

Pursuant to Article 15, and in connection with Article 36 of the Energy Law (Official Gazette of the Republic of Serbia, No. 84/04), and Article 12 of the Statute of the Energy Agency of the Republic of Serbia (Official Gazette of the Republic of Serbia, No. 52/05),

The Council of the Energy Agency of the Republic of Serbia, at the Council Session held on October 29, 2008, passed the following

DECISION

on Amendments to the Decision on Establishing the Access to and Use of System Charging Methodology - Natural Gas Distribution

*(This Decision was published in the Official Gazette of the Republic of Serbia No. 100/2008
on October 31, 2008)*

1. In the Decision Establishing the Access to and Use of System Charging Methodology - Natural Gas Distribution (Official Gazette of the Republic of Serbia, No. 68/06 and 1/07), in the Access to and Use of System Charging Methodology - Natural Gas Distribution, Section IV. SETTING MAXIMUM ALLOWED REVENUE, Subsection IV.2. **Natural Gas Distribution** is amended and reads as follows:

“IV. 2. Natural Gas Distribution

An energy entity's maximum allowed revenue associated with natural gas distribution is calculated according to the formula below:

$$MAR_{DIS\ t} = OPEX_t + D_t + WACC * RAB_t - OR_t + CF_t,$$

Where:

t = regulatory period,

MAR_{DIS t} = maximum allowed revenue for natural gas distribution over period t (dinars),

OPEX_t = operating expenditure over the period t (dinars),

D_t = depreciation costs in the period t (dinars),

WACC = the rate of return on the regulated asset base calculated as weighted average cost of capital (%),

RAB_t = regulated asset base in the period t (dinars),

OR_t = other revenues in the period t (dinars),

CF_t = correction factor in the period t (dinars),

The adjusted maximum allowed revenue of an energy entity associated with natural gas distribution, with a natural gas distribution system utilization factor of less than 35%, for the regulatory period, is calculated according to the formula:

$$MAR_{at} = MAR_{DIS t} * (2,28 * DSUF_t + 0,20)$$

MAR_{at} – adjusted maximum allowed revenue associated with natural gas distribution, over the period t (in dinar),

$DSUF_t$ – capacity utilization factor of all distribution networks of an energy entity, which is calculated for the regulatory period from the formula below:

$$DSUF_t = (UDC_t + AC_{MRS}) / (DDC1_t + DDC2_t)$$

Where:

UDC_t – total utilized capacity of all distribution networks of an energy entity under operating pressure of $p < 6$ bar, at the beginning of the regulatory period (in m^3/h),

AC_{MRS} – total approved capacity of measurement-regulation stations (MRS) of customers, producers, and other energy entities connected to gas distribution pipelines of the observed energy entity, under pressure of $6 \leq p < 16$ bar (in m^3/h),

$DDC1_t$ - total designed capacity of all distribution networks under operating pressure of $p < 6$ bar ($y m^3/h$) of an energy entity, as in line with license data, or in line with the designed capacity of the distribution network as stated in the permit for usage or in the main design based on which the permit was issued,

$DDC2_t$ - total designed capacity of all MRS of customers, producers, and other energy entities connected to gas distribution pipelines under pressure of $6 \leq p < 16$ bar ($y m^3/h$) of the observed energy entity, as in line with the connection approval/approval for usage, or main design based on which the approval was issued.

Utilized capacity of all distribution networks under operating pressure $p < 6$ bar of an energy entity, at the beginning of the regulatory period, is calculated according to the formula below:

$$UDC_t = TC_{SCt} + AC_{CCt} + MC_{GCt}$$

Where:

TC_{SCt} – total capacity of active standard connected at the beginning of the regulatory period on all energy entity's networks under operating $p < 6$ bar (in m^3/h),

AC_{CCt} – sum of approved capacities of active custom connections at the beginning of the regulatory period on all energy entity's network under operating $p < 6$ bar (in m^3/h), and

MC_{GCt} – sum of maximum capacities of regulation devices of active group connections at the beginning of the regulatory period on all energy entity's networks under operating $p < 6$ bar ($y m^3/h$).

TC_{SCt} is calculated according to the following formula:

$$TC_{SCt} = NO_{CCt} * 1,2 \text{ (in } m^3/h)$$

Where:

NO_{CCt} – total number of active standard connections at the beginning of the regulatory period on all energy entity's networks.

Costs included in the calculation of the energy entity's maximum allowed revenue associated with natural gas distribution, are determined on the basis of data on forecasted quantities of natural gas for distribution as stated in the Energy Balance of the Republic of Serbia, or data used for its preparation."

This decision shall be published in the Official Gazette of the Republic of Serbia.

No. 605/2008-D-I/12
Belgrade, October 29, 2008

The Council of the Energy Agency of the Republic of Serbia

COUNCIL PRESIDENT
Ljubo Macic