

# **COST RECOVERY REGULATION**

## **ANNEX VIII**

**OF**

## **HUPX MARKET RULES**

Version 1.1

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## TABLE OF CONTENTS

1. General rules.....	2
1.1. Goals of the Cost Recovery Regulation.....	2
1.2. Persons bound by the Cost Recovery Regulation and effective date.....	2
1.3. Definition .....	2
2. Principle and methodology of cost recovery in connection with HUPX's tasks related to market coupling.....	3

## **1. GENERAL RULES**

### **1.1. GOALS OF THE COST RECOVERY REGULATION**

The Cost Recovery Regulation is set of rules applicable to its cost recovery methodology being in connection with the performance of tasks specified in Article 7 of Commission Regulation (EU) 2015/1222 of 24 of July 2015 establishing a guideline on capacity allocation and congestion management.

HUPX shall publish the Cost Recovery Regulation on its website.

### **1.2. PERSONS BOUND BY THE COST RECOVERY REGULATION AND EFFECTIVE DATE**

The present Cost Recovery Regulation is binding on HUPX.

The present Cost Recovery Regulation will become effective as defined in the Section 1.1.4.7 of HUPX Market Rules.

### **1.3. DEFINITION**

The definitions used in the Cost Recovery Regulation shall have the meaning as defined in the HUPX Market Rules.

## 2. PRINCIPLE AND METHODOLOGY OF COST RECOVERY IN CONNECTION WITH HUPX'S TASKS RELATED TO MARKET COUPLING

HUPX calculates and defines its cost recovery methodology being in connection with the performance of tasks specified in Article 7 of Commission Regulation (EU) 2015/1222 of 24 of July 2015 establishing a guideline on capacity allocation and congestion management in line with Article 5 by applying the following method:

At the latest at the beginning of each calendar year HUPX shall preliminarily determine

- the anticipated cost items and their aggregated sum,
- available technical information

and create its yearly business plan based on these assumptions.

The following market coupling related items shall be included in the calculation of the cost basis from the business plan (by using correct sign):

- reasonable costs such as
  - costs of operation,
  - cost of capital that are not directly reimbursed to HUPX,
  - depreciation for capital expenditures that are not directly reimbursed to HUPX,
  - reasonable costs of fulfilling the obligations derived from Hungarian and European Union regulations (without any additional costs deriving from failing to fulfill such obligations for reasons attributable to HUPX),
- any other revenues or non-refundable resources, generated by HUPX using resources financed through this cost recovery methodology.

HUPX applies the above figures to calculate the total annual amount for cost recovery to be charged on a monthly basis to the Transmission System Operator.

If significant differences between planned and factual figures (revenues/expenses) are anticipated during the year, HUPX immediately informs the Supervisory Authority about this fact. During the financial closure of financial year the anticipated figures and the factual figures shall be compared and HUPX shall issue credit-/debit notes to the Transmission System Operator to offset the identified differences between planned and factual figures (revenues/expenses) as correction for the current year.

HUPX shall inform the Supervisory Authority about exact calculation being the base of the annual cost recovery for each year before the start of the subject year. In case the Supervisory Authority's assessment stipulates so, HUPX will immediately modify the cost recovery values in line with the recommendation and observation of the Supervisory Authority.

In case the anticipated figures substantially differ from the factual figures HUPX is entitled to modify its related cost recovery items accordingly. HUPX shall inform the Supervisory Authority about calculation being the basis of the modified cost determination.