

ITC / Public Consultation 2012 ACER / Consentec Study

Our goals for Austria concerning the ITC Compensation fund size: full cost recovery

The ITC mechanism was established to recover the costs which are generated through cross border flows. This means that there must be sufficient revenues for countries which bear these flows, to compensate the occurring costs. Furthermore, the compensations between the parties (TSOs) must be fair, and the existing assets shall be the basis for calculations.

In regulation 838/2010 the parties accepted as a compromise, that the ITC fund size should be 100 Mill. Euro per year. This size of fund is by far not sufficient to compensate the costs out of cross border flows for the Austrian TSO (APG), and therefore an impermissible burden for the Austrian network customers.

Consentec's study for the ITC fund size:

Basically we welcome the outcomes of the study, because in the majority of the scenarios the ITC fund size lies above the insufficient 100 Mill. EUR.

Concerning the questions of the public consultation, we refer to APG's comments and support them.

Summary: Our main concerns in a recalculation of the ITC fund size are

- The size of the ITC Fund should be chosen to meet the goal of the ITC mechanism, namely, full cost recovery of the existing network for cross-border flows.
- The LRAIC method should definitely consider all physical assets.
- The result of the LRAIC method should not be too different from regulated costs
- The calculation method should reflect the impact of cross-border flows on the assets as realistic as possible