

Energy Regulatory Office Price Decision No. 6/2016
of 25 November 2016
on regulated prices related to gas supply

In case of discrepancy between the original Czech version and this English translation of the Price Decision, the Czech version shall prevail.

Under Section 2c of Act No 265/1991 on the Competences of the Czech Republic's Authorities in the Area of Prices, as amended, under Section 17(6)(d) and Section 17(11) and (12) of Act No 458/2000 on the Conditions for Business and State Administration in the Energy Industries and Amending Certain Laws ("the Energy Act"), as amended, and under public notice no. 195/2015 on methods of price regulation and procedures for price control in the gas industry, and under public notice 196/2015 on methods of price regulation and procedures for regulating the prices for the market operator's activities in the electricity and gas industries, the Energy Regulatory Office ['ERO'] hereby issues its Price Decision on regulated prices related to gas supply.

Operators of distribution systems that are directly connected to the transmission system are as follows:

E.ON Distribuce, a.s., Company No. [IČ]: 28085400, having its registered office at F. A. Gerstnera 2151/6, České Budějovice ("E.OND")

GasNet, s.r.o., Company No. [IČ]: 27295567, having its registered office at Klíšská 940, Ústí nad Labem ("GasNet")

Pražská plynárenská Distribuce, a.s., member of the Pražská plynárenská, a.s. Group, Company No. [IČ]: 27403505, having its registered office at U Plynárny 500/44, Praha 4 ("PPD")

I. Charges for gas transmission services, for distribution system services and for the market operator's activities

1. Charges for gas transmission services

The following fixed prices and conditions shall apply to the gas transmission service provided by the transmission system operator:

1.1. Charges for the gas transmission service for the border points of the gas transmission system

1.1.1. The fixed annual charge for booked firm transmission capacity, C_r in CZK/MWh/d, and the fixed charge for transported gas, C_{rkom} in CZK/MWh, for

1.1.1.1. the entry border points of the transmission system:

Entry point name	Fixed annual charge for booked firm transmission capacity C_r in CZK/MWh/d	Fixed charge for transported gas, C_{rkom} in CZK/MWh
Lanžhot border point	753.46	0
Lanžhot - Mokřý Háj border point	753.46	0
Waidhaus border point	753.46	0
Hora Svaté Kateřiny – Olbernhau border point	753.46	0
Hora Svaté Kateřiny border point	753.46	0
Brandov – OPAL border point	753.46	0
Český Těšín border point	753.46	0

1.1.1.2. the exit border points of the transmission system:

Exit point name	Fixed annual charge for booked firm transmission capacity C_r in CZK/MWh/d	Fixed charge for transported gas, C_{rkom} in CZK/MWh
Lanžhot border point	2,991.43	$0.003 \times C_{NCG}$
Lanžhot - Mokřý Háj border point	2,991.43	$0.003 \times C_{NCG}$
Waidhaus border point	2,991.43	$0.003 \times C_{NCG}$
Brandov – STEGAL border point	2,991.43	$0.003 \times C_{NCG}$
Hora Svaté Kateřiny border point	2,991.43	$0.003 \times C_{NCG}$
Brandov – OPAL border point	2,991.43	$0.003 \times C_{NCG}$
Český Těšín border point	2,991.43	$0.003 \times C_{NCG}$

where

C_{NCG} is the planned purchase price of the energy in gas for the following gas day, which is determined as the value of the resulting settlement price (*Settl. Price*) of the Day 1 MW product at European Energy Exchange AG for the following gas day **D+1** for the NCG zone on the current gas day **D**; should it not be available, the value of the resulting settlement price on the nearest immediately preceding day **D-n**, on which the resulting settlement price (*Settl. Price*) for the following gas day **D+1** was published, shall be used. The settlement prices are publicly available on the website of European Energy Exchange AG.

The daily price in EUR/MWh shall be converted to CZK/MWh at the daily EUR/CZK exchange rate declared by the CNB on the current gas day **D**; should it not be available, the daily rate on the nearest immediately preceding day **D-n**, on which the daily rate was published, shall be used.

If the settlement prices are not available, the last known reconciled gas price from the day-ahead market on the organised spot gas market organised by the gas market operator shall be used.

- 1.1.2. The fixed charge for booked standard firm transmission capacity, **C_s** in CZK/MWh/d, is determined using the following formula for annual standard firm capacity, quarterly standard firm capacity and monthly standard firm capacity:

$$C_s = C_r \times F_c + AP ,$$

where

F_c is the factor of the duration of booked standard firm transmission capacity, calculated using the following formula for yearly standard firm capacity:

$$F_c = 1 ,$$

and for quarterly standard firm capacity it is calculated using the formula

$$F_c = \frac{3}{12} \times 1.1 ,$$

and for monthly standard firm capacity it is calculated using the formula

$$F_c = \frac{1}{12} \times 1.25 ,$$

AP is, for auctions of standard bundled transmission capacity, the proportion of the auction premium in CZK/MWh/d attributable to the transmission system operator, achieved in auctions on an auction booking platform; for auctions of standard unbundled transmission capacity, it is the auction premium determined in an auction on an auction booking platform.

- 1.1.3. The fixed reserve price for yearly standard firm capacity, quarterly standard firm capacity and monthly standard firm capacity shall be determined in accordance with point 1.1.2, provided that for the purpose of determining the firm reserve price, **AP** equals zero.
- 1.1.4. The large price step, **VCK_a** between bidding rounds of auctions of standard transmission capacity for yearly standard transmission capacity, quarterly standard transmission capacity and monthly standard transmission capacity, in CZK/MWh/d, shall be calculated as

$$VCK_a = 0.05 \times C_r \times F_c ,$$

where

C_r is the charge for booked firm transmission capacity in CZK/MWh/d under point 1.1.1 hereof;

F_c is the factor of the duration of booked standard firm transmission capacity under 1.1.2 hereof.

The resulting value of **VCK_a** shall be rounded to four decimal places.

- 1.1.5. The small price step, **MCK_a** between bidding rounds of an auction of standard transmission capacity for yearly standard transmission capacity, quarterly standard transmission capacity and monthly standard transmission capacity, in CZK/MWh/d, shall be calculated as

$$MCK_a = 0.2 \times VCK_a ,$$

where

VCK_a is the value of the large price step calculated under point 1.1.4 hereof.

The resulting value of **MCK_a** shall be rounded to four decimal places.

- 1.1.6. For daily standard firm capacity, **C_d** in CZK/MWh/d, the fixed charge for booked standard firm transmission capacity shall be determined on the basis of the result of the auction for daily standard firm capacity on an auction booking platform, provided that the firm reserve price for booked standard firm transmission capacity, **C_{vyd}** in CZK/MWh/d, shall be calculated for daily standard firm capacity using the formula

$$C_{vyd} = \frac{1}{365} \times 1.7 \times C_r .$$

- 1.1.7. For within-day standard firm capacity, **C_{vd}** in CZK/MWh/d, the fixed charge for booked standard firm transmission capacity shall be determined on the basis of the result of the auction for within-day standard firm capacity on an auction booking platform, provided that the firm reserve price for booked standard firm transmission capacity, **C_{vyvd}** in CZK/MWh/d, shall be calculated for within-day standard firm capacity using the formula

$$C_{vyvd} = \frac{1}{365} \times 2 \times C_r \times \frac{24}{T} ,$$

where

T is the number of whole hours left before the end of the respective gas day from the moment of effect of the booking of within-day standard firm capacity.

- 1.1.8. For annual standard interruptible capacity, quarterly standard interruptible capacity and monthly standard interruptible capacity, C_{sp} in CZK/MWh/d, the fixed charge for booked standard interruptible transmission capacity shall be determined as C_s in CZK/MWh/d under point 1.1.2.
- 1.1.9. For daily standard interruptible capacity, C_{dp} in CZK/MWh/d, the fixed charge for booked standard interruptible transmission capacity shall be determined as C_{vyd} in CZK/MWh/d under point 1.1.6.
- 1.1.10. For within-day standard interruptible capacity, C_{vdp} in CZK/MWh/d, the fixed charge for booked standard interruptible transmission capacity, shall be determined as C_{vyvd} in CZK/MWh/d under point 1.1.7.
- 1.1.11. The compensation for a reduction in transmission nominations or renominations due to an interruption in interruptible capacity, C_{sl} in CZK/MWh/d, if the transmission system operator reduced transmission nominations or renominations on gas day **D**, shall be calculated as

$$C_{sl} = k_{zkr} \times \frac{1}{0.6} \times C_{pp} ,$$

where

k_{zkr} is a coefficient calculated as

$$k_{zkr} = \frac{N_s - N_p}{N_s} ,$$

where

N_s is the value of the gas market participant's last received and registered transmission nomination or renomination that the transmission system operator has reduced, in thousandths of MWh,

N_p is the value of the gas market participant's transmission nomination or renomination adjusted by the transmission system operator, in thousandths of MWh,

C_{pp} is the recalculated fixed charge for booked interruptible transmission capacity, calculated as follows:

- a. for booked interruptible annual, quarterly and monthly transmission capacity:

$$C_{pp} = C_{sp} ,$$

- b. for booked interruptible daily transmission capacity:

$$C_{pp} = C_{dp} ,$$

- c. for booked interruptible within-day transmission capacity:

$$C_{pp} = C_{vdp} .$$

If the transmission system operator has reduced transmission nominations or renominations repeatedly, the highest achieved value of k_{zkr} is used.

If the transmission system operator has reduced nominations on gas day **D-1** but allowed the gas market participant to renominate on day **D-1** the booked interruptible transmission capacity in the full amount, then

$$k_{zkr} = 0 ,$$

if

$$k_{zkr} > 0.6 ,$$

then

$$C_{sl} = C_{pp} .$$

The transmission system operator shall pay the compensation for reductions in transmission nominations and renominations to the gas market participant that has booked interruptible transmission capacity.

- 1.1.12. The compensation, **KO_{SZ}** in CZK, for a limitation in the cleared entity's or foreign participant's renominations on a gas day on which renominations were limited at a border point of the transmission system is **CZK 0** for every border point at which renomination was limited if the cleared entity or foreign participant nominated 90% or more of the booked firm transmission capacity at the respective border point, which it had booked by 9 a.m. on the calendar day preceding the gas day on which transmission renomination was limited. If the cleared entity or foreign participant nominated less than 90% of the booked firm transmission capacity at the respective point, which it had booked by 9 a.m. on the calendar day preceding the gas day on which transmission renomination was limited, compensation **KO_{SZ}** is calculated as

$$KO_{SZ} = VA \times 0.5 \times \frac{(0.9 \times RKSZ - NPSZ)}{(RKn - NPn)} ,$$

where

VA is the transmission system operator's revenue from daily and within-day transmission capacity booking at the respective border point in CZK for the respective gas day on which renominations were limited,

RKSZ is the cleared entity's or foreign participant's booked firm transmission capacity at the respective border point in MWh/d, which it had booked by 9 a.m. on the calendar day preceding the gas day on which transmission renomination was limited,

RKn is all cleared entities' and foreign participants' booked firm transmission capacity at the respective border point in MWh/d, which they had booked by 9 a.m. on the calendar day preceding the gas day on which transmission renomination was limited,

NPSZ is the cleared entity's or foreign participant's nomination of firm transmission at the respective border point in MWh,

NPn is all cleared entities' and foreign participants' nomination of firm transmission at the respective border point in MWh.

The compensation for **KO_{SZ}** shall be paid by the transmission system operator to the cleared entity or foreign participant.

1.2. Charges for the gas transmission service for points of gas storage facilities

1.2.1. The fixed annual charge for booked firm transmission capacity, C_Z in CZK/MWh/d, and the fixed charge for transported gas, C_{Zkom} in CZK/MWh, for

1.2.2. points of the gas storage facilities, which are entry points of the transmission system:

Entry point name	Fixed annual charge for booked firm transmission capacity, C_Z in CZK/MWh/d	Fixed charge for transported gas, C_{Zkom} in CZK/MWh
Point of the innogy Gas Storage, s.r.o. virtual gas storage facility	436.27	0
Point of the MND Gas Storage a.s. virtual gas storage facility	436.27	0
Point of the Moravia Gas Storage a.s. virtual gas storage facility	436.27	0

1.2.3. points of the gas storage facilities, which are exit points of the transmission system:

Exit point name	Fixed annual charge for booked firm transmission capacity, C_Z in CZK/MWh/d	Fixed charge for transported gas, C_{Zkom} in CZK/MWh
Point of the innogy Gas Storage, s.r.o. virtual gas storage facility	94.16	0.23
Point of the MND Gas Storage a.s. virtual gas storage facility	94.16	0.23
Point of the Moravia Gas Storage a.s. virtual gas storage capacity	94.16	0.23

1.2.4. The fixed charge for booked firm monthly transmission capacity, C_{ZM} in CZK/MWh/d, is calculated as

$$C_{ZM} = C_Z \times F_Z ,$$

where

F_Z is the factor of the number of the calendar months of booked firm monthly transmission capacity, calculated using the following formula for booking periods of 11 or fewer months:

$$F_Z = 0.157 \times M_Z^{0.81} ,$$

while for booking periods of 12 and more months factor F_Z is calculated as

$$F_Z = \frac{M_Z}{12} ,$$

where

M_Z is the number of months for which firm monthly transmission capacity has been booked.

1.2.5. The fixed charge for booked firm daily transmission capacity, C_{Zd} in CZK/MWh/d, is calculated as

$$C_{Zd} = C_Z \times F_d ,$$

where

F_d is the factor of the number of gas days of booked firm daily transmission capacity, calculated as

$$F_d = 0.01 \times d^{0.85},$$

where

d is the number of days for which firm daily transmission capacity has been booked.

1.2.6. The fixed charge for firm day ahead transmission capacity, **C_{Znd}** in CZK/MWh/d, is calculated as

$$C_{Znd} = 0.01 \times C_Z .$$

1.2.7. The fixed charge for firm within-day booked transmission capacity, **C_{Zvdk}** in CZK/MWh/d, is calculated as

$$C_{Zvdk} = 0.01 \times C_Z \times \frac{24}{T_{vz}},$$

where

T_{vz} is the sum of hours within a gas day, for which within-day transmission capacity has been booked.

1.2.8. The fixed charge for booked interruptible monthly transmission capacity, **C_{Zmp}** in CZK/MWh/d, is calculated as **C_{ZM}** in CZK/MWh/d under point 1.2.4.

1.2.9. The fixed charge for booked interruptible daily transmission capacity, **C_{Zdp}** in CZK/MWh/d, is calculated as **C_{Zd}** in CZK/MWh/d under point 1.2.5.

1.2.10. The fixed charge for booked interruptible day ahead transmission capacity, **C_{Zndp}** in CZK/MWh/d, is calculated as **C_{Znd}** in CZK/MWh/d under point 1.2.6.

1.2.11. The fixed charge for booked interruptible within-day transmission capacity, **C_{Zvdp}** in CZK/MWh/d, is calculated as **C_{Zvdk}** in CZK/MWh/d under point 1.2.7.

1.2.12. The compensation for a reduction in transmission nominations and renominations due to an interruption in interruptible capacity **C_{Zsl}** in CZK/MWh/d, if the transmission system operator has reduced transmission nominations or renominations on gas day **D**, is calculated as

$$C_{Zsl} = k_{Zzkr} \times \frac{1}{0.6} \times C_{Zpp} ,$$

where

k_{Zzkr} is a coefficient calculated as

$$k_{Zzkr} = \frac{N_{Zs} - N_{Zp}}{N_{Zs}},$$

where

N_{Zs} is the value of the gas market participant's last received and registered transmission nomination or renomination that the transmission system operator has reduced, in thousandths of MWh

N_{Zp} is the value of the gas market participant's transmission nomination or renomination adjusted by the transmission system operator, in thousandths of MWh,

C_{Zpp} is the recalculated fixed charge for booked interruptible transmission capacity, calculated as follows:

a. for booked monthly interruptible transmission capacity:

$$C_{Zpp} = \frac{C_{Zmp}}{d_{pr}},$$

b. for daily booked daily interruptible transmission capacity:

$$C_{Zpp} = \frac{C_{Zdp}}{d_{pr}},$$

c. for daily booked day ahead interruptible transmission capacity:

$$C_{Zpp} = C_{Zndp},$$

d. for daily booked within-day interruptible transmission capacity:

$$C_{Zpp} = C_{Zvdp},$$

where

d_{pr} is the number of days for which the interruptible transmission capacity has been booked.

If the transmission system operator has reduced transmission nominations or renominations repeatedly, the highest achieved value of k_{Zzkr} is used.

If the transmission system operator has reduced nominations on gas day **D-1** but allowed the gas market participant to renominate on day **D-1** the booked interruptible transmission capacities in the full amount, then

$$k_{Zzkr} = 0,$$

if

$$k_{Zzkr} > 0.6,$$

then

$$C_{Zsl} = C_{Zpp}.$$

The transmission system operator shall pay the compensation for reductions in transmission nominations and renominations to the gas market participant that has booked interruptible transmission capacity.

1.3. Charges for the gas transmission service for points of gas production plants

1.3.1. The same pricing principles shall apply *mutatis mutandis* to charges for the gas transmission service for points of gas production plants as those for points of gas storage facilities under point 1.2, provided that C_Z is CZK 1/MWh/d and C_{Zkom} is CZK 0/MWh.

1.4. Charges for booking transmission capacity for customers' supply points directly connected to the transmission system

1.4.1. The gas transmission service charge for a point of exit from the transmission system which is the supply point of a customer directly connected to the transmission system is a double-component price, with the exception of the charge calculated under point 1.4.6. The double-component price is composed of a fixed charge for gas taken, under point 1.4.2, and the fixed charge for booked capacity under points 1.4.3 to 1.4.5 and 1.4.7 to 1.4.12.

1.4.2. The fixed price for gas taken, C_{pkom} is

CZK 0.23/MWh

1.4.3. The fixed charge for booked firm transmission capacity for an indefinite period of time, C_{ppz} in CZK/MWh/d, for customers whose booked firm transmission capacity is higher than 1,593 MWh/d, is

CZK 1,745.70/MWh/d

1.4.4. The fixed charge for booked firm transmission capacity for an indefinite period of time, C_{ppz} in CZK/MWh/d, for customers whose booked firm transmission capacity is higher than 5.512 MWh/d and at the same time lower than or equal to 1,593 MWh/d, is calculated as

$$C_{ppz} = (115.5051 - 13.1508 \times \ln(RK)) \times 1,000/10.62$$

where

RK is the booked firm transmission capacity for the customer's supply point, in MWh/d.

1.4.5. The fixed charge for booked firm transmission capacity for an indefinite period of time, C_{ppz} in CZK/MWh/d, for customers whose booked firm transmission capacity is lower than or equal to 5.512 MWh/d, is

CZK 8,762.49/MWh/d

1.4.6. Customers directly connected to the transmission system for whom the price under points 1.4.2 to 1.4.5 above has been set can request a gas transmission charge, C_{pjedn} in CZK/MWh, calculated as follows

$$C_{pjedn} = \frac{C_{ppz}}{40} + C_{pkom} + 20 .$$

If a customer requests a gas transmission service charge under this point the transmission system operator shall bill this price from the first day of the month following the request.

If a customer for whose supply point the charge under this point has been set requests firm transmission capacity booking in excess of 120% of the maximum achieved daily gas off-take at the customer's supply point in the preceding two-year rolling period and fails to demonstrate the reasons for requesting this amount of booked firm

transmission capacity to the transmission system operator, the transmission system operator shall, for calculating the charge under this point, use the value of 120% of the maximum achieved daily gas off-take at the customer's supply point for that period. If the customer's gas off-take for the preceding two-year rolling period is not known the agreed value of booked firm transmission capacity under this point shall be used for calculating the gas transmission service charge.

The provisions of this point shall be used *mutatis mutandis* for calculating the gas transmission service charge when the customer is not changing the booking but the value of the booked firm transmission capacity is historically higher than 120% of the maximum achieved daily gas off-take at the customer's supply point for the preceding two-year rolling period.

If firm transmission capacity exceeding 120% of the maximum daily gas off-take achieved at the customer's supply point in the preceding two-year rolling period has been booked for a customer for whose supply point the charge is set under this point, and the customer fails to demonstrate the reasons for this size of booked firm transmission capacity to the transmission system operator, the transmission system operator shall, for calculating the charge under this point, use the value of 120% of the maximum achieved daily gas off-take at the customer's supply point for that period.

Booked firm transmission capacity for an indefinite period of time cannot be used simultaneously with capacity booking under points 1.4.7 to 1.4.12 below throughout the period of validity of the gas transmission service charge under this point.

1.4.7. Charges for booked firm monthly transmission capacity

The fixed monthly charge for booked firm monthly transmission capacity, C_{kd} in CZK/MWh/d, for the month in which the firm monthly transmission capacity booking is effective, is calculated as follows

$$C_{kd} = C_{ppz} \times F ,$$

where

F is the factor of the calendar month as per the following table:

Calendar month	F
January, February, December	0.4
March, November	0.2
April, May, June, July, August, September, October	0.083

For calculating C_{ppz} , **RK** is the sum of all booked firm and interruptible transmission capacities for an indefinite period of time and all booked firm and interruptible monthly transmission capacities if the customer books interruptible transmission capacity.

1.4.8. Charges for booked firm rolling transmission capacity

The fixed charge for booked firm rolling transmission capacity of a calendar month in which the firm rolling transmission capacity booking is effective, CK_K in CZK/MWh/d, is calculated as

$$CK_K = C_{ppz} \times F_a \times F_s ,$$

where

F_a is the ratio of the number of days of effect of the booked firm rolling transmission capacity of the calendar month to the number of days in the calendar month,

F_s is the factor of firm rolling transmission capacity of the calendar month in which the firm rolling transmission capacity booking is effective.

Calendar month	F _s
January, February, December	0.72
March, November	0.28
April, May, June, July, August, September, October	0.0996

For calculating **C_{ppz}**, **RK** is the sum of all booked firm and interruptible transmission capacities for the supply point for an indefinite period of time and all booked firm and interruptible monthly transmission capacities for the supply point and firm and interruptible rolling transmission capacities for the supply point.

1.4.9. Charges for daily booked firm transmission capacity for supply points

The fixed charge for daily booked firm transmission capacity, **CK_D** in CZK/MWh/d, is calculated as

$$CK_D = 0.01 \times C_{ppz} \times k_{pd} ,$$

where

k_{pd} is the factor of the number of days for which daily booked firm transmission capacity has been booked, calculated as

$$k_{pd} = d_{pd}^{0.85} ,$$

where

d_{pd} is the number of days for which daily transmission capacity was booked.

The fixed charge for booked firm transmission capacity, **C_{ppz}** is determined under points 1.4.3 to 1.4.5 above. For calculating charge **C_{ppz}**, **RK** is the sum of all booked firm and interruptible transmission capacities for the supply point.

1.4.10. Charges for booked firm day ahead transmission capacity for supply points

The fixed charge for firm day ahead transmission capacity for supply points, **C_{nd}** in CZK/MWh/d, is calculated as

$$C_{nd} = 0.01 \times C_{ppz} .$$

The fixed charge for booked firm transmission capacity, **C_{ppz}** is calculated under points 1.4.3 to 1.4.5 above. For calculating **C_{ppz}**, **RK** is the sum of all booked firm and interruptible transmission capacities for the supply point.

1.4.11. Charges for booked firm within-day transmission capacity for supply points

The fixed charge for booked within-day transmission capacity for a supply point, **C_{vdk}** in CZK/MWh/d, is calculated as

$$C_{vdk} = 0.011 \times C_{ppz} \times \frac{24}{T_{pv}} ,$$

where

T_{pv} is the number of hours left before the end of the gas day, from the moment of effect of the within-day transmission capacity booking for the supply point, for which the capacity has been booked.

The fixed charge for booked firm transmission capacity, C_{ppz} is calculated under points 1.4.3 to 1.4.5 above. For calculating C_{ppz} , RK is the sum of all booked firm and interruptible transmission capacities for the supply point.

1.4.12. Charges for booked interruptible transmission capacity for supply points

- 1.4.12.1. The fixed charge for booked interruptible transmission capacity for a supply point for an indefinite period of time, in CZK/MWh/d, is the same as the fixed charge for booked firm transmission capacity for a supply point C_{ppz} under points 1.4.3 to 1.4.5 above. To calculate C_{ppz} , RK is the sum of all booked firm and interruptible transmission capacities for the supply point for an indefinite period of time.
- 1.4.12.2. The fixed charge for booked interruptible monthly transmission capacity for a supply point, in CZK/MWh/d, is the same as the fixed charge for booked firm monthly transmission capacity for a supply point C_{kd} under point 1.4.7 above. To calculate C_{ppz} , RK is the sum of all booked firm and interruptible transmission capacities for the supply point for an indefinite period of time and all firm and interruptible monthly transmission capacities for the supply point.
- 1.4.12.3. The fixed charge for booked interruptible rolling transmission capacity for a supply point, in CZK/MWh/d is the same as the fixed charge for booked firm rolling transmission capacity CK_K under point 1.4.8 above. To calculate C_{ppz} , RK is the sum of all booked firm and interruptible transmission capacities for the supply point for an indefinite period of time, all booked firm and interruptible monthly transmission capacities for the supply point and all booked firm and interruptible rolling transmission capacities for the supply point.
- 1.4.12.4. The fixed charge for booked interruptible daily transmission capacity for a supply point, in CZK/MWh/d, is the same as the fixed charge for booked firm daily transmission capacity CK_D under point 1.4.9 above. To calculate C_{ppz} , RK is the sum of all booked firm and interruptible transmission capacities for the supply point for an indefinite period of time, all booked firm and interruptible monthly transmission capacities for the supply point, all booked firm and interruptible rolling transmission capacities for the supply point and all booked firm and interruptible daily transmission capacities for the supply point.
- 1.4.12.5. The fixed charge for booked interruptible day ahead transmission capacity for a supply point, in CZK/MWh/d, is the same as the fixed charge for booked firm day ahead transmission capacity for a supply point C_{nd} under point 1.4.10 above. To calculate C_{ppz} , RK is the sum of all booked firm and interruptible transmission capacities for the supply point.
- 1.4.12.6. The fixed charge for booked interruptible within-day transmission capacity, in CZK/MWh/d, is the same as the fixed charge for booked firm within-day transmission capacity for a supply point C_{vdK} under point 1.4.11 above. To calculate C_{ppz} , RK is the sum of all booked firm and interruptible transmission capacities for the supply point.

- 1.4.12.7. The fixed charge for limiting or interrupting interruptible transmission capacity, CK_p in CZK/MWh/d, is calculated as

$$CK_p = kp_{drp} \times C_{ppz} ,$$

where

kp_{drp} is the factor of interruptible transmission capacity limitation or interruption calculated as

$$kp_{drp} = \frac{6 \times S_{RD}}{365} ,$$

where

S_{RD} is the number of gas days on which interruptible transmission capacity was limited or interrupted.

At the same time CK_p is lower than or equal to C_{ppz} .

The transmission system operator shall pay the charge for booked interruptible transmission capacity limitation or interruption for each gas day of the limitation or interruption to the customer once per year.

- 1.4.13. If at a customer's supply point booked firm or interruptible transmission capacity in MWh/d, or the sum of booked firm and interruptible transmission capacities in MWh/d, is exceeded by more than 3.8% the transmission system operator shall bill a charge, P_{pp} in CZK/month, for the overstepping of the booked transmission capacity, calculated as

$$P_{pp} = F_{op} \times C_{ppz} \times D_p ,$$

where

F_{op} is the factor of the calendar month, as per the following table, in which the overstepping took place:

Calendar month	F_{op}
January, February, December	1.43
March, November	0.71
April, May, June, July, August, September, October	0.23

D_p is calculated as

$$D_p = (K_{rp} - K_{sp}) ,$$

where

K_{rp} is the actually achieved daily consumption at the supply point, in MWh,

K_{sp} is the sum of all booked firm and interruptible transmission capacities at the supply point, in MWh/d.

For calculating C_{ppz} , RK is the sum of all booked firm and interruptible transmission capacities in MWh/d.

At the same time it applies that if the sum of booked firm and interruptible transmission capacities is exceeded at a supply point repeatedly within a gas month, the charge for exceeding the booked transmission capacity shall be billed only once for the gas month, in the amount determined by the maximum value of D_p at the supply point in the gas month.

- 1.4.14. The allowed hourly difference between transmission nomination and actually taken gas, T_p in MWh, for customers' supply points is calculated using the following formula for the respective hour:

$$T_p = K_{Tp} \times K_{sm} ,$$

where

K_{Tp} is the coefficient of the equation for calculating tolerances, set at 0.038,

K_{sm} is 1/24 of the booked firm transmission capacity at the customer's supply point for a gas day, in MWh/d

For calculating the charge for exceeding the allowed hourly difference in transmission, the value of T_p shall be rounded to whole MWh.

- 1.4.15. The fixed charge for exceeding the allowed hourly difference in transmission is

CZK 5/MWh

If the cleared entity notifies the transmission system operator of a change in the gas quantity to be taken during an hour for which transmission renomination is no longer possible, but does so before the beginning of the respective hour, the fixed charge for exceeding the hourly difference in transmission is

CZK 3/MWh

- 1.5. Charges for the gas transmission service via the aggregate of the delivery points between the transmission and distribution systems

- 1.5.1. The fixed charge for the gas transmission service via the aggregate of the delivery points between the transmission and distribution systems:

	Fixed charge for booked firm transmission capacity, in CZK/month	Fixed charge for transported gas, in CZK/MWh
E.OND	4,185,353	0.23
PPD	15,781,852	0.23
GasNet	84,623,765	0.23

2. Charges for the market operator's activities

- 2.1. The fixed charge for the registration of a cleared entity in the market operator's information system is

CZK 10,000

- 2.2. The fixed charge for the clearing activity is

CZK 1,000/month

This price shall be billed to registered cleared entities.

- 2.3. The fixed charge for clearing is

CZK 1.06/MWh

This price shall be billed for gas consumed by customers, gas producers, the transmission system operator, storage system operators and distribution system operators.

A special fee, the rate of which is set by the Government in its Order, is added to the clearing charge under Section 17d of Act No 458/2000, as amended.

- 2.4. The fixed charge for the provision of actual values to market participants is

CZK 1,000/month

This price shall be paid by registered market participants who are not cleared entities and use, under an agreement with the market operator, the actual values for the purpose of invoicing.

- 2.5. The fixed charge for the gas quantity traded on the organised gas market is

CZK 0.30/MWh

- 2.6. The fixed charge for the provision of data from records of trading transactions on the gas market organised by the market operator is

CZK 3,027/month

This charge is paid by market participants who are obliged, under Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency, to provide the Agency for Cooperation of Energy Regulators with records of transactions on wholesale energy markets organised by the market operator.

3. Charges for distribution system services

The following fixed prices and conditions shall apply to the gas distributed by distribution system operators in the domestic zone:

- 3.1. Charges for daily booked firm distribution capacity for an indefinite period of time

- 3.1.1. The following fixed charges shall apply to the distribution system service to customers' supply points:

E.OND	Double-component price		
	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year			
over 63	205.04	142,903.24	x
45 to 63	248.29	x	310.96
25 to 45	276.58	x	204.87
15 to 25	306.16	x	143.25
7.56 to 15	323.03	x	122.17
1.89 to 7.56	363.72	x	96.53
0 to 1.89	526.57	x	70.88

PPD	Double-component price		
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
over 63	111.82	122,361.70	x
45 to 63	150.03	x	233.63
25 to 45	158.99	x	200.02
15 to 25	198.03	x	118.68
7.56 to 15	208.30	x	105.85
1.89 to 7.56	234.00	x	89.66
0 to 1.89	399.64	x	63.57

GasNet	Double-component price		
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
over 63	120.44	115.933.79	x
45 to 63	141.26	x	315.11
25 to 45	172.68	x	197.27
15 to 25	200.12	x	140.10
7.56 to 15	220.14	x	115.07
1.89 to 7.56	242.52	x	100.97
0 to 1.89	452.61	x	67.89

ENERGIE CZ s.r.o.	Double-component price		
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
over 63	207.94	168,223.99	x
45 to 63	260.18	x	305.02
25 to 45	287.62	x	211.93
15 to 25	307.64	x	168.94
0 to 15	330.02	x	118.93

ENERGY Ústí nad Labem, a.s.	Double-component price		
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
over 63	143.84	129,915.97	x
45 to 63	141.26	x	315.11
25 to 45	172.68	x	197.27
15 to 25	200,12	x	140.10
7.56 to 15	220.14	x	115.07
1.89 to 7.56	242.52	x	100.97
0 to 1.89	452.61	x	67.89

Petr Hurta, licence č. 220102855	Double-component price		
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
over 63	240.13	187,454.59	x
45 to 63	260.95	x	560.73
25 to 45	319.81	x	238.35
0 to 25	339.83	x	176.48

PQS Energo, s.r.o.	Double-component price		
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
over 63	170.59	145,903.86	x
45 to 63	191.41	x	444.80
25 to 45	222.83	x	279.61
7.56 to 15	270.29	x	138.40
0 to 7.56	292.67	x	112.26

QUANTUM, a.s.	Double-component price		
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
over 63	165.19	142,673.39	x
45 to 63	186.01	x	406.35
25 to 45	217.43	x	248.41
15 to 25	244.87	x	170.70
7.56 to 15	264.89	x	132.53
1.89 to 7.56	287.27	x	112.01
0 to 1.89	497.36	x	70.97

VLČEK Josef – elektro s.r.o.	Double-component price		
Adjusted annual off-take at the supply point in the band over – to, inclusive, in MWh/year	Fixed charge for distributed gas in CZK/MWh	Fixed annual charge for daily booked firm distribution capacity C_{rd} , in CZK/1,000m ³	Standing monthly charge for available capacity, in CZK
over 63	177.60	161,671.68	x
45 to 63	215.81	x	378.76
25 to 45	224.77	x	296.32
15 to 25	263.81	x	272.58
7.56 to 15	274.08	x	139.60
1.89 to 7.56	299.78	x	105.86
0 – 1.89	465.42	x	66.27

3.1.2. Fixed charges shall apply to the distribution system service to customers' supply points:

3.1.2.1. The fixed annual charge for daily booked firm distribution capacity, **CK** in CZK/1,000m³, is calculated as

$$CK = (a + b \times \ln k) \times 1,000 ,$$

where

a, b are the coefficients that characterise the distribution system:

Distribution system operator	Price formula coefficients			
	Long-distance pipeline		Local network	
	a	b	a	b
E.OND	309.3685	-6.5753	358.4143	-6.5753
PPD	190.1281	-6.2980	338.8154	-17.2473
GasNet	309.5032	-17.1789	350.6404	-17.1789
ENERGYnergy Ústí nad Labem, a.s.	x	x	365.1329	-17.1789
QUANTUM, a.s.	x	x	389.9235	-17.1789
VLČEK Josef – elektro s.r.o.	x	x	395.3195	-17.2473

k is the sum of the daily booked firm and interruptible distribution capacities for an indefinite period of time for the supply point, if the customer books daily interruptible distribution capacity for an indefinite period of time, in m³.

3.1.2.2. Fixed annual price for distributed gas, C_{kom} in CZK/MWh:

Distribution system operator	Fixed price for distributed gas, C_{kom}	
	Long-distance pipeline	Local network
	CZK/MWh	CZK/MWh
E.OND	25.04	87.70
PPD	18.46	40.80
GasNet	16.51	43.47
ENERGY Ústí nad Labem, a.s.	x	75.00
QUANTUM, a.s.	x	79.47
VLČEK Josef – elektro s.r.o.	x	96.20

- 3.1.3. For customers' supply points connected to the distribution system of ENERGIE CZ s.r.o., Petr Hurta (licence no. 220102855) or PQS energo, s.r.o. with an adjusted annual consumption of more than 630 MWh, fixed charges for the distribution system service for customers' supply points with an adjusted annual consumption of more than 63 MWh under point 3.1.1 shall be applicable.
- 3.1.4. The customer's supply point at which gas consumption equipment is connected to the high pressure part of the distribution system shall be regarded as the supply point at which the gas consumption equipment is connected to a long-distance pipeline.
- 3.1.5. The customer's supply point at which gas consumption equipment is connected to the intermediate pressure part or low pressure part of the distribution system shall be regarded as the supply point at which the gas consumption equipment is connected to the local network.
- 3.1.6. For 2017, the charge for the distribution system service under point 3.1.1 shall be used for customers' supply points at which annual readings were taken in 2016.
- 3.1.7. For 2017, the charge for the distribution system service under point 3.1.2 shall be used for customers' supply points at which proper monthly readings were taken in 2016.
- 3.1.8. Customers' supply points, with the exception of the household category, at which annual readings were taken in 2016 and at which annual off-take or adjusted annual gas consumption exceeded 630 MWh, can request the determination of the charge for

the distribution system service under point . If a customer requests the determination of the charge for the distribution system service under point the distribution system operator shall bill this charge from the first day of the month following receipt of the request. Consumption at customers' supply points for which a price under point has been determined shall be billed on a monthly basis.

For a customer's supply point, with the exception of the household category, whose adjusted annual consumption was greater than 760 MWh throughout the preceding three-year period and whose price was determined under point 3.1.1, a price under point 3.1.2 has been determined for 2017. The distribution system operator shall notify the customer of this change within 28 days from the last meter reading and bill using this price no later than from the first day of the month following the passage of 28 days from the notification.

- 3.1.9. For customers' supply points at which proper monthly readings were taken in 2016 and whose annual off-take was lower than or equal to 630 MWh in 2016, the customer can request the determination of the charge for the distribution system service under point with annual billing. If a customer requests the determination of the charge for the distribution system service under point the distribution system operator shall bill this charge from the first day of the month following receipt of the request.

For a customer's supply point whose adjusted annual consumption was lower than 500 MWh throughout the preceding three-year period and whose price was determined under point 3.1.2, a price under point 3.1.1 has been determined for 2017. The distribution system operator shall notify the customer of this change within 28 days from the reading for December and bill using this price no later than from the first day of the month following the passage of 28 days from the notification.

- 3.1.10. Customers with type A or B metering, for whose supply points a price under point 3.1.2 has been determined, can request a charge for the distribution system service, C_{jedn} in CZK/MWh, which is calculated as

$$C_{jedn} = \frac{CK}{(40 \times s)} + C_{kom} + 20 ,$$

where

s is a quantity equalling 10.62 kWh/m³.

If the customer requests the charge for the distribution system service under this point the distribution system operator shall bill this charge from the first day of the month following the request.

If the customer for whose supply point the charge has been set under this point requests the booking of firm distribution capacity of more than 120% of the maximum daily gas off-take at the customer's supply point achieved in the preceding two-year rolling period and fails to justify the request for this amount of booked firm distribution capacity to the distribution system operator, the distribution system operator shall, for the purpose of determining the charge under this point, use the value of 120% of the maximum daily gas off-take at the customer's supply point achieved for that period. If the customer's gas off-take for the preceding two-year rolling period is not known, the value of booked firm distribution capacity agreed under this point shall be used for the purpose of determining the charge for the distribution system service.

The provisions of this point shall be used *mutatis mutandis* for calculating the charge for the distribution system service in the event that the customer does not change its booking but the value of the booking of firm distribution capacity is historically greater than 120% of the maximum daily gas off-take at the customer's supply point achieved in the preceding two-year rolling period.

If for the customer for whose supply point the charge has been set under this point a firm distribution capacity of more than 120% of the maximum daily gas off-take at the customer's supply point achieved in the preceding two-year rolling period has been booked and the customer fails to justify this amount of booked firm distribution capacity to the distribution system operator, the distribution system operator shall, for the purpose of determining the charge under this point, use the value of 120% of the maximum daily gas off-take at the customer's supply point achieved for that period.

Daily booked firm distribution capacity for an indefinite period of time cannot be used together with capacity booking under points 3.2 to 3.4 throughout the period of applicability of the charge for the distribution system service under this point.

- 3.1.11. The charge for the distribution system service may not be changed to follow the conditions of points 3.1.8, 3.1.9 or 3.1.10 more than once in 12 months.
- 3.1.12. For the customer's supply point at which the charge for the distribution system service under point 3.1.1 is billed on a regular basis for reading periods shorter than 12 months, for 2017 the charge for the distribution system service determined for the off-take band according to the actual annual gas off-take for the whole of 2016 or according to the last known adjusted annual gas consumption shall apply.
- 3.1.13. A change of gas supplier at the customer's supply point has no influence on the inclusion of the customer's supply point into a category and off-take band, or on the charge for the distribution system service set for the customer's supply point.

3.1.14. For supply points

- 3.1.14.1. with type A or B metering, for which the charge for the distribution system service is determined under point 3.1.2, the monthly charge for daily booked firm distribution capacity, MP_{AB} in CZK/month, is calculated as

$$MP_{AB} = (CK \times k/1,000)/12 ,$$

- 3.1.14.2. and with type C metering, for which the charge for the distribution system service is determined under point 3.1.2, the monthly charge for daily allocated firm distribution capacity, MP_{rL} in CZK/month, is calculated as

$$MP_{rL} = (CK \times RK_L)/12 ,$$

where

RK_L is the daily allocated firm distribution capacity at the respective supply point, in thousands of cubic metres;

- (i) For January 2017 to December 2017, daily allocated firm distribution capacity, in thousands of cubic metres, shall be determined as the highest value of daily capacities DP_i calculated for February 2016 to January 2017 as

$$DP_i = \frac{SP_i}{21} \times \frac{31}{PD_i} ,$$

where

- i** is the respective calendar month,
- SP_i** is the actually achieved off-take in the *i*th month, in thousands of cubic metres,
- PD_i** is the number of calendar days in the *i*th month;

- (ii) For supply points for which it is not feasible to find the actually achieved off-take under (i) above for February 2016 to January 2017 (for example, new customers), the daily allocated firm distribution capacity, in thousands of cubic metres, shall be determined as the daily allocated firm distribution capacity agreed in the agreement on the provision of distribution system services;

3.1.14.3. [for supply points] for which the charge for the distribution system service is determined under point 3.1.1, in the billing period whose last day is in 2017 the daily allocated firm distribution capacity at the supply point, **RK_C** in thousands of cubic metres, is calculated as

$$RK_C = RS/115 ,$$

where

- RS** is the adjusted annual gas consumption, or agreed gas off-take at the customer's supply point, in thousands of cubic metres, which has been used for including the customer's supply point into an off-take band.

3.2. Charges for daily booked firm monthly distribution capacity

The charge for daily booked firm monthly distribution capacity shall only apply to supply points of customers with type A or B metering, for which the charge is determined under point 3.1.2.

The following fixed prices and conditions shall apply to the distribution system service to supply points:

The double-component price for the distribution system service is composed of a fixed price for the gas distributed and the fixed monthly charge for daily booked firm monthly distribution capacity. The fixed price for distributed gas, in CZK/MWh, is the same as the price for distributed gas in the table in point **Chyba! Nenalezen zdroj odkazů.** The fixed monthly charge for daily booked firm monthly distribution capacity, **C_{kd}** in CZK/1,000m³, for the month in which the firm monthly distribution capacity booking is effective, is calculated as

$$C_{kd} = CK \times F ,$$

where

- F** is the factor of the calendar month as per the following table:

Calendar month	F
January, February, December	0.4
March, November	0.2
April, May, June, July, August, September, October	0.083

For calculating **CK**, **k** is the sum of all daily booked firm and interruptible distribution capacities for an indefinite period of time and all daily booked firm and interruptible monthly distribution capacities, if the customer books daily interruptible distribution capacity.

3.3. Charges for daily booked interruptible distribution capacity for customers' supply points

3.3.1. For the distribution system service to supply points of customers with type A or B metering, for which the charge for the distribution system service is determined under point 3.1.2, the double-component price for the distribution system service is composed of a fixed price for the gas distributed and a fixed annual charge for daily booked interruptible distribution capacity. The fixed price for distributed gas, in CZK/MWh, is the same as the fixed price for distributed gas applicable to daily firm distribution capacity in the table in point

3.3.1.1. The fixed charge for daily booked interruptible distribution capacity for an indefinite period of time, in CZK/1,000m³, is the same as the fixed charge for daily booked firm distribution capacity, **CK**, under point *Chyba! Nenalezen zdroj odkazů.* For calculating **CK**, **k** is the sum of all daily booked firm and interruptible distribution capacities for an indefinite period of time.

3.3.1.2. The fixed charge for daily booked interruptible monthly distribution capacity, in CZK/1,000m³, is the same as the fixed charge for daily booked firm monthly distribution capacity, **C_{kd}** under point 3.2. For calculating **CK**, **k** is the sum of all daily booked firm and interruptible distribution capacities for an indefinite period of time and all daily booked firm and interruptible monthly distribution capacities.

3.3.2. The fixed price for a limitation or interruption of interruptible distribution capacity, **CK_p** in CZK/1,000m³, is calculated as

$$CK_p = kp_{drp} \times CK,$$

where

kp_{drp} is the factor of interruptible distribution capacity limitation or interruption calculated as

$$kp_{drp} = \frac{6 \times S_{RD}}{365},$$

where

S_{RD} is the number of gas days on which interruptible distribution capacity was limited or interrupted.

CK_p is lower than or equal to **CK**.

Distribution system operators shall pay the charge for a limitation or interruption of daily booked interruptible distribution capacity for every gas day of such limitation or interruption to the customers once per year.

3.4. Charges for daily booked firm rolling distribution capacity

3.4.1. The following fixed prices and conditions shall apply to daily booked firm rolling distribution capacity for supply points of customers with A or B metering, for which the price is determined under point 3.1.2:

The double-component price for the distribution system service is composed of a fixed price for the gas distributed and the fixed charge for daily booked firm rolling distribution capacity. The fixed price for distributed gas, in CZK/MWh, is the same as the price for distributed gas under point *Chyba! Nenalezen zdroj odkazů.* The fixed charge for 2017 for daily firm rolling distribution capacity in the calendar

month in which the firm rolling distribution capacity booking is effective, CK_k in CZK/1,000m³, is calculated as

$$CK_k = CK \times F_a \times F_s ,$$

where

F_a is the ratio of the number of days on which the firm rolling distribution capacity booking in the calendar month is effective to the number of days of the calendar month,

F_s is the factor of firm rolling distribution capacity in the calendar month in which the firm rolling distribution capacity booking is effective.

Calendar month	F_s
January, February, December	0.72
March, November	0.28
April, May, June, July, August, September, October	0.0996

For calculating CK , k is the sum of all daily booked firm and interruptible distribution capacities, in cubic metres.

3.5. Charges for the distribution system service in trial operation

The charge for the distribution system service in trial operation is a double-component price. The fixed price for gas distributed, in CZK/MWh, is the same as the price for distributed gas under point **Chyba! Nenalezen zdroj odkazů.** The fixed charge for daily booked distribution capacity in trial operation for a gas month is the same as the fixed charge for daily booked firm distribution capacity, CK , under point **Chyba! Nenalezen zdroj odkazů.** For calculating CK , k is the daily booked distribution capacity in trial operation.

In the case of exceeding daily booked distribution capacity in trial operation, charge CK shall be used for calculating the monthly charge for daily booked distribution capacity in trial operation, and for determining CK , k is the actually achieved maximum daily off-take at the supply point in the month in which the exceeding took place.

For customers' supply points at which type C metering was changed to type A or B metering, daily booked distribution capacity in trial operation shall be set for the next subsequent 6 calendar months using the procedure for calculating allocated distribution capacity under point **Chyba! Nenalezen zdroj odkazů.**

3.6. Charge P_{pd} for the overstepping of daily booked firm and interruptible distribution capacity, if the customer books interruptible capacity, shall be billed by the distribution system operator for customers' supply points with type A or B metering, for which the charge for distribution system service is calculated under point 3.1.2 or 3.1.10, if the daily booked firm or interruptible distribution capacity (if the customer books interruptible distribution capacity) is exceeded by more than 3.8%. Charge P_{pd} is calculated as

$$P_{pd} = F_{od} \times CK \times D_d ,$$

where

F_{od} is the factor of the calendar month in which the overstepping took place, in the following table:

Calendar month	F _{od}
January, February, December	1.43
March, November	0.71
April, May, June, July, August, September, October	0.23

D_d is calculated as

$$D_d = (K_{rd} - K_{sd}) ,$$

where

K_{rd} is the actually achieved daily capacity at the customer's supply point, in thousands of cubic metres,

K_{sd} is the sum of all daily booked firm and interruptible distribution capacities at the customer's supply point, if the customer books interruptible distribution capacity, in thousands of cubic metres.

For calculating **CK**, **k** is the sum of all daily booked firm and interruptible distribution capacities, if the customer books interruptible distribution capacity, in cubic metres.

At the same time it applies that

if the daily booked firm or interruptible distribution capacity, if the customer books interruptible distribution capacity, is exceeded at a supply point repeatedly within a gas month the charge for exceeding daily booked firm and interruptible distribution capacity, if the customer books interruptible distribution capacity, shall be billed only once for the gas month, in the amount determined by the maximum value of **D_d** at the supply point in the gas month.

- 3.7. Booking of daily firm distribution capacity for an indefinite period of time in the amount of the historically achieved daily maximum
 - 3.7.1. For the distribution system service to the supply points of customers with type A or B metering, for which the price is determined under point 3.1.2, the customers can book daily firm distribution capacity for an indefinite period of time in the amount of the historically achieved daily maximum.
 - 3.7.2. The daily firm distribution capacity for an indefinite period of time in the amount of the historically achieved daily maximum is the maximum value of all daily gas off-takes in the relevant period from 1 October 2013 to 30 September 2016. If the customer took gas for only a part of the relevant period the known maximum value of all daily off-takes in the period commencing no later than on 1 October 2015 shall be used.

- 3.7.3. Customers for whose supply points the data for the relevant period under point 3.7.2 is not known can request distribution capacity booking under point 3.7.1 no earlier than after 12 calendar months from the end of distribution system service in trial operation or, if not using distribution system service in trial operation, after 12 calendar months from the beginning of gas off-take with type A or B metering. In such a case, the relevant period shall be 12 calendar months prior to capacity booking under point 3.7.1.
- 3.7.4. The distribution system operator shall change the amount of booked capacity under point 3.7.1 depending on the change of the relevant period under point 3.7.2.
- 3.7.5. For the distribution system service to supply points of customers with booked capacity under point 3.7.1, fixed charges C_{kom} in CZK/MWh under point and fixed charges CK in CZK/1,000m³ under point , where the coefficient a is increased by 5%, shall apply.
- 3.7.6. In the case of exceeding booked capacity under point 3.7.1, the charge for such overstepping under point shall not be billed to the customer.
- 3.8. The minimum charge for daily booked firm and interruptible distribution capacity, if the customer books interruptible distribution capacity, is
- CZK 40,000/1,000m³**
- 3.9. For the customer's supply point at which daily booked firm and interruptible distribution capacity, if the customer books interruptible distribution capacity, is lower than 519 m³/day, the fixed annual charge for daily booked firm or interruptible distribution capacity, CK , equals the fixed charge for daily booked firm or interruptible distribution capacity amounting to 519 m³/day.
- 3.10. For delivery points between distribution systems, the fixed charges under points 3.1 to 3.9 shall apply, with the exception of points 3.1.10 and 3.7, and the conditions set out in these points shall be used *mutatis mutandis*. The distribution system operator shall pay the charge for an overstepping under point Chyba! Nenalezen zdroj odkazů. if the daily booked firm distribution capacity at a delivery point between distribution systems is lower than the highest actually achieved daily gas off-take in the period from 1 October 2013 to 30 September 2016.
- 3.11. Charges for the entry and exit points of a distribution system at the delivery point of a cross-border gas pipeline
- 3.11.1. The fixed charge for daily booked firm distribution capacity and the fixed price for transferred gas for the entry points of the distribution system:

Entry point name	Fixed charge for daily booked firm distribution capacity, in CZK/1,000m ³	Fixed price for transferred gas, in CZK/MWh
Laa an der Thaya	8,000	0

The fixed prices and conditions under point Chyba! Nenalezen zdroj odkazů. shall apply, provided that references to point 1.2.2 are replaced with references to the table in this point 3.11.1.

- 3.11.2. The fixed charge for daily booked firm distribution capacity and the fixed price for transferred gas at the exit points of the distribution system:

Exit point name	Fixed charge for daily booked firm distribution capacity, in CZK/1,000m ³	Fixed price for transferred gas, in CZK/MWh
Laa an der Thaya	58,539.19	16.51

The fixed prices and conditions under point **Chyba! Nenalezen zdroj odkazů.** shall apply, provided that references to point 1.2.3 are replaced with references to the table in this point 3.11.2.

- 3.12. For an entry point of a distribution system at the delivery point, or at the aggregate of delivery points of a gas production plant, the fixed annual charge for daily booked firm distribution capacity is

CZK 10/1,000m³

The conditions under points 3.1.14, 3.2 to 3.4 and 3.6 shall apply *mutatis mutandis*, provided that references to point **Chyba! Nenalezen zdroj odkazů.** are replaced with references to this point **Chyba! Nenalezen zdroj odkazů.**

- 3.13. The fixed charge for the distribution system service to customers' supply points at which a CNG refuelling station is installed for the fuelling of motor vehicles
- 3.13.1. For customers' supply points at which annual readings were taken in 2016, the charge for the distribution system service is a single-component price. This price is the same as the fixed price for gas distributed, applicable for the distribution system service to customers' supply points in the respective table in point
- 3.13.2. For customers' supply points at which proper monthly readings were taken in 2016, the following prices shall apply:

Distribution system operator	Fixed price for distributed gas, in CZK/MWh	
	Long-distance pipeline	Local network
E.OND	55.05	205.04
PPD	80.97	108.89
GasNet	51.17	119.70

- 3.13.3. For customers' supply points, the provisions of points

', and ' shall apply *mutatis mutandis*.

If more than one piece of gas consumption equipment is installed at the customer's supply point the precondition for applying this price is separate metering of the gas taken by the refuelling station.

II. Prices for supply of last resort

1. Economically justifiable costs, reasonable profit¹ and value added tax² may only be included in the price of supply of last resort.
2. The costs specified in Appendix 1 are not regarded as gas traders' economically justifiable costs.

III. Regulation of the charge for the distribution system service on a cost-plus basis

The charge for the distribution system service over a distribution system unconnected to the transmission system or to a distribution system is subject to regulation on a cost-plus basis under a separate regulation³.

The distribution system operator may only include economically justifiable costs required for operating the licensed activity, reasonable profit¹ and value added tax² in the charge for the distribution system service. The costs specified in Appendix 1 are usually not regarded as economically justifiable costs.

IV. Local distribution system operators with a different price

Appendix 2 contains a list of the operators of distribution systems that are not directly connected to the transmission system, which have requested a different determination of allowed revenues and variable costs under Section 19a(7) of Act No 458/2000 on the Conditions for Business and State Administration in the Energy Industries and Amending Certain Laws (Energy Act), as amended, and the Energy Regulatory Office has decided on a different determination of allowed revenues and variable costs.

Operators of distribution systems that are not directly connected to the transmission system shall use the price of the distribution system service up to the amount of the prices for distribution system services of the distribution system operator to whose distribution system they are connected. If the ERO decides on a different determination of allowed revenues and variable costs of an operator of a distribution system that is not directly connected to the transmission system the ERO shall proceed *mutatis mutandis* under Appendix 4 for pricing the distribution system services of the operator of such distribution system.

V. Regulatory methods and pricing procedures in the gas industry

1. The Energy Regulatory Office regulates the prices of the gas transmission service using the algorithm in the regulatory formula in Appendix 3.
2. The Energy Regulatory Office regulates the prices of the distribution system service using the algorithm in the regulatory formula in Appendix 4.
3. The procedure for calculating correction factors for the transmission system operator and for distribution system operators is set out in Appendix 5.
4. The procedure for calculating the regulated value of gas installations and the procedure for calculating regulated costs of lease of gas installations are set out in Appendix 6.

¹ Section 2(7)(b) of Act No 526/1990 on prices, as amended

² Act No 235/2004 on Value Added Tax, as amended

³ Act No 526/1990 on prices, as amended

5. The provisions on lease shall be used *mutatis mutandis* for usufruct arrangements and other rights of use to gas installations to which the licence holder does not have the ownership title.
6. The Energy Regulatory Office regulates the prices for the market operator's services using the algorithm in the regulatory formula in Appendices 8 and 10.
7. The procedure for calculating correction factors for the market operator is set out in Appendices 9 and 11.

VI. Procedure for calculating prices in cases where a licence holder comes into existence or a licence holder is transformed, and procedure in the case of the acquisition or lease of gas installations

The procedure for calculating prices in cases where a licence holder comes into existence or a licence holder is transformed, and the procedure in the case of the acquisition or lease of gas installations, are set out in Appendix 7.

VII. Final provisions

1. The conversion of supplied gas quantities to MWh is subject to a separate regulation⁴.
2. Officially set prices specified in the price decision shall be understood to be prices without VAT.
3. Where gas is used in cases when the obligation to pay a tax/duty arises under Act No 353/2003 on Excise Duties, as amended, or Act No 261/2007, on the Stabilisation of Public Budgets, as amended, the gas price may be increased by the respective tax/duty.
4. Upon transition from winter time to summer time, the value of agreed capacity shall be 23/24 of the value of the capacity agreed in the contract. Upon transition from summer time to winter time the value of agreed capacity shall be 25/24 of the value of the capacity agreed in the contract.
5. In calculating payments and prices, only the resulting payment and the resulting price shall be rounded to two valid decimal places.

VIII. Repealing provisions

The following are repealed:

1. Energy Regulatory Office Price Decision No 6/2015 of 25 November 2015, on regulated prices related to gas supply.
2. Energy Regulatory Office Price Decision No 1/2016 of 29 February 2016, amending Energy Regulatory Office Price Decision No 6/2015 of 25 November 2015, on regulated prices related to gas supply.
3. Energy Regulatory Office Price Decision No 2/2016 of 1 June 2016, amending Energy Regulatory Office Price Decision No 6/2015 of 25 November 2015 on regulated prices

⁴ Schedule 1 to public notice no. 108/2011 on gas metering and on the method of calculating damages for unauthorised gas off-take, unauthorised gas supply, unauthorised gas storage, unauthorised gas transmission or unauthorised gas distribution, as amended

related to gas supply, as amended by Energy Regulatory Office Price Decision No 1/2016 of 29 February 2016.

IX. Effect

This price decision shall come into effect on 1 January 2017.

Energy Regulatory Office Chairwoman
Alena Vitásková

Appendix 1
to
Price Decision No. 6/2016

The following are not economically justified costs for the purposes of supply of last resort:

- a) Entertainment costs;
- b) Travel costs refunded in excess of the amounts under a separate regulation⁵,
- c) Costs spent by the employer on employees' accommodation, unless accommodation on business trips is concerned;
- d) All costs of the benefits provided by the employer to its employees;
- e) Contributions to company meals over 55% of the price of one main course during one shift, and over 70% of the subsistence allowance when the business trip lasts from 5 to 12 hours, as laid down in the respective regulation⁵;
- f) Costs of employees' personal consumption (for example, cost of private telephone calls and costs of fuel consumption for personal needs);
- g) Payments of premiums towards employees' insurance in excess of contributions to social security and the government's employment policy and premiums for general health insurance under the respective regulation⁶;
- h) Financial settlement, for example, redundancy pay in excess of the obligations set out in the respective regulation⁵;
- i) All emoluments to members of governing bodies;
- j) Directors and Officers liability insurance covering damage to the company in exercising their office;
- k) Costs of financial lease payments, on an accrual basis, under lease agreements executed after 1 January 2004, which exceed the amount corresponding to accounting depreciation of the fixed assets in question; this non-deductible part of payments may become a deductible cost item up to the level that corresponds to accounting depreciation after the end of the financial lease in the years that follow;
- l) Fines, penalties, late charges, financial compensation for damage and other payments for failure to meet obligations under contracts and under laws and regulations;
- m) Asset depreciation higher than actual depreciation applied under the respective regulation⁷;
- n) Costs of tangible and intangible fixed asset and inventory retirement in excess of the proceeds from their retirement, with the exception of the residual value of fixed assets that are no longer fit for service;
- o) Sunk costs (capital projects not carried out);

⁵ Act No 262/2006, the Labour Code, as amended

⁶ Act No 589/1992 on contributions to social security and the government's employment policy, as amended
Act No 592/1992 on premiums for general health insurance, as amended

⁷ Act No 586/1992 on Income Tax, as amended

- p) Deficits, and damage to property and costs of repairing such damage (with the exception of damage caused by natural disasters), including the reduction in the value of unusable inventories and physical disposal of inventories, and damages and indemnities related to the performance of the licensed activity;
- q) Write-off of time-barred and bad debts;
- r) Provisioning for accounts receivable;
- s) Establishment of reserves;
- t) Personal and corporate income tax;
- u) Other costs that are not incurred for the purpose of ensuring the reliable, safe and efficient performance of the licensed activity;
- v) Costs of legislative and regulatory activities and professional activities and membership dues to societies, associations, chambers, etc.;
- w) Costs incurred in the issuance of other than the entity's own regulations and regulations that have a fixed selling price.

Appendix 2
to
Price Decision No. 6/2016

List of the operators of distribution systems that are not directly connected to the transmission system, who have requested a different determination of allowed revenues and variable costs under Section 19a(7) of Act No 458/2000 on Conditions of Business and State Administration in Energy Industries and Amending Certain Laws (the Energy Act), as amended:

ČEZ Energetické služby, s.r.o., Company No. [IČ]: 27804721, having its registered office at Výtavní 1144/103, Ostrava-Vítkovice

ENERGIE CZ s.r.o., Company No. [IČ]: 27077187, having its registered office at Fortna 225, Nové Strašecí

ENERGY Ústí nad Labem, a.s., Company No. [IČ]: 25540971, having its registered office at Žukovova 100, Ústí nad Labem

MS UTILITIES & SERVICES a.s., Company No. [IČ]: 29400074, having its registered office at Bezručova 1200, Nový Bohumín

Petr Hurta, licence č. 220102855, Company No. [IČ]: 70318841, having its registered office at Hřbitovní 966/2, Nový Jičín

PQS energo, s.r.o., Company No. [IČ]: 27922006, having its registered office at Na Roudné 443/18, Plzeň

PSP Technické služby a.s., Company No. [IČ]: 47677937, having its registered office at Kojetínská 2937/53, Přerov

QUANTUM, a.s., Company No. [IČ]: 25307762, having its registered office at Brněnská 122/212, Vyškov

VLČEK Josef – elektro s.r.o., Company No. [IČ]: 26115565, having its registered office at Podnikatelská ulice, Praha 9 – Běchovice