OF METHODOLOGY

This Methodology sets conditions and manner for determination of maximum revenue of an energy entity performing natural gas transmission and operating natural gas transmission system (hereafter: transmission system operator), criteria and rules for the allocation of the revenue, elements for calculation (hereafter: tariff elements) and the method for calculation of use-of-system charges, tariffs for calculation of use-of-system charges and methods for their calculation, as well as the manner, procedure and deadlines for the submission of documents which are submitted by the transmission system operator to the Energy Agency of the Republic of Serbia (hereafter: the Agency).

II. METHODOLOGICAL APPROACH

The Methodology is based on the mechanism for the control of natural gas transmission use-of-system charges by applying the regulation method „costs plus“, which sets the maximum revenue level of the transmission system operator during the regulatory period, i.e. natural gas transmission use-of-system charge which provides:

- 1) Remuneration of justified operation costs as well as the relevant income for assets employed and for investments in natural gas transmission and transmission system operation thereby securing short-term and long-term security of supply, i.e. sustainable system development;
- 2) Incentives for economic and energy efficiency;
- 3) Non-discrimination, i.e. equal treatment for suppliers and other system users and
- 4) Prevention of mutual subsidizing between different energy related activities performed by the transmission system operator and between certain system users.

III. TERMS AND DEFINITIONS

The terms used in this Methodology shall mean the following:

- 1) Gas year – time as of July 1 of the current year till June 30 next year;
- 2) Gas day – 24h period the beginning of which is determined by the system operator;
- 3) Gas month – time corresponding to the calendar month starting with the first gas day of that month;
- 4) Exit point on the transmission system – 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, end user connected to the transmission system or to a natural gas producer;
- 5) 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 use-of-system charge is submitted for approval;
- 6) Capacity – maximum daily volume of natural gas in m³/day for which the system user is entitled either to inject it into the system or off-take it from the system pursuant to the provisions of the transmission contract;
- 7) m³ – volume of natural gas which under the pressure of 101325 Pa (1.01325 bar), under the temperature of 288.15 K (15 °C) and the lower calorific value of 33,338.35 kJ presents the volume of one cubic meter;
- 8) Maximum allowed revenue – maximum revenue allowed to the transmission system operator during the regulatory period which remunerates all the justified costs arising from performing natural gas transmission and transmission system operation and the relevant income from assets employed and investments;
- 9) 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;
- 10) Regulatory period – time of one calendar year – hereafter, in formulae and formulae explanations referred to as t;

- 11) Tariff elements – physical values to which maximum allowed revenue of the transmission system operator is allocated. The maximum allowed revenue is set for a certain regulatory period pursuant to this Methodology;
- 12) Contracted capacity – the capacity allocated to the system user by the transmission system operator pursuant to a transmission contract and in line with prescribed allocation procedure. This capacity is considered to be the highest daily capacity in m³/day and
- 13) Entry point on the transmission system – 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 or from natural gas producer or from a storage.

Other terms used in this Methodology shall mean the same as in the Energy Law (“Official Gazette of RS”, No. 57/11 and 80/11 – correction).

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

IV. SETTING MAXIMUM ALLOWED REVENUE

Maximum allowed revenue of the transmission system operator is calculated based on justified operation costs and relevant income for the assets employed and investments in natural gas transmission activities and natural gas transmission system operation.

The cost-reflectiveness 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 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.

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 a maximum 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 transparent rules (quota) determined pursuant to the general accounting act and accounting policies of the energy entity and objective criteria.

IV. 2. Calculation of the maximum allowed revenue

Calculation of the maximum allowed revenue of the natural gas transmission system operator collected for natural gas transmission and transmission system operation shall be made by the application of the following formula:

$$MOP_t = OT_t + A_t + PPCK_t * RS_t - OP_t + TG_t + KE_t + PR_t$$

where:

t – regulatory period,

MOP_t – maximum allowed revenue arising from the performance of natural gas transmission and transmission system operation during t period (in RSD),

OT_t – operational costs in t period (in RSD),

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

PPCK_t – income rate for regulated assets in t period (in %),

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

OP_t – other revenues 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),

PR_t – affiliated set of cumulative difference between the maximum allowed revenue and harmonised maximum allowed revenue in t period (in RSD).

When the utilization rate of the natural gas transmission system is lower than 35%, the harmonised maximum allowed revenue shall be calculated by the following formula:

$$UMOP_t = (MOP_t - TG_t) * (2.28 * SITS_t + 0.20) + TG_t$$

where:

UMOP_t – harmonised maximum allowed revenue collected, based on the performance of natural gas transmission and transmission system operation in t period (in RSD) and

SITS_t - utilization rate of the capacities of the natural gas transmission system of the transmission system operator in t period, which is calculated by the following formula:

$$SITS_t = IK_t / PKT_t$$

where:

IK_t – transmission system capacity used in t period (in m³/h) and

PKT_t – planned transmission system capacity on the entry points on the transmission system (in m³/h).

Transmission system capacity used in t period is calculated by the following formula:

$$IK_t = ZUK_t / 24, \text{ (in m}^3\text{/h)}$$

where:

ZUK_t – sum of contracted annual capacities on the entry points on the transmission system in t period (in m³/day).

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;
- 3) Wages, compensations and other personal expenses;
- 4) Production services costs;

- 5) Intangibles and
- 6) Part of reserves for charges and other perks for employees disbursed during the regulatory period.

These operational costs also include:

- Operational costs for assets procured free of charge;
- Regulatory charge which represents a part of natural gas transmission use-of-system charge and which is calculated to the amount of 1.25 % of maximum allowed revenue for the performance of natural gas transmission and transmission system operation set prior to adding the purchase price of natural gas sold for balancing purposes and adding this expenditure to operational costs and
- Purchase price for natural gas for compressor operations.

Purchase price for natural gas for compressor operations is set following the formula:

$$TGK_t = GK_t * CK_t$$

where:

TGK_t – purchase price for natural gas for compressor operations in t period (in RSD);

GK_t - volume of natural gas necessary for compressor operations in t period ($y \text{ m}^3$) and

CK_t – justified weighted average purchase price for natural gas for compressor operations including all justified affiliated costs of natural gas purchase in t period (in RSD/ m^3).

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 regulatory period and depreciation costs of assets which will become active during the regulatory period.

Depreciation costs of existing assets and the assets which will become active during the regulatory 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 regulation period are added to the capital which comprises of 50% of the value of active intangibles, real estate, facilities and equipment during the preparation and to the advance payment for the procurement of these.

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).

IV. 2.3. Regulated assets

Regulated assets are net value of intangible investments (except goodwill), real estate, facilities and equipment engaged for the performance of natural gas transmission and natural gas transmission system operation, with the exception of:

- 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 and advance payments for the procurement of these, which will not become active during the regulatory period or which are not justified and/or efficient.

Justifiedity 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 following basis:

- Technical – technological, economic and other parameters and indicators for investment justifiedity and cost-effectiveness and
- Harmonisation of investments with the annual programme, i.e. operation plan and development plan for the natural gas transmission system of the 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 regulatory period.

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

$$PRS_t = PNVS_t - PSBN_t - PNSUP_t$$

where:

$PNVS_t$ – net value of intangible investments (except goodwill), real estate, facilities and equipment in the beginning of the regulatory period (in RSD);

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

$PNSUP_t$ - net value of intangible investments (except goodwill), real estate, facilities and equipment in the preparation phase and advance payments for the procurement of these in the beginning of the regulatory period, which will not become active during the regulatory period or which are not justified and/or efficient (in RSD).

The value of regulated assets in the end of regulatory 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 intangible investments (except goodwill), real estate, facilities and equipment in the preparation phase and advance payments for the procurement of these during t period, plus net value of intangible investments (except goodwill), real estate, facilities and equipment in the preparation phase and advance payments for the procurement of these in the beginning of the regulatory 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 intangible assets (except goodwill), real estate, facilities and equipment in the preparation phase and advance payments for the procurement of these which will not become active in t period or which are not justified and/or efficient (in RSD).

IV. 2.4. Rate of return on regulated assets

Rate of return on regulated assets is set as weighted average costs of capital(WACC) of the transmission system operator.

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

$$PPCK_t = (0.4 * CSK_t) / (1 - SP_t) + 0.6 * CPK_t$$

where:

$PPCK_t$ – income rate for regulated assets in t period (in %);

CSK_t – costs of equity upon taxation in t period (in %);

SP_t – income tax rate pursuant to the current legal regulations in t period (in %) and

CPK_t – costs of debts in t period (in %).

Costs of equity upon taxation should reflect a specific risk taken by the transmission system operator, country risk and prevailing conditions for external financing on the financial market during the regulatory period.

Debts in terms of this subsection represent a sum of long-term liabilities and short-term liabilities which provide for regulated assets financing.

Cost of debts is calculated as a weighted average interest rate for total debts, while the shares of debts in total debts are considered to be weighting factors. The cost of debts does not exceed the price of debts incurred with caution and rationally.

IV. 2.5. 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: revenues incurred by contracted monthly and daily firm and interruptible capacities, 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 issuing approvals with conditions for works in protected area around the pipeline, revenues arising from compensations, revenues incurred by suspension of natural gas delivery, revenues in terms of contracted backhaul capacity and other revenues.

IV. 2.6. Costs for losses recovery

The amount of 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 for losses recovery in t period (in RSD);

G_t – natural gas volume necessary for the natural gas transmission system loss recovery in t period (in m³) 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/m³).

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

$$G_t = K I_t * S G_t / (1 - S G_t)$$

where:

$K I_t$ – natural gas volume delivered from the natural gas transmission system in t period (in m³) and
 $S G_t$ – 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 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. 2.7. Correction element

Correction element is the value (amount) which either decreases or increases the maximum allowed revenue during the regulatory period (t) 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 t-2 regulatory period and the justified revenue for t-2 regulatory period calculated as defined by this Methodology based on actual capacity and commodity and the amounts of justified costs and other revenues realized during the t-2 regulatory period, i.e. in previous regulatory periods for which correction was not made.

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

$$K E_t = (O P P R_{t-2} - O P R_{t-2}) * (1 + I_{t-2})$$

where:

$K E_t$ – correction element in t period (in RSD);

$O P P R_{t-2}$ – justified revenue arising from the performance of natural gas transmission activities and transmission system operation during t-2 regulatory period pursuant to this Methodology based on actual capacity and commodity and the amounts of justified costs and other revenues (in RSD);

$O P R_{t-2}$ – justified revenue arising from realized tariff elements and regulated prices for which an approval was given during the t-2 regulatory period (in RSD);

I_{t-2} – consumer prices index in the Republic of Serbia in t-2 period, pursuant to the data published by the body responsible for statistics (in %).

In the cases as referred to in paragraph 1 and 2 of this subsection, the correction element is not applied when maximum allowed revenue is calculated for the first two regulatory periods.

If, when submitting the decision on the natural gas transmission use-of-system charge to the Energy Agency of the Republic of Serbia, the transmission system operator has the data on actual capacity and commodity and financial reports for t-1 regulator period available, the correction element is calculated based on the data from the t-1 regulatory period, i.e. from previous regulatory periods for which the correction was not made. In this case, the correction element is not applied when calculating the maximum allowed revenue for the first regulatory period.

If the regulated prices were not applied from the beginning of the regulatory period, the correction element is calculated only for a segment of the regulatory period during which the regulatory prices were applied, only if the transmission system operator has available financial reports for a segment of regulatory period during which the regulated prices were applied. When the transmission system operator does not have financial report available for the segment of regulatory period during which the regulated prices were applied, the realized revenue is calculated by application of regulated prices for the part of the regulatory period during which regulated prices were not applied.

The first regulatory period in terms of this subsection represents the calendar year during which regulated prices were applied for the relevant energy entity for the access to the system, as set pursuant to the law regulating the energy field.

IV. 2.8. Related lot of cumulated difference between the maximum allowed revenue and harmonised maximum allowed revenue

For each regulatory period, a difference between the maximum allowed revenue and the harmonised maximum allowed revenue is set until the utilization rate for natural gas transmission system reaches 35% for the first time.

During the regulatory period when the transmission system operator reaches the natural gas transmission system utilization rate of 35%, a cumulated difference between the maximum allowed revenue and harmonised maximum allowed revenue is set for five regulatory periods prior to this one at most and harmonised by the consumer price index in the Republic of Serbia by the application of the following formula:

$$\begin{aligned}
 KR_t = & R_{t-1} * (1 + I_{t-1}) + \\
 & + R_{t-2} * (1 + I_{t-2}) * (1 + I_{t-1}) + \\
 & + R_{t-3} * (1 + I_{t-3}) * (1 + I_{t-2}) * (1 + I_{t-1}) + \\
 & + R_{t-4} * (1 + I_{t-4}) * (1 + I_{t-3}) * (1 + I_{t-2}) * (1 + I_{t-1}) + \\
 & + R_{t-5} * (1 + I_{t-5}) * (1 + I_{t-4}) * (1 + I_{t-3}) * (1 + I_{t-2}) * (1 + I_{t-1})
 \end{aligned}$$

where:

KR_t – cumulated difference between the maximum allowed revenue and harmonised maximum allowed revenue for t period (in RSD);

R_t – difference between the maximum allowed revenue and harmonised maximum allowed revenue in t period (in RSD) and

I_t – consumer prices index in the Republic of Serbia in t period, pursuant to the data published by the body responsible for statistics (in %).

Related part of cumulated difference between the maximum allowed revenue and harmonised maximum allowed revenue is set by application of the following formula:

$$PR_t = 0.2 * (OT_t + A_t + PPCK_t * RS_t - OP_t + TG_t + KE_t),$$

If PR_t , calculated by application of the above given formula, exceeds KP_t ($PR_t > KR_t$), then

$$PR_t = KR_t$$

where:

PR_t – related part of the difference between the maximum allowed revenue and harmonised maximum allowed revenue for t period (in RSD).

In the following regulatory period, the cumulated difference between the maximum allowed revenue and harmonised maximum allowed revenue is calculated by application of the following formula:

$$KR_{t+1} = (KR_t - PR_t) * (1 + I_t).$$

V. TARIFF ELEMENTS

Tariff elements are calculation values within this Methodology to which maximum allowed revenue of the transmission system operator defined for the regulatory period is allocated.

Tariff elements are set for capacity and for commodity.

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

Capacity tariff elements are set based on contracted annual firm capacities and annual interruptible capacities during the regulatory period.

Capacity tariff elements are given in m³/day.

Commodity tariff elements are set for the exit points on the transmission system.

Commodity tariff elements are set based on natural gas quantities planned to be the transmitted by the transmission system during the regulatory period.

Commodity tariff elements are given in m³.

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

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

- 1) "entry capacity from transmission system",
- 2) "entry capacity from production" and
- 3) "entry capacity from storage".

Tariff element „entry capacity from transmission system“ 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 annual firm and annual interruptible capacities during the regulatory period for a relevant transmission system entry point.

Tariff element „entry capacity from production“ is set as a single tariff element 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 contracted annual firm and annual interruptible capacities during the regulatory period in all these points of transmission system.

Tariff element „entry capacity from storage“ is set as a single tariff element for all entry points 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 contracted annual firm and annual interruptible capacities during the regulatory period in these points of the transmission system.

V.2. Tariff elements for capacity for the transmission system exit points of

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

- 1) "exit capacity domestic consumption" and
- 2) "exit capacity interconnector".

Tariff element "exit capacity domestic consumption" is set as a single tariff element for all exit points on the transmission system where the transmission system operator delivers natural gas to end customers, distribution companies, natural gas producers, natural gas storage or another transmission system on the territory of the Republic of Serbia and it is determined as a sum of contracted annual firm capacities and annual interruptible capacities during the regulatory period in these transmission system points.

Tariff element "exit capacity interconnector" 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 contracted annual firm capacities and annual interruptible capacities during the regulatory period for an relevant exit point on the transmission system.

V.3. Commodity tariff elements

Commodity tariff elements are the following:

- 1) "commodity domestic consumption" and
- 2) "commodity interconnector".

Tariff element "commodity domestic consumption" is set as a single tariff element for all exit points on the transmission system where transmission system operator delivers natural gas to end customers, distribution companies, natural gas producers, gas storage or another transmission system on the territory of the Republic of Serbia and it is determined as a sum of natural gas quantities planned to be transmitted on these points during the regulatory period.

Tariff element "commodity interconnector" is set for each exit point on the transmission system where the transmission system operator delivers gas into the transmission system of a neighbouring country and it is determined as a sum of natural gas quantities planned to be transmitted into the transmission system of a neighbouring country for the relevant exit point during the regulatory period.

VI. ALLOCATION OF MAXIMUM ALLOWED REVENUE TO TARIFF ELEMENTS

Maximum allowed revenue, i.e. harmonised maximum allowed revenue is allocated to capacity and commodity tariff elements by application of the following formulae:

$$MOP_{ka} = 0.7 * MOP_t, \text{ i.e. } MOP_{ka} = 0.7 * UMOP_t$$

$$MOP_{en} = 0.3 * MOP_t, \text{ i.e. } MOP_{en} = 0.3 * UMOP_t$$

where:

MOP_t – maximum allowed revenue in t period (in RSD);

$UMOP_t$ - harmonised maximum allowed revenue in t period (in RSD);

MOP_{ka} – a part of maximum allowed revenue allocated to capacity tariff elements (in RSD) and

MOP_{en} – a part of maximum allowed revenue allocated to commodity tariff elements (in RSD).

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

A part of the maximum allowed revenue allocated to capacity tariff elements is allocated to the transmission system entry and exit points by application of the following formulae:

$$MOP_{kau} = 0.57 * MOP_{ka}$$

$$MOP_{kai} = 0.43 * MOP_{ka}$$

where:

MOP_{kau} – a part of maximum allowed revenue allocated to capacity tariff elements for the entry points on the transmission system (in RSD) and

MOP_{kai} – a part of maximum allowed revenue allocate to capacity tariff elements for the exit points on the transmission system (in RSD).

VI.1.1. Allocation of a part of maximum allowed revenue allocated to entry points

A part of maximum allowed revenue allocated to the entry points on the transmission system, for the transmission system with more than one entry point is allocated by application of the following formulae:

$$MOP_{kauts} = 0.44 * MOP_{ka}$$

$$MOP_{kaupg} = 0.04 * MOP_{ka}$$

$$MOP_{kausk} = 0.09 * MOP_{ka}$$

where:

MOP_{kauts} – a part of maximum allowed revenue allocated to the tariff element “entry capacity from transmission system” (in RSD);

MOP_{kaupg} – a part of maximum allowed revenue allocated to the tariff element “entry capacity from production” (in RSD) and

MOP_{kausk} – a part of maximum allowed revenue allocated to the tariff element “entry capacity from storage” (in RSD).

For the transmission system with one entry point on the transmission system, the total part of maximum allowed revenue allocated to capacity tariff elements - MOP_{kau} is allocated to that entry point.

VI.1.2. Allocation of a part of maximum allowed revenue allocated to exit points

A part of maximum allowed revenue allocated to exit points on the transmission system, for the transmission system with more than one exit points, is allocated by application of the following formulae:

$$MOP_{kaidp} = 0.32 * MOP_{ka}$$

$$MOP_{kaiin} = 0.11 * MOP_{ka}$$

where:

MOP_{kaidp} – a part of maximum allowed revenue allocated to tariff elements “exit capacity domestic consumption” (in RSD) and

MOP_{kaiin} – a part of maximum allowed revenue allocated to tariff elements “exit capacity interconnector” (in RSD).

For the transmission system with one exit point on the transmission system, the whole part of the maximum allowed revenue allocated to capacity tariff elements – MOP_{kai} , is allocated to this exit point.

VII. TARIFFS

Tariffs are set for each of tariff elements for the capacity as indicated in part V.1 and V.2 hereof and for each of commodity tariff elements referred to in the part V.3 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 (gas year, month and day), tariffs are set as annual, monthly and daily tariffs.

Tariffs for each capacity tariff element are given in RSD/m³/day.

Tariffs for each commodity tariff element are given in RSD/m³.

VII. 1. Annual, monthly and daily firm capacity tariffs

VII.1.1. Annual firm capacity tariffs

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

$$TK_{uts} = MOP_{kauts} / (KGN_{uts} + KGP_{uts})$$

$$TK_{upg} = MOP_{kaupg} / (KGN_{upg} + KGP_{upg})$$

$$TK_{usk} = MOP_{kausk} / (KGN_{usk} + KGP_{usk})$$

$$TK_{idp} = MOP_{kaidp} / (KGN_{idp} + KGP_{idp})$$

$$TK_{iin} = MOP_{kaiin} / (KGN_{iin} + KGP_{iin})$$

where:

TK_{uts} – annual firm capacity tariff per tariff element “entry capacity from transmission system” (in RSD/m³/day);

TK_{upg} – annual firm capacity tariff per tariff element “entry capacity from production” (in RSD/m³/day);

TK_{usk} – annual firm capacity tariff per tariff element “entry capacity from storage” (in RSD/m³/day);

TK_{idp} – annual firm capacity tariff per tariff element “exit capacity domestic consumption” (in RSD/m³/day);

TK_{iin} – annual firm capacity tariff per tariff element “exit capacity interconnector” (in RSD/m³/day);

$KGN_{uts} + KGP_{uts}$ – tariff element “entry capacity from transmission system”, set as a sum of contracted annual firm capacity (KGN_{uts}) and annual interruptible (KGP_{uts}) capacity, for each relevant entry point on the transmission system (in m³/day);

$KGN_{upg} + KGP_{upg}$ – tariff element “entry capacity from production”, set as a sum of contracted annual firm capacity (KGN_{upg}) and annual interruptible (KGP_{upg}) capacity, on relevant entry points on the transmission system (in m^3/day);

$KGN_{usk} + KGP_{usk}$ - tariff element “entry capacity from storage”, set as a sum of contracted annual firm capacity (KGN_{usk}) and annual interruptible (KGP_{usk}) capacity, on relevant entry points on the transmission system (in m^3/day);

$KGN_{idp} + KGP_{idp}$ - tariff element “exit capacity domestic consumption”, set as a sum of contracted annual firm capacity (KGN_{idp}) and annual interruptible (KGP_{idp}) capacity, on relevant exit points on the transmission system (in m^3/day);

$KGN_{iin} + KGP_{iin}$ - tariff element “exit capacity interconnector”, set as a sum of contracted annual firm capacity (KGN_{iin}) and annual interruptible (KGP_{iin}) capacity, on relevant exit points on the transmission system (in m^3/day).

VII.1.2. Monthly firm capacity tariffs

Monthly firm capacity tariffs are set for each gas month (hereafter: month).

Monthly firm capacity tariffs are products of relevant annual capacity tariff as defined in subsection VII.1.1 hereof and coefficient F_m which reads as follows:

Month	January	February	March	April	May	June	July	August	September	October	November	December
Monthly coefficient F_m	0.32	0.32	0.24	0.16	0.08	0.08	0.08	0.08	0.08	0.16	0.24	0.32

VII.1.3. Daily firm capacity tariffs

Daily firm capacity tariffs are set for a period of one gas day (hereafter: day) and they are the same for each day of the month.

Daily firm capacity tariffs are a product of relevant annual firm capacity tariff as defined in subsection VII.1.1 and coefficient F_d which reads as follows:

Month	January	February	March	April	May	June	July	August	September	October	November	December
Monthly coefficient F_d	0.020	0.020	0.015	0.010	0.005	0.005	0.005	0.005	0.005	0.010	0.015	0.020

VII. 2. Annual, monthly and daily interruptible capacity tariffs

VII.2.1. Annual interruptible capacity tariff

Annual interruptible capacity tariff corresponds to relevant annual firm capacity tariff as defined in the subsection VII.1.1 hereof.

VII.2.2. Monthly interruptible capacity tariff

Monthly interruptible capacity tariff corresponds to relevant monthly firm capacity tariff as defined in the subsection VII.1.2 hereof.

VII.2.3. Daily interruptible capacity tariff

Daily interruptible capacity tariff is calculated by application of the following formula:

$$TK_{dp} = 0.5 * F_d * TK_g$$

where:

TK_{dp} – relevant interruptible daily capacity tariff (in RSD/m³/day),

F_d – daily coefficient set in subsection VII.1.3 hereof,

TK_g – relevant firm daily capacity tariff as given in subsection VII.1.1. hereof (TK_{uts} , TK_{upg} , TK_{usk} , TK_{idp} , TK_{iin}) (in RSD/m³/day).

VII. 3. Backhaul capacity tariffs

Annual, monthly and daily backhaul capacity tariffs are calculated by application of the following formulae:

$$TPKG = 0.2 * TK_g$$

$$TPKM = 0.2 * F_m * TK_g$$

$$TPKD = 0.2 * F_d * TK_g$$

where:

$TPKG$ – annual backhaul capacity tariff for the entry point – another transmission system, for entry/exit point – gas storage and for exit point – another transmission system (in RSD/m³/day),

TK_g – relevant annual firm capacity tariff as given in subsection VII.1.1 hereof (TK_{uts} , TK_{upg} , TK_{usk} , TK_{idp} , TK_{iin}) (in RSD/m³/day);

$TPKM$ – monthly backhaul capacity tariff for the entry point – another transmission system, for entry/exit point – gas storage and for exit point – another transmission system (in RSD/m³/day);

F_m – monthly coefficient as defined in subsection VII.1.2 hereof;

$TPKD$ – daily backhaul capacity tariff for the entry point – another transmission system, for entry/exit point – gas storage and for exit point – another transmission system (in RSD/m³/day) and

F_d – daily coefficient as defined in subsection VII.1.2 hereof.

VII. 4. Commodity tariffs

Tariffs per each commodity tariff element are calculated based on maximum allowed revenue allocated to commodity tariff elements pursuant to the section VI hereof, planned annual costs for the procurement of natural gas for compressor operations which enables the delivery of contracted natural gas quantities through the exit point on the transmission system (interconnector) into the transmission system of a neighbouring country and relevant commodity tariff elements as set pursuant to the section V.3 hereof.

VII.4.1. Commodity tariff „commodity domestic consumption“

Tariff per tariff element „commodity domestic consumption“ is calculated by application of the following formula:

$$TE_{dp} = (MOP_{en} - TGK_{gin}) / (KOLG_{dp} + KOLG_{in})$$

where:

TE_{dp} – tariff „commodity domestic consumption“ (in RSD/m³);

MOP_{en} – a part of maximum allowed revenue allocated to commodity tariff elements pursuant to section VI introduction (in RSD);

TGK_{gin} - procurement costs for natural gas for compressor operations which enables the delivery of planned natural gas quantities through the exit point on the transmission system (interconnector) into the transmission system of the neighbouring country in t period (in RSD),

$KOLG_{dp}$ – tariff element “commodity domestic consumption” set pursuant to section V.3 hereof (in m³) and

$KOLG_{in}$ – tariff element “commodity interconnector” set pursuant to section V.3 hereof (in m³).

TGK_{gin} is calculated by application of the following formula:

$$TGK_{gin} = TGK_t * KOLG_{in} / (KOLG_{in} + KOLG_{dpin})$$

where:

TGK_t – natural gas procurement costs for compressor operations in t period (in RSD) and

KOLG_{dpin} – natural gas quantities planned for transmission through the exit points for which the tariff element “commodity domestic consumption” is established and which are connected to the interconnector (in m³).

VII.4.2. Tariff “commodity interconnector”

Tariff pursuant to the tariff element “commodity interconnector” is calculated by application of the following formula:

$$TE_{in} = TE_{dp} + (TGK_{gin} / KOLG_{in})$$

where:

TE_{in} – tariff “commodity interconnector” (in RSD/m³);

TE_{dp} – tariff “commodity domestic consumption”(in RSD/m³);

TGK_{gin} - natural gas procurement costs for compressor operations which enable the delivery of planned natural gas quantities through the system exit point (interconnector) on the transmission system of a neighbouring country in t period (in RSD) and

KOLG_{in} – tariff element “commodity interconnection” set pursuant to the section V.3 hereof (in m³).

VIII. METHOD OF NATURAL GAS TRANSMISSION SERVICE CALCULATION

VIII.1. General rules

Natural gas transmission service is calculated pursuant to the tariffs for contracted capacity, commodity tariffs, calculated reductions for contracted interruptible capacities, calculated charges for contracted capacity overrun and calculated charges for irregular availability of contracted firm capacity.

For a 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 capacity is calculated by allocating the amount set by application of the annual tariff in line with the number of accounting periods during the calendar year.

For a system user, backhaul capacity tariffs are applied to the contracted backhaul capacity for the entry point from another transmission system, for entry/exit point from the gas storage and for the exit point into another transmission system while natural gas transmission system service pursuant to the tariffs for annual backhaul capacity is calculated by allocating the amount set by application of the annual tariff in line with the number of accounting periods during the calendar year.

For a system user, commodity tariffs are applied to the delivered natural gas quantities on exit points on the transmission system set by measurements for each exit point during the accounting period.

For new entry points into the transmission system, i.e. the exit points from the transmission system, natural gas transmission service is calculated pursuant to the paragraphs 1 and 2 hereof, as of the month when the natural gas delivery was initiated at these points.

If tariffs are modified during the accounting period, natural gas transmission service is calculated by application of new tariffs and the tariffs applied up to that moment, in proportion to the number of days of their justifiedity during the accounting period for capacity, in line with actual quantities delivered for commodity.

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, Network Code and this Methodology.

VIII.2. Calculation of natural gas transmission pursuant to annual, monthly and daily interruptible capacity

Natural gas transmission capacity pursuant to tariffs for annual interruptible and monthly interruptible capacity is calculated by application of relevant firm capacity tariff with the reduction of the amount set pursuant to the formulae in line with this Methodology which corresponds to the demanded interrupted capacity.

When calculating natural gas transmission services pursuant to the tariffs for interruptible capacities, it is considered that the transmission service was interrupted during the whole day, no matter the duration of capacity interruption during the day.

Natural gas transmission service for the daily interruptible capacity is not calculated if there was partial or full interruption of capacities on the day for which transmission was contracted.

VIII.2.1. Calculation of natural gas transmission pursuant to tariffs for annual interruptible capacity

Monthly charge for the transmission for contracted annual interruptible capacity pursuant to capacity tariff elements is calculated by application of relevant annual firm capacity tariff is reduced by the monthly reduction amount in month "m" set by application of the formula:

$$UGP_m = F_d \cdot TK_g \cdot \sum KGP_i$$

where:

UGP_m – monthly reduction amount in month "m" calculated for interruptible annual capacity (in RSD);

F_d – daily coefficient for month "m" pursuant to subsection VII.1.3 hereof;

TK_g – relevant annual firm capacity tariff referred to in subsection VII.1.1 hereof (TK_{uts} , TK_{upg} , TK_{usk} , TK_{idp} , TK_{iin}) (in RSD/m³/day);

i – number of days within a month during which there was interruption (from 0 to 31) and

$\sum KGP_i$ – sum of interrupted capacities for each day of the month during which there was interruption which were contracted as annual interruptible capacity (in m³/day).

Monthly reduction amount during "m" month cannot exceed the amount which could have been calculated if there had been no interruption of the contracted annual interruptible capacity during that month.

VIII.2.2. Calculation of natural gas transmission pursuant to tariffs for monthly interruptible capacity

Monthly charge for natural gas transmission for contracted monthly interruptible capacity pursuant to firm capacity tariff elements, calculated by application of relevant monthly firm capacity tariff, is reduced by the monthly reduction charge in "m" month set by application of the following formula:

$$UMP_m = F_d \cdot TK_g \cdot \sum KMP_i$$

where:

UMP_m – monthly reduction charge during "m" month settlement of for interruptible monthly capacity (in RSD);

F_d – daily coefficient for "m" month pursuant to subsection VII.1.3. hereof;

TK_g – relevant annual firm capacity tariff as referred to in subsection VII.1.1. hereof (TK_{uts} , TK_{upg} , TK_{usk} , TK_{idp} , TK_{iin}) (in RSD/m³/day);

i – number of days within a month during which there was interruption (from 0 to 31) and

$\sum KMP_i$ – sum of interrupted capacities for each day of the month during which there was interruption which were contracted as monthly interruptible capacity (in m³/day).

Monthly reduction amount during the month cannot exceed the amount which could have been calculated if there had been no interruption of the contracted monthly interruptible capacity during that month.

VIII.2.3. Calculation of natural gas transmission pursuant to tariffs for daily interruptible capacity

Monthly charge for natural gas transmission for contracted daily interruptible capacity pursuant to tariff elements for capacity settlement of by application of relevant daily firm capacity tariff is reduced by the monthly reduction charge in “m” month set by application of the following formula:

$$UDP_m = 0.5 * F_d * TK_g * \Sigma KMP_i$$

Where:

UDP_m – monthly reduction charge during “m” month settlement of for interruptible daily capacity (in RSD);

F_d – daily coefficient for “m” month pursuant to subsection VII.1.3. hereof;

TK_g – relevant annual firm capacity tariff as referred to in subsection VII.1.1. hereof (TK_{uts} , TK_{upg} , TK_{usk} , TK_{idp} , TK_{iin}) (in RSD/m³/day) and

ΣKGP_i – sum of contracted daily interruptible capacities for each day during which their interruption was contracted (in m³/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:

$$N_{pk} = F_d * TK_g * K_{pd} + 3.00 * F_d * TK_g * K_{pn}$$

where:

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

F_d – daily coefficient for “m” month pursuant to subsection VII.1.3. hereof;

TK_g – relevant annual tariff for firm capacity as referred to in subsection VII.1.1. hereof (TK_{uts} , TK_{upg} , TK_{usk} , TK_{idp} , TK_{iin}) (in RSD/m³/day);

K_{pd} – allowed capacity overrun amounting to at most 5% of the sum of contracted annual, monthly and daily firm and interruptible capacities, for the relevant entry or exit point (in m³/day) and

K_{pn} – unallowed capacity overrun amounting to more than 5% of the sum of contracted annual, monthly and daily firm and interruptible capacities, for the relevant entry or exit point (in m³/day).

Capacity overrun is calculated by application of the following formula:

- If $ODK_k \leq 1.05 * U_k$, then $K_{pd} = ODK_k - U_k$, and $K_{pn} = 0$,
- If $ODK_k > 1.05 * U_k$, then $K_{pd} = 0.05 * U_k$, and $K_{pn} = ODK_k - 1.05 * U_k$

where:

ODK_k – off-taken or delivered daily quantity of natural gas in relevant entry or exit point (in m³/day) and

U_k – a sum of contracted annual, monthly and daily firm and interruptible capacities in the relevant entry or exit point (in m³/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 subitem 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.3.2.1. Allocation of daily natural gas quantities on the entry point for each user

For every entry point on the transmission system, withdrawn daily natural gas quantities for each system user at that entry point are allocated by application of the following formula:

$$ODKU_n = (ODKU * NK_n) / (\sum NK_i)$$

where:

ODKU_n – withdrawn daily natural gas quantity of n-user in i-entry point (in m³);

ODKU – total withdrawn natural gas quantity on i-entry point (in m³);

NK_n – nominated daily natural gas quantities for the relevant day of the n-system user at i-entry point, accepted by the transmission system operator (in m³/day) and

∑ NK_i – a sum of nominated daily natural gas quantities for the relevant day of all the system users at i-entry point, accepted by the transmission system operator (in m³/day).

VIII.3.2.2 . Allocation of delivered daily natural gas quantities on the exit point for each user

For every exit point on the transmission system, delivered daily natural gas quantities for each system user in that exit point are calculated by reducing the total delivered daily natural gas quantity by the sum of natural gas quantities which are directly allocated to certain users in that exit point on the transmission system. As a follow-up, the remaining quantities are determined for each user.

The reduction of total delivered daily natural gas quantities is made by the amount of:

- delivered natural gas quantity to end customers whose measurement units have automatic recording of daily quantities if they are end customers of the transmission or distribution system which is connected to that point of exit on the transmission system or,
- daily natural gas quantities delivered in advance to the transmission system operator for end customer in the exit point on the transmission system who has more than one supply contracts, for the contracts which do not imply full supply.

For exit points on the transmission system towards another transmission or distribution system, delivered natural gas quantities are established for each user, upon the reduction is made as referred to in paragraph 1 of this subsection, by application of the following formula:

$$ODKI_n = (ODKI * ME_n) / (\sum ME_i)$$

where:

ODKI_n – daily natural gas quantity delivered to n-user at i-exit point (in m³);

ODKI – total daily natural gas quantity delivered at i-exit point and reduced by the sum set and prescribed in paragraph 1 hereof (in m³);

ME_n – total monthly natural gas quantities delivered to end customers of n-system user at i-exit point reduced by the sum set in a way prescribed in paragraph 1 hereof (in m³/day) and

∑ ME_i – total monthly natural gas quantities delivered to end customers of all system users at i-exit point reduced by the sum set in a way prescribed in paragraph 1 hereof (in m³/day).

VIII.4.1. Capacity calculation

Capacity is calculated by daily recording of withdrawn or delivered natural gas quantities by measurement units on the entry point on the transmission system or the exit point on the transmission system.

The capacity for the entry point on the transmission system where there is no automatic recording of daily natural gas quantities on the measurement unit is defined as the highest level of the quotient of total natural gas quantity withdrawn in the relevant point of the transmission system during the month and the number of days of the month during the last gas year.

The capacity for the exit point on the transmission system where there is no automatic recording of daily natural gas quantities on the measurement unit is defined as a product of the coefficient K_{md} and the highest quotient of the total natural gas quantity delivered in the relevant point of the transmission system during the month and the number of days of the month during the last gas year.

Coefficient K_{md} is defined in the beginning of each gas year by application of the following formula:

$$a) K_{md} = 1.35 \text{ if } KOL_{jfd} > 0.33 * KOLG$$

$$b) K_{md} = 1.20 \text{ if } KOL_{jfd} \leq 0.33 * KOLG$$

where:

K_{md} – coefficient of maximum daily consumption;

KOL_{jfd} – a sum of natural gas quantities transmitted in January, February and December of the year prior to the current one and

$KOLG$ – natural gas quantities transmitted during the gas year prior to the current one.

The capacity for the exit point on the transmission system in which delivered natural gas quantities are not measured for a period longer than 60 days is defined as a sum of capacities of all end customers on the distribution system which is connected to that exit point on the transmission system. However, their capacity is defined based on automatic recording of daily natural gas quantities if such recording is made or in a manner defined in paragraph 3 hereof.

VIII.4.2. Defining overflow of the contracted capacity when there is no daily reading

Maximum daily natural gas quantity during a month for exit point on the transport system without automatic recording of delivered daily natural gas quantities on the measurement unit is defined as a product of K_{md} coefficient referred to in subsection VIII.4.1 and the quotient of monthly natural gas quantity at that exit point and the number of days of that month.

If the maximum daily natural gas quantity defined in paragraph 1 hereof exceeds the capacity for that exit point determined in a manner stipulated in the subsection VIII.4.1, it is considered that there is contracted capacity overrun.

The number of days of a month for which capacity overrun is calculated amounts to one.

VIII.4.3. Definition of delivered natural gas quantities without measurements taken during a period longer than 60 days

For the exit point on the transmission system without natural gas quantities being measured during the period longer than 60 days, the commodity tariff is applied for the natural gas quantity defined as a sum of natural gas quantities delivered to all points of delivery within the distribution system which is connected to that exit point on the transmission system during the accounting period.

VIII.5. Reduction of calculation for transmission services

Reduction of calculation of transmission services due to irregular natural gas transmission services by the transmission system operator is defined for each day of partial or full interruption of contracted annual, monthly or daily firm capacities, on any of the entry points or exit points on the transmission system, for each of the days of interruption exceeding five days during the calendar year.

The reduction of calculation of transmission services to a system user due to partial or full interruption of firm capacities during the accounting period for each day of interruption exceeding five days during the calendar year, for each of the entry points or exit points from the transmission system is calculated by application of the following formula:

$$N_{ks} = 0.01 * TK_g * (KN - K_{np})$$

where:

N_{ks} – charge to the system user (in RSD);

TK_g - relevant annual firm capacity tariff (in RSD/m³/day);

KN – a sum of contracted annual, monthly or daily firm capacities of system users, at entry points or exit points on the transmission system where the capacity was interrupted (in m³/day) and

K_{np} – the capacity which is not interrupted at the entry or exit point where the transmission system operator interrupted a part of contracted capacity (in m³/day).

IX. MANNER, PROCEDURE AND DEADLINES FOR THE SUBMISSION OF DATA AND DOCUMENTS AND CHANGE OF THE PRICE FOR THE ACCESS TO THE NATURAL GAS TRANSMISSION SYSTEM

IX.1. Documents and deadlines for submission

The transmission system operator submits the following data and documents to the Energy Agency of the Republic of Serbia (hereafter: Agency):

- 1) Annual financial reports (at the latest until April 30 of the current year for the previous one);
- 2) Annual balance sheet and profit and loss account for each activity separately (at the latest until April 30 of the current year for the previous one);
- 3) Report on auditing annual financial reports of the energy entity (at the latest until September 30 of the current year for the previous one);
- 4) Final (conclusive) list (gross balance) of the energy entity for the legal person as a whole and for each activity of the energy entity separately (at the latest until April 30 of the current year for the previous one);
- 5) registry of intangible investments, real estate, facilities and equipment of the energy entity on December 31 for the legal person as a whole and for each activity of the energy entity separately (at the latest until April 30 of the current year for the previous one);
- 6) annual operation programme of the energy entity as stipulated for legal persons by the law (at the latest eight days upon its adoption by the responsible body);
- 7) annual operation report of the energy entity for legal persons if stipulated by the law (at the latest until September 30 of the current year for the previous one);
- 8) transmission system development plan (at the latest until April 30 of the current year);
- 9) completed tables within the info code for the calculation of prices for the access to the gas transmission system which are published on the Agency website (www.aers.rs) (with an application for approval to the decision on the access to the natural gas transmission system and upon Agency request);
- 10) completed tables within the info code for regular reporting, which are published on the Agency website (www.aers.rs) (at the latest until March 1 for the previous year) and
- 11) other data and documents upon the Agency request, pursuant to the Law.

IX.2. Submission procedure

The data and documents referred to in subsection IX.1 hereof are submitted by the transmission system operator in the written form, signed by an authorised person, while completed tables of the info code are also submitted in the electronic form to the e-mail address of the Agency.

IX.3. Change of natural gas transmission use-of-system charges upon Agency request

If, based on the data and documents referred to in section IX.1 hereof, the Agency while working within its scope of work stipulated by the Law establishes that, by application of regulated prices, the transmission system operator collects the revenues exceeding the justified revenue arising from the application of this Methodology, upon the Agency request, 30 days upon the day of the request submission, the transmission system operator is obliged to submit a new application for approval of the decision on natural gas transmission use-of-system charges with the decision on charges.

IX.4. Incomplete requests

If the documents referred to in section IX.1 hereof are not submitted within the deadlines and in line with the procedure stipulated hereof, the request for approval of the decision on the price of the access to the natural gas transmission system with the decision on price is considered as not being submitted.

X. ENFORCEMENT OF THE METHODOLOGY

Until the first establishment of natural gas transmission use-of-system charges pursuant to the provisions given hereof, the prices of the energy entity – transmission system operator which, pursuant to the law, were established and applied for tariff rates “capacity”, “commodity” and “commodity for system operation” shall be applied on the day when this Methodology enters into force.

Natural gas transmission service for one system user, until the first establishment of natural gas transmission use-of-system charges pursuant to the provisions given hereof, shall be calculated for the accounting period based on the charges pursuant to the tariff rates “capacity”, “commodity” and “commodity for system operation”, in line with the provisions referred to in Article 15-18 of the Tariff System for Access to and Use of Natural Gas Transmission System (“Official Gazette of RS”, No. 1/07).

Until the first allocation of capacities pursuant to the Network Code, tariff elements for capacity established in line with this Methodology are determined based on the sum of maximum daily natural gas quantities with relevant entry and exit points in the previous gas year in terms of this Methodology, unless it is agreed otherwise on relevant entry and exit points.

Upon the creation of technical conditions for the allocation of monthly and daily capacity in line with the Network Code, at the latest until December 31, 2013, transport system operator provides annual: interruptible, firm and backhaul capacity to transmission system users.

Upon the first time capacity is allocated in line with the Network Code for new entry points, i.e. exit points on the transmission system, the capacity tariff is applicable to the capacity agreed between the system user and the transmission system operator.

Until the first allocation of capacities pursuant to the rules regulating the transmission system operations, the rate of utilization of the transmission system capacities (SITSt) in terms of this Methodology is established based on the sum of maximum daily natural gas quantities on entry points in the period prior to capacity arrangements, during the year prior to the regulatory period.