

CREG approves adjusted transmission tariffs for 2012-2015

- **Regulator approves adjusted tariff proposal submitted by Elia on basis of adapted method for setting transmission tariffs, published by CREG.**
- **Total tariff budget needed to cover Elia's costs almost unchanged, but changes made to tariff structure and, consequently, to allocation of costs among grid users.**
- **Legal stability and visibility for market players in terms of transmission tariffs restored.**

On 16 May 2013 the CREG Management Committee approved the adjusted tariff proposal submitted by Elia on the basis of the adapted transmission tariff calculation method. This method, published by the regulator after consulting the market players, takes account of legislative changes (specifically the publication of the new Electricity Act of 8 January 2012, transposing the EU's Third Energy Package) and the judgment handed down by the Brussels Court of Appeal on 6 February 2013 (annulling the previous decision approving transmission tariffs for 2012-2015).

The total budget needed to cover the costs incurred by Elia in connection with its transmission system operator duties is down slightly since the reality of 2012 was taken into account, which was lower than the forecasts used when producing the tariff proposal back in December 2011.

On the other hand, the tariff components for generators have been modified as follows.

- The volume fee applied to ARPs (Access Responsible Parties) has been eliminated.
- The injection tariffs covering infrastructure costs have been zeroed out for 2012-2015.
- Injection tariffs for ancillary services have been downwardly revised.

The new tariffs for ancillary services and system operation – applied to energy drawn off – will take effect on 1 June 2013. The new grid use tariffs for power will take effect on 1 January 2014.

Overall, average tariffs billed to generators will drop by 52 % for the period 2012-2015.

Average costs invoiced to consumers will consequently increase:

- for an industrial consumer connected to the high voltage grid (380-220-150 kV) by 29%, starting on 1 June 2013 and by an additional 10% starting on 1 January 2014; in the global electricity invoice of industrial consumers connected to the high voltage grid this represents an increase of 1 to 2% depending on consuming pattern and voltage level;
- for a residential consumer with an average of 3500 kWh/year, the amount in the annual invoice corresponding to electricity transmission will change from €32 to €35 starting on 1 June 2013 and to €39 starting on 1 January 2014.

The approval of adjusted transmission tariffs restores the legal stability Elia needs to successfully perform its duties as transmission system operator. It also restores a clear, transparent framework for all market players.

Background

Pursuant to appeals lodged by various electricity generators, the Brussels Court of Appeal annulled – in its judgment handed down on 6 February 2013 – CREG’s decision approving the transmission tariffs for 2012-2015. The CREG decision dated back to 21 December 2011.

In particular, the Court of Appeal did not challenge the principle of injection tariffs (invoiced to electricity generators), which are authorised by European and Belgian legislation. However, it did find that their implementation as realised in the preceding version of the tariffs was not legally appropriate. It also pointed out the lack of sufficient justification for two other tariff components applied to generators (tariffs for ancillary services and the volume fee).

About Elia:

The Elia Group is organised around two electricity transmission system operators (TSOs): Elia Transmission in Belgium and 50Hertz Transmission (in which Elia has a 60% stake), one of the four German transmission system operators, active in the north and east of Germany. With 1,900 employees and a transmission grid comprising some 18,300 km of high-voltage connections serving 30 million consumers, the Elia Group is one of Europe’s top 5 TSOs. It efficiently, reliably and securely transmits electricity from generators to distribution system operators and major industrial consumers, while also importing and exporting electricity from and to neighbouring countries. The Group is a driving force behind the development of the European electricity market and the integration of energy generated from renewable sources.

In addition to its system operator activities in Belgium and Germany, the Elia Group offers businesses a range of consultancy and engineering services.

The Group operates under the legal entity Elia System Operator, a listed company whose reference shareholder is municipal holding company Publi-T.

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