

Good afternoon,

Thank you very much for the given opportunity to share our comments on the proposed [changes](#) in the Inčukalns gas storage tariff calculation methodology.

$$I_{USO} = I_{kap} + I_{nod} + I_{ekspl} - I_{USO\ ef} + I_{kor},$$

where:

I_{kap} – capital costs of the storage facility [EUR];

I_{nod} – cost of taxes applicable to the storage facility [EUR];

I_{ekspl} – operation costs of the storage facility [EUR];

$I_{USO\ ef}$ – the amount of the costs of the capacity booking service, which the system operator must reduce by improving the efficiency of the use of fixed assets and other resources, as well as the efficiency of economic activity [EUR];

I_{kor} – revenue correction by taking into account the balance of the regulatory account referred to in sub-paragraph 2.3 of this Methodology at the beginning of the relevant regulatory period [EUR].

It would be nice to use English acronyms as the base for the creation of variables like I_{nod} , I_{ekspl} , I_{kor} . For non-Latvian system users those acronyms stay quite confusing when those are shortened from Latvian language.

I_{2GJP} – planned revenue from the two-year bundled capacity product, which is determined as the multiplication of the two-year bundled capacity product tariff with forecasted capacity utilisation of the storage facility reserved within the two-year bundled capacity product [EUR];

I_{2GJP-1} – actual revenue from the two-year bundled capacity product in the previous tariff period, which is determined as the multiplication of the two-year bundled capacity product tariff of the previous tariff period and the forecasted technical capacity of the storage facility reserved within the two-year bundled capacity product [EUR];

Should it be 50% of the revenue collected from the two-year bundled capacity product (as the two-year bundled capacity product is utilised during two storage cycles) ? Otherwise revenue that comes from the sale of two-year storage product will be accounted twice (first time 100% of collected revenue will be allocated to Storage cycle nr 1. Next year same 100% of revenue collected from the sale of two year storage product will be allocated again to Storage cycle nr 2).

Thank you very much

Kind regards

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