



Criteria for the calculation of the reserve price for the allocation of the continuous regasification capacity, with relation to annual and multi-year allocation.

1. The reserve price for continuous regasification capacity allocation procedures is equal to:

$$PR_p = \max \left\{ \begin{array}{l} \alpha * \min[PSV_p - NEU_p; PSV_p - C_T - DeIT_p - RCI] \\ \min[T; P * \beta] \end{array} \right.$$

where:

PR_p is the reserve price for regasification capacity related to the LNG delivery period p , expressed in €/MWh per energy unit of the LNG delivered;

p is the delivery period of the LNG and it can be equal to one gas year in case of annual allocation procedure, and in such case it refers to A+a where a is the sequential index of years; a may take values equal to 1 and 2, and it is equal to 1 for the first gas year following the one in which the allocation procedure is held;

α is a multiplier equal to 0,9 in case the last month of the year precedes the month M^* and 0 in the other cases;

PSV_p is the average of the quotation registered in the last 10 gas-days available immediately before the term for the submission of the offers for the product with delivery in the period p at PSV, registered by ICIS-Heren; in case there is no listed product for period p , the listed product for the shortest period which includes period p should be taken as reference, or the weighted average for the duration which includes period p of contiguous products;

NEU_p is the higher among:

- the average of the quotations registered in the last 10 gas-days available immediately before the term for the submission of the offers for the product with delivery in the period p at TTF, registered by ICIS-Heren;
- the average of the quotations registered in the last 10 gas-days available immediately before the term for the submission of the offers for the product with delivery in the period p at NBP, registered by ICIS-Heren;

in case there is no listed product for period p , the listed product for the shortest period which includes period p should be taken as reference, or



the weighted average for the duration which includes period p of contiguous products;

C_T is the estimation of the unitary cost related to the allocation and the utilization of the regasification capacity, expressed in €/MWh, calculated assuming an allocation price equal to zero and considering:

- the fixed costs for transportation capacity at the entry point with the terminal;
- the variable costs for transportation, including the additional components in accordance to the transportation tariff and the costs recognised in kind to cover consumptions for the transportation companies;
- the tariff to cover dismantling cost Crs as per paragraph 7.2 of the RTRG;
- the compensation recognized in kind to the regasification company to cover losses and consumptions of the terminal.

The quantities of gas accepted in kind shall be valued at the price PSV_p .

$DeIT_p$ is the average of the quotations registered in the last 10 gas-days immediately preceding the term for the submission of the offers of the product *des Spot LNG Italy, offer*, published by Argus and related to the period p in which delivery is expected; in case that products are not listed in relation to the period p , the value of $DeIT_p$ is calculated as:

- a) for the period when quotations for the *US Gulf Coast fob LNG* product published by Argus are available

$$DeIT_p = DeIT_k \left(1 + \frac{USGC_p - USGC_k}{USGC_k} \right), \text{ where:}$$

$DeIT_k$ indicates the average of the last five available quotation of product *des Spot LNG Italy LNG*, published by Argus, and related to period k ;

$USGC_p$ indicates the average of the last five available quotations of the product *US Gulf Coast fob LNG*, published by Argus, and related to the period p ;

$USGC_k$ indicates the average of the last five available quotations of the product *US Gulf Coast fob LNG*, published by Argus, and relating to the period k ;

k indicates the month or fraction of month, later in time, for which the quotation of the product *des Spot LNG Italy LNG*, published by Argus is available;



- b) for the period following the one referred to in letter a) above, for which quotations for *LNG Des North East Asia (ANEA)*, published by Argus are available:

$$DeIT_p = ANEA_p - L, \text{ where:}$$

$ANEA_p$ is the average of the available quotations registered in the last 10 gas-days of the product *LNG Des North East Asia (ANEA)* expressed in €/MWh;

L is a parameter equal to 1.45 €/MWh;

M^* is the last month of the period later in time for which the product quotation *Des North East Asia (ANEA)* is available;

RCl is a parameter, equal to 0.34 €/MWh;

P is a parameter, equal to 0.54 €/MWh;

β is a multiplier equal to:

- 1	if	$p = A + 1$ and $C_o \leq C_1$;
- 2	if	$p = A + 1$ and $C_1 < C_o \leq 2C_1$;
- 5	if	$p \leq A + 1$ and $2C_1 < C_o \leq C_t$;
- 2	if	$p = A + 2$ and $C_o \leq C_1$;
- 4	if	$p = A + 2$ and $C_1 < C_o \leq 2C_1$;
- 6	if	$p \leq A + 2$ and $2C_1 < C_o \leq C_t$;
- 4	if	$p = A + 3$ and $C_o \leq C_1$;
- 6	if	$p = A + 3$ and $C_1 < C_o \leq 2C_1$;
- 8	if	$p \leq A + 3$ and $2C_1 < C_o \leq C_t$;
- 8	if	$p \geq A + 4$;

C_o is the regasification capacity unit to be allocated;

C_t is the regasification capacity of the terminal;

C_1 is the capacity corresponding to one discharge per month at the terminal;

T is the Cqs as per paragraph 7.1 of the RTRG.

2. For the purpose of the calculation of the reserve price, the energy content of:
 - a. LNG is assumed equal to 6700 kWh/lcm;
 - b. gas is assumed equal to 10.98 kWh/Scm.