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ENI S.p.A.'s view with regards to ACM's draft method decision GTS 2027-2031

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Eni would like to express its view regarding ACM's draft method decision GTS 2027-2031. We understand that ACM intends to shift from a price cap or output-based methodology to a cost-plus or input-based methodology. This new methodology would reimburse all costs incurred by the TSO in fulfilling its legal tasks, with cost efficiency ensured through assessments of operational management processes (*toetsen bedrijfsvoeringsprocessen*) and cost monitoring, rather than through European benchmark studies, therefore leaving room for some discretion.
Under this framework, allowed revenues will be based on the TSO's forecasts for the entire five-year regulatory period, with annual reconciliations against actual costs and volumes. GTS will also be entitled to revise its estimates for the upcoming tariff year (only).

However, transportation tariffs in the Netherlands have become increasingly volatile in recent years, primarily due to frequent and unpredictable reconciliation effects, which compound the inherent uncertainty of capacity bookings. At the same time, tariffs level increase over the recent years was highly relevant, in particular on regular entry and exit tariffs that were substantially more than doubled in just a couple of years (+ 54% and + 51% respectively for 2026 vs 2025, subsequent to + 68% and + 50% respectively for 2025 vs 2024).
The above-mentioned structural unpredictability poses serious challenges for shippers in forecasting tariff trends and managing costs, while the extremely relevant tariffs level increase implies quite a relevant and completely unpredictable negative impact on network users already holding capacity bookings and the situation continues to deteriorate.

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While the proposed method ensures full cost recovery for the TSO - except in cases of evident inefficient costs - it does not adequately address the impact on network users. There is no consideration of tariff levels or projections of tariffs, nor any mechanism to ensure tariff stability or cap further tariff increases. This lack of transparency and predictability is severely worrisome.

We believe that any change in regulatory methodology should not only guarantee cost recovery for the TSO but also aim to address and mitigate the issue of high tariffs, promote predictability and stability to prevent further unbearable increases.

Furthermore, we urge ACM to establish a clear and objective framework for cost efficiency, rather than focusing solely on evident inefficiencies. Network users - and ultimately end consumers - should not bear the burden of any inefficient costs, whether evident or not.

As previously suggested in our responses to the annual draft tariff decisions, we strongly advocate for spreading reconciliation effects over multiple years where feasible. This would help reduce extreme year-to-year fluctuations in transportation costs and enhance predictability and stability, in line with NC TAR principles.

The steep annual increases significantly affect users with existing capacity bookings, often in ways they could not have foreseen. This undermines market confidence and impairs the ability of participants to estimate transportation costs reliably.

Therefore, we recommend that ACM consider implementing protective mechanisms for network users, such as:

- **Annual tariff evolution caps** to ensure stability, with final adjustments made at the end of the regulatory period, similar to the approach used in France.
- **“Grandfathering” mechanisms** to cap tariff increases for existing capacity holders at a reasonable maximum percentage.
- **Termination options** for existing capacity bookings, coordinated with adjacent TSOs if necessary, as practiced in Germany.