

**Energy Regulatory Office Price Decision No. 3/2012**  
**of 26 November 2012,**  
**on prices of regulated services related to gas supply**

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 on Amendments to Certain Laws (hereinafter "the Energy Act"), as amended, and under public notice no. 140/2009 on methods of price regulation in the energy sector and procedures for price control, as amended by public notice no. 264/2010, the Energy Regulatory Office ['ERO'] hereby issues its Price Decision on gas prices.

Operators of distribution systems to which at least 90,000 supply points of customers are connected:

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

JMP Net, s.r.o., Company No. [IČ]: 27689841, having its registered office at Plynárenská 499/1, Brno (hereinafter "JMP Net")

Pražská plynárenská Distribuce, a.s., Company No. [IČ]: 27403505, having its registered office at U Plynárny 500, Praha 4, (hereinafter PPD).

SMP Net, s.r.o., Company No. [IČ]: 27768961, having its registered office at Hornopolní 3314/38, Ostrava (hereinafter "SMP Net")

VČP Net, s.r.o., Company No. [IČ]: 27495949, having its registered office at Pražská třída 485, Hradec Králové (hereinafter "VČP Net")

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

## I Charges for gas transmission and distribution and the market operator's services

### 1. Charges for gas transmission

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

1.1 The fixed charge for daily booked firm transmission capacity,  $C_r$  in CZK/MWh, and the fixed charge for transported gas,  $C_{rkom}$  in CZK/MWh, for

1.1.1 the entry points of the transmission system:

Entry point name	Fixed charge for daily booked firm transmission capacity $C_r$ in CZK/MWh	Fixed charge for transported gas $C_{rkom}$ in CZK/MWh
Lanžhot border point	727.12	0
Lanžhot – Mokřý Háj border point	727.12	0
Waidhaus border point	727.12	0
Hora Sváté Kateřiny – Olbernhau border point	727.12	0
Hora Sváté Kateřiny – Sayda border point	727.12	0
Hora Sváté Kateřiny – Brandov border point	727.12	0
Český Těšín border point	727.12	0
Point of the RWE Gas Storage virtual gas storage facility	727.12	0
Point of the MND Gas Storage virtual gas storage facility	727.12	0

1.1.2 the exit points of the transmission system:

Exit point name	Fixed charge for daily booked firm transmission capacity $C_r$ in CZK/MWh	Fixed charge for transported gas $C_{rkom}$ in CZK/MWh
Lanžhot border point	3,740.60	$00.0077 \times C_{NCG}$
Lanžhot – Mokřý Háj border point	3,740.60	$00.0077 \times C_{NCG}$
Waidhaus border point	4,675.31	$0.0077 \times C_{NCG}$
Hora Sváté Kateřiny – Olbernhau border point	4,701.49	$0.0077 \times C_{NCG}$
Hora Sváté Kateřiny – Sayda border point	4,704.21	$0.0077 \times C_{NCG}$
Hora Sváté Kateřiny – Brandov border point	4,701.49	$0.0077 \times C_{NCG}$
Český Těšín border point	4,675.31	$0.0077 \times C_{NCG}$
Point of the RWE Gas Storage virtual gas storage facility	94.16	0.39
Point of the MND Gas Storage virtual gas storage facility	94.16	0.39

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 10 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 at

<http://www.eex.com/en/Market%20Data/Trading%20Data/Natural%20Gas/Natural%20Gas%20%7C%20Spot/spot-gas-table/>. 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.

- 1.2 The fixed charge for daily booked standard firm transmission capacity,  $C_s$  in CZK/MWh, is calculated as

$$C_s = C_r \times F_c,$$

where

$F_c$  is the factor of the number of the calendar months of booked standard firm transmission capacity, calculated using the following formula for booking periods of 11 and fewer months:

$$F_c = 0.157 \times M_s^{0.81},$$

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

$$F_c = \frac{M_s}{12},$$

where

$M_s$  is the number of months for which standard firm transmission capacity has been booked.

- 1.3 The fixed charge for daily booked daily firm transmission capacity,  $C_d$  in CZK/MWh, is calculated as

$$C_d = C_r \times F_d,$$

where

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

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

where

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

- 1.4 The fixed charge for firm transmission capacity in the day-ahead mode,  $C_{nd}$  in CZK/MWh, is calculated as

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

- 1.4a The fixed charge for booking firm transmission capacity in the day-ahead mode during the gas day,  $C_{ndi}$  in CZK/MWh, for which the firm transmission capacity in the day-ahead mode has been booked, is calculated as

$$C_{ndi} = C_r \times 0.01 \times \frac{24}{T},$$

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 firm transmission capacity in the day-ahead mode, for which the transmission capacity in the day-ahead mode has been booked.

- 1.5 The fixed charge for daily booked standard interruptible transmission capacity,  $C_{sp}$  in CZK/MWh, is calculated as follows:

$$C_{sp} = C_r \times F_{cp},$$

where

- F<sub>cp</sub>** is the factor of the number of calendar days for which the standard interruptible transmission capacity has been booked, which is calculated using the following equation for a booking period of 11 or fewer months:

$$F_{cp} = 0.157 \times M_{sp}^{0.81},$$

while for a booking period of 12 and more months, factor **F<sub>cp</sub>** is calculated as

$$F_{cp} = \frac{M_{sp}}{12},$$

where

- M<sub>sp</sub>** is the number of months for which standard interruptible transmission capacity has been booked.

- 1.6 The fixed charge for daily booked daily interruptible transmission capacity,  $C_{dp}$  in CZK/MWh, is calculated as

$$C_{dp} = C_r \times F_{dp},$$

where

- F<sub>dp</sub>** is the factor of the number of the gas days for which daily interruptible transmission capacity has been booked, which is calculated as

$$F_{dp} = 0.01 \times d_p^{0.85},$$

where

- d<sub>p</sub>** is the number of days for which daily interruptible transmission capacity has been booked.

- 1.7 The fixed charge for daily booked interruptible transmission capacity in the day-ahead mode,  $C_{ndp}$  in CZK/MWh, is calculated as

$$C_{ndp} = 0.01 \times C_r.$$

1.7a The fixed charge for booking interruptible transmission capacity in the day-ahead mode during the gas day,  $C_{ndip}$  in CZK/MWh, for which transmission capacity in the day-ahead mode has been booked, is calculated as

$$C_{ndip} = C_r \times 0.01 \times \frac{24}{T}.$$

1.8 The compensation for a reduction in transmission nomination,  $C_{sl}$  in CZK/MWh, if the transmission system operator has reduced transmission nomination on gas day  $\mathbf{D}$ , is 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 re-nomination that the transmission system operator has reduced, in thousandths of MWh,

$N_p$  is the value of the gas market participant's last received and registered transmission nomination or re-nomination adjusted by the transmission system operator, in thousandths MWh,

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

a. for daily booked standard interruptible transmission capacity:

$$C_{pp} = \frac{C_{sp}}{d},$$

b. for daily booked daily interruptible transmission capacity:

$$C_{pp} = \frac{C_{dp}}{d},$$

c. for daily booked interruptible transmission capacity in the day-ahead mode:

$$C_{pp} = C_{ndp},$$

d. for daily booked interruptible transmission capacity in the day-ahead mode during the gas day for which the transmission capacity in the day-ahead mode has been booked:

$$C_{pp} = C_{ndip},$$

where

$\mathbf{d}$  is the number of days for which the interruptible transmission capacity has been booked.

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

If the transmission system operator has reduced nominations on gas day **D-1** but allowed the gas market participant to re-nominate on day **D-1** in the full amount of the booked interruptible transmission capacity, 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 to the gas market participant that has booked interruptible transmission capacity.

- 1.9 The fixed charge for gas transmission 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	2,637,916	1.96
JMP Net	16,398,936	1.96
PPD	9,312,835	1.96
RWE GasNet	20,692,424	1.96
SMP Net	11,785,777	1.96
VČP Net	6,997,112	1.96

- 1.10 For a point of exit from the transmission system which is the supply point of a customer directly connected to the transmission system, the following fixed charges for gas transmission shall apply:

- 1.10.1 The fixed price for gas taken is

**CZK 1.96/MWh.**

- 1.10.2 The fixed charge for daily booked firm transmission capacity,  $C_{ppz}$  in CZK/1,000m<sup>3</sup>, for customers whose daily booked firm transmission capacity is higher than 150,000 m<sup>3</sup>/day, is

**CZK 16,765.57/1,000m<sup>3</sup>.**

- 1.10.3 The fixed charge for daily booked firm transmission capacity,  $C_{ppz}$  in CZK/1,000m<sup>3</sup>, for customers whose daily booked firm transmission capacity is higher than 543 m<sup>3</sup>/day and at the same time lower than or equal to 150,000 m<sup>3</sup>/day, is calculated as

$$C_{ppz} = (194.2173 - 14.8889 \times \ln(RK)) \times 1,000$$

where

**RK** is the daily booked firm transmission capacity for the customer's supply point, in m<sup>3</sup>.

- 1.10.4 The fixed charge for daily booked firm transmission capacity,  $C_{ppz}$  in CZK/1,000m<sup>3</sup>, for customers whose daily booked firm transmission capacity is lower than or equal to 543 m<sup>3</sup>/day, is

**CZK 100,460.27/1,000m<sup>3</sup>.**

- 1.10.5 The fixed charge for daily booked firm monthly and sliding transmission capacity, in CZK/1,000m<sup>3</sup>, is calculated in accordance with points 13.2 and 13.4, provided that **CK** is replaced with **C<sub>ppz</sub>**.
- 1.10.6 The fixed charge for daily booked interruptible transmission capacity, in CZK/1,000m<sup>3</sup>, is calculated in accordance with point 13.3, provided that **CK** is replaced with **C<sub>ppz</sub>**.
- 1.10.7 The fixed charge for daily firm transmission capacity for an unspecified period of time, amounting to the historically achieved daily maximum, **C<sub>HMppz</sub>** in CZK/1,000m<sup>3</sup>, for customers whose daily booked firm transmission capacity is higher than 150,000 m<sup>3</sup>/day, is

$$\mathbf{CZK\ 26,476.44/1,000m^3.}$$

- 1.10.8 The fixed charge for daily firm transmission capacity for an unspecified period of time, amounting to the historically achieved daily maximum, **C<sub>HMppz</sub>** in CZK/1,000m<sup>3</sup>, for customers whose daily booked firm transmission capacity is higher than 543m<sup>3</sup>/day and at the same time lower than or equal to 150,000 m<sup>3</sup>/day, is calculated as

$$C_{ppz} = (203.9282 - 14.889 \times \ln(RK)) \times 1,000 ,$$

- 1.10.9 The fixed charge for daily firm transmission capacity for an unspecified period of time, amounting to the historically achieved daily maximum, **C<sub>HMppz</sub>** in CZK/1,000m<sup>3</sup>, for customers whose daily booked firm transmission capacity is lower than or equal to 543m<sup>3</sup>/day, is

$$\mathbf{CZK\ 110,171.13/1,000m^3.}$$

- 1.10.10 For booking firm transmission capacity for an unspecified period of time in the amount of the historically achieved daily maximum the conditions set out in point 13.7 shall apply *mutatis mutandis*, provided that **CK** is replaced with **C<sub>HMppz</sub>**.

- 1.10.11 If at a customer's supply point daily booked firm transmission capacity is exceeded by more than 3.8% the transmission system operator shall bill a charge, **P<sub>pp</sub>** in CZK/month, for the overstepping of the daily booked firm transmission capacity, calculated as

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

where

**F<sub>op</sub>** is the factor of the calendar month, as per the following table, in which the overstepping took place:

Calendar month	January, February, December	March, November	April, May, June, July, August, September, October
F <sub>op</sub>	1.9	0.95	0.3

**D<sub>p</sub>** is calculated as

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

where

**K<sub>rp</sub>** is the daily capacity actually achieved at the supply point, in 1,000m<sup>3</sup>,

$K_{sp}$  is the sum of all the daily booked firm transmission capacities at the supply point, in 1,000m<sup>3</sup>.

At the same time it applies that if the daily booked firm transmission capacity is exceeded at a supply point repeatedly within a gas month the charge for the overstepping of the daily booked firm 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.

1.10.12 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:

$$T_p = [K_{1p} \times K_{Sm} \times S_{pt} + K_{2p} \times (K_{Sm} \times S_{pt} - N_m)] / 1,000$$

where

$K_{1p}$  is the coefficient of the equation for calculating tolerances, set out under point 10.2 as  $K_{1m}$ ,

$K_{Sm}$  is 1/24 of the daily booked firm transmission capacity at the customer's supply point for a gas day, in m<sup>3</sup>,

$S_{pt}$  is the average value of GCV in the transmission system for a gas day,

$K_{2p}$  is the coefficient of the equation for calculating tolerances, set out under point 10.2 as  $K_{2m}$ ,

$N_m$  is the gas actually taken in the respective hour of the gas day, in kWh.

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

1.10.13 The fixed charge for exceeding the allowed hourly difference in transmission is

**CZK 10/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 re-nomination 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 5/MWh.**

1.11 The minimum charge for transmission capacity for the purpose of transmission capacity booking in daily auctions is

**CZK 1/MWh.**

1.12 Compensation,  $KO_{sz}$  in CZK, for a curtailment of a cleared entity's re-nomination on a gas day on which re-nominations were curtailed at a border point of the transmission system is **CZK 0** for every border point at which re-nomination was curtailed if the cleared entity nominated 90% or more of daily booked firm transmission capacity. If the cleared entity nominated less than 90% of daily booked firm transmission capacity the compensation is calculated as

$$KO_{sz} = VA \times 0.5 \times \frac{(0.9 \times RKSZ - NPSZ)}{(RK - NP)}$$

where

- VA** is revenues from transmission capacity booking in a daily auction at a border point, in CZK,  
**RKSZ** is the cleared entity's daily booked firm transmission capacity at the border point, in m<sup>3</sup>,  
**RK** is daily booked firm transmission capacity at the border point of all cleared entities for which re-nomination was curtailed, in m<sup>3</sup>,  
**NPSZ** is the cleared entity's nomination of firm transmission at the border point, in m<sup>3</sup>,  
**NP** is nomination of firm transmission at the border point of all cleared entities for which re-nomination was curtailed, in m<sup>3</sup>.

1.13 Fixed charge for daily booked long-term firm transmission capacity and for transported gas using the daily booked long-term firm transmission capacity

1.13.1 The fixed charge for daily booked long-term firm transmission capacity,  $C_{LTi}$  in CZK/MWh, for calendar year  $i$  is calculated as

$$C_{LTi} = C_{LT0} \times \prod_{i=2013}^i \frac{I_{i-1}}{100},$$

where

$C_{LT0}$  is the fixed charge for daily booked long-term firm transmission capacity applicable at the time of contract execution, in CZK/MWh, determined using the following table:

Name of the transmission system point	Fixed charge for daily booked long-term firm transmission capacity $C_{LT0}$ in CZK/MWh	
	Entry point	Exit point
Lanžhot border point	727.12	4,675.76
Lanžhot – Mokrý Háj border point	727.12	4,675.76
Waidhaus border point	727.12	4,675.31
Hora Sváté Kateřiny – Olbernhau border point	727.12	4,701.49
Hora Sváté Kateřiny – Sayda border point	727.12	4,704.21
Hora Sváté Kateřiny – Brandov border point	727,12	4,701.49
Český Těšín border point	727,12	4,675.31

$i$  is the calendar year for which the fixed charge for daily booked long-term firm transmission capacity is being determined,

$I_{i-1}$  is the value of the escalation factor for prices of year  $i-1$  in %, calculated as

$$I_{i-1} = 0.70 \times IPS_{i-1} + 0.30 \times (CPI_{i-1} + 1),$$

where

$IPS_{i-1}$  is the index of business service prices in %, calculated as a weighted average of the following price indexes: 62 – Computer programming, consultancy, 63 – Information services, 68 – Real estate services, 69 – Legal and accounting services, 71 – Architectural and engineering services, 73 – Advertising and market research

services, 74 – Other professional, scientific and technical activities, 77 – Rental and leasing services, 78 – Employment services, 80 – Security and investigation services, 81 – Services to buildings and landscape, 82 – Office administration and other support services, as reported by the Czech Statistical Office in the table “Price indices of market services in the business sphere” (code 7008) for April of year  $i$  on the basis of the ratio of rolling basic index averages, where the weights are annual sales for services provided in 2005,

$COP_{i-1}$  is the consumer price index in % calculated on the basis of the ratio of rolling averages of basic indexes of consumer prices over the last 12 months and the over the preceding 12 months reported by the Czech Statistical Office in the table “Consumer price indices” (code 7101) for April of year  $i$ .

For calendar year  $i = 2013$ ,  $I_{i-1} = 100$ .

If  $I_{i-1}$  is lower than 100, the value 100 shall be used for the purpose of calculation.

- 1.13.2 For the fixed charge  $C_{LTkom}$  in CZK/MWh for transported gas using long-term booked firm transmission capacity, the charge for transported gas  $C_{rkom}$  under the effective Price Decision shall be used.

## **2. Charges for the market operator’s services**

- 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 2.16/MWh.**

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

The charge for clearing includes a special charge of CZK 1/MWh under Section 17d of Act No. 458/2000 as amended by Act No. 211/2011.

- 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.**

3. **The maximum fixed charge for missing balancing gas in the prevention of emergencies due to lack of gas in the gas system is**

**EUR 150/MWh.**

4. **The minimum fixed charge for excess balancing gas in the prevention of emergencies due to surplus of gas in the gas system is**

**EUR 1/MWh.**

5. **The fixed charge for a cleared entity's imbalance in excess of the allowed tolerances in the prevention of emergencies due to a lack or surplus of gas in the gas system is set out in point 8 below.**

6. **The fixed charge for an imbalance in emergency due to a lack of gas in the gas system is calculated as the fixed charge for missing balancing gas determined under point 11 below, however, no more than EUR 150/MWh converted to CZK at the Czech National Bank's daily EUR/CZK rate for the respective day.**

7. **The fixed charge for an imbalance in emergency due to a surplus of gas in the gas system is calculated as the fixed charge for surplus balancing gas determined under point 11 below, however, at least EUR 1/MWh converted to CZK at the Czech National Bank's daily EUR/CZK rate for the respective day.**

8. **The fixed charge for a cleared entity's imbalance in excess of the allowed tolerances,  $C_o$  in CZK/MWh, for a gas day, if the absolute value of the system imbalance on the gas day is**

- 8.1 lower than or equal to 42,970 MWh, is calculated as

$$C_o = 0.0032 \times SO + 80,$$

where

**SO** is the absolute value of the system imbalance on the respective gas day, in MWh,

- 8.2 greater than 42,970 MWh and lower than or equal to 74,470 MWh, it is calculated as

$$C_o = 0.1 \times SO - 4,069,$$

- 8.3 greater than 74,470 MWh, it is

**CZK 3,380/MWh.**

9. **The charge for a cleared entity's imbalance in excess of the allowed tolerances,  $P_b$  in CZK, is calculated as**

$$P_b = C_o \times \left( O_c - T_{nt} + T_{pt} \mid - T_{mc} \right),$$

where

**$O_c$**  is the cleared entity's overall imbalance on the respective gas day, in MWh,

**$T_{nt}$**  is the unused tolerance bought by the cleared entity on the unused tolerance market on the gas day, in MWh,

**$T_{pt}$**  is the unused tolerance sold by the cleared entity on the unused tolerance market on the gas day, in MWh,

$T_{mc}$  is the cleared entity's overall tolerance on the gas day, in MWh.

The charge for an imbalance in excess of the allowed tolerances shall be billed if the cleared entity's overall imbalance is in the same direction as the system imbalance.

**10. The coefficients in the equation for calculating the tolerances** granted to cleared entities at the entry and exit points of the gas system are as follows:

10.1 For entry points of the gas system, **m**:

Entry point identification	$K_{1m}$	$K_{2m}$
Border point	0.017	0.023
Virtual gas storage facility point	0.017	0.023
Cross-border gas pipeline point	0	0
Gas production plant point	0	0

10.2 For exit points of the gas system, **m**:

Exit point identification	$K_{1m}$	$K_{2m}$
Border point	0.017	0.023
Virtual gas storage facility point	0.017	0.023
Customers' other supply points	0.034	0.023
Cross-border gas pipeline point	0.034	0.023

**11. The fixed daily charge for missing balancing gas** has been set as the daily fixed price of balancing gas,  $C_{pv}$  in EUR/MWh, increased by **EUR 4/MWh**. **The fixed daily charge for excess balancing gas** has been set as the daily fixed price of balancing gas,  $C_{pv}$  in EUR/MWh, decreased by **EUR 4/MWh**, provided that the minimum charge is **EUR 0.1/MWh**.

The charge for missing balancing gas shall be paid by cleared entities to the market operator, and the charge for excess balancing gas shall be paid by the market operator to cleared entities.

The fixed daily charge for balancing gas,  $C_{pv}$  in EUR/MWh, is determined as the value of the resulting settlement price (*Settl. Price*) of the Day 10 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 at (<http://www.eex.com/en/Market%20Data/Trading%20Data/Natural%20Gas/Natural%20Gas%20%7C%20Spot/spot-gas-table/>).

If the settlement prices are not available, the reconciled gas price from the day-ahead market on the organised spot gas market organised by the market operator for day **D+1** shall be used. If even this price is not available, the last known fixed daily price of balancing gas shall be used.

**12. The fixed daily clearing price of gas** shall be set as  $C_{pv}$  under point 11, and converted to CZK at the Czech National Bank's daily EUR/CZK rate for the respective day.

### 13. Gas distribution prices

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

#### 13.1 Charges for daily booked firm distribution capacity for an unspecified period of time

13.1.1 The following fixed charges shall apply to gas distribution to customers' supply points:

<b>E.OND</b>	Double-component price		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , in CZK/1,000m <sup>3</sup>	Standing monthly charge for available capacity, in CZK
over 63	185.79	115,199.42	x
55 to 63	206.85	x	337.68
50 to 55	210.86	x	303.84
45 to 50	214.59	x	279.41
40 to 45	219.35	x	248.76
35 to 40	222.56	x	224.99
30 to 35	223.28	x	208.27
25 to 30	226.74	x	181.96
20 to 25	234.59	x	155.54
15 to 20	244.04	x	132.05
7.56 to 15	265.68	x	107.63
1.89 to 7.56	319.22	x	82.94
0 to 1.89	570.83	x	58.34

<b>JMP Net</b>	Double-component price		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , in CZK/1,000m <sup>3</sup>	Standing monthly charge for available capacity, in CZK
over 63	122.35	89,865.58	x
55 to 63	134.31	x	268.78
50 to 55	135.58	x	246.25
45 to 50	137.72	x	224.64
40 to 45	138.88	x	205.66
35 to 40	139.68	x	188.51
30 to 35	141.23	x	168.64
25 to 30	142.91	x	149.71
20 to 25	147.71	x	126.87
15 to 20	150.00	x	114.10
7.56 to 15	155.84	x	95.89
1.89 to 7.56	179.77	x	81.11
0 to 1.89	374.20	x	56.35

<b>PPD</b>	<b>Double-component price</b>		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity C <sub>rd</sub> , in CZK/1,000m <sup>3</sup>	Standing monthly charge for available capacity, in CZK
over 63	120.06	90,597.65	x
55 to 63	132.85	x	272.77
50 to 55	137.34	x	237.91
45 to 50	138.82	x	220.29
40 to 45	141.11	x	198.91
35 to 40	142.10	x	180.29
30 to 35	144.67	x	161.62
25 to 30	148.26	x	144.16
20 to 25	153.01	x	120.27
15 to 20	155.81	x	101.69
7.56 to 15	160.47	x	85.53
1.89 to 7.56	177.10	x	76.51
0 to 1.89	352.59	x	51.47

<b>RWE GasNet</b>	<b>Double-component price</b>		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity C <sub>rd</sub> , in CZK/1,000m <sup>3</sup>	Standing monthly charge for available capacity, in CZK
over 63	143.39	91,686.34	x
55 to 63	159.04	x	260.79
50 to 55	160.74	x	243.95
45 to 50	161.56	x	229.11
40 to 45	163.70	x	216.55
35 to 40	167.18	x	193.31
30 to 35	169.50	x	173.59
25 to 30	169.74	x	166.46
20 to 25	174.66	x	142.73
15 to 20	179.90	x	122.29
7.56 to 15	187.40	x	108.69
1.89 to 7.56	225.50	x	106.75
0 to 1.89	429.07	x	59.34

<b>SMP Net</b>	<b>Double-component price</b>		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , in CZK/1,000m3	Standing monthly charge for available capacity, in CZK
over 63	150.25	102,512.41	x
55 to 63	163.00	x	312.13
50 to 55	165.76	x	286.21
45 to 50	167.28	x	265.61
40 to 45	168.62	x	243.17
35 to 40	170.56	x	219.57
30 to 35	171.58	x	198.01
25 to 30	172.12	x	173.67
20 to 25	177.22	x	146.17
15 to 20	182.86	x	120.54
7.56 to 15	194.75	x	97.24
1.89 to 7.56	229.19	x	77.29
0 to 1.89	429.00	x	54.25

<b>ENERGIE CZ s.r.o.</b>	<b>Double-component price</b>		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , in CZK/1,000m3	Standing monthly charge for available capacity, in CZK
over 63	390.47	232,911.76	x
45 to 63	408.63	x	685.46
35 to 45	414.25	x	548.25
25 to 35	416.82	x	419.99
15 to 25	426.97	x	274.41
0 to 15	434.47	x	189.82

<b>ENERGY Ústí nad Labem, a.s.</b>	<b>Double-component price</b>		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , CZK/1,000m3	Standing monthly charge for available capacity, in CZK
over 63	190.59	118,663.50	x
55 to 63	159.04	x	260.79
50 to 55	160.74	x	243.95
45 to 50	161.56	x	229.11
40 to 45	163.70	x	216.55
35 to 40	167.18	x	193.31
30 to 35	169.50	x	173.59
25 to 30	169.74	x	166.46
20 to 25	174.66	x	142.73
15 to 20	179.90	x	122.29
7.56 to 15	187.40	x	108.69
1.89 to 7.56	225.50	x	106.75
0 to 1.89	429.07	x	59.34

<b>Petr Hurta licence no. 220102855</b>	Double-component price		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , in CZK/1,000m <sup>3</sup>	Standing monthly charge for available capacity, in CZK
over 63	423.11	258,473.98	x
15 to 63	455.71	x	288.53
0 to 15	467.61	x	209.24

<b>QUANTUM, a.s.</b>	Double-component price		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , in CZK/1,000m <sup>3</sup>	Standing monthly charge for available capacity, in CZK
over 63	171.49	117,952.78	x
55 to 63	183.45	x	389.80
50 to 55	184.72	x	356.27
45 to 50	186.86	x	317.08
40 to 45	188.02	x	293.43
35 to 40	188.82	x	268.75
30 to 35	190.37	x	236.43
25 to 30	192.05	x	208.39
20 to 25	196.85	x	173.93
15 to 20	199.14	x	151.37
7.56 to 15	204.98	x	121.18
1.89 to 7.56	228.91	x	91.93
0 to 1.89	423.34	x	57.74

<b>STAVEBNÍK – stavební bytové družstvo</b>	Double-component price		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , in CZK/1,000m <sup>3</sup>	Standing monthly charge for available capacity, in CZK
over 63	143.39	91,686.34	x
55 - 63	331.08	x	825.71
50 – 55	332.78	x	738.26
40 – 50	335.74	x	513.14
35 – 40	339.22	x	447.53
30 – 35	341.54	x	399.55
25 - 30	341.79	x	352.41
20 – 25	346.71	x	298.08
15 – 20	351.94	x	235.27
0 – 15	359.44	x	207.55

VLČEK Josef – elektro s.r.o.	Double-component price		
Adjusted annual take at the supply point in the band over – to, inclusive, in MWh/year	Fixed price for gas taken, in CZK/MWh	Fixed annual price for daily booked firm distribution capacity $C_{rd}$ , in CZK/1,000m <sup>3</sup>	Standing monthly charge for available capacity, in CZK
over 63	129.75	96,137.69	x
55 – 63	142.55	x	293.06
45 – 55	148.51	x	238.19
40 – 45	150.80	x	215.82
35 – 40	151.80	x	194.41
20 – 35	162.70	x	129.82
1.89 – 20	186.79	x	79.70
0 – 1.89	362.29	x	51.67

13.1.2 Fixed charges shall apply to gas distribution to customers' supply points:

13.1.2.1 The fixed annual charge for daily booked firm distribution capacity, **CK** in CZK/1,000m<sup>3</sup>, is calculated as

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

where

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

Distribution system operator	Price formula coefficients			
	Long-distance pipeline		Local network	
	<b>a</b>	<b>b</b>	<b>a</b>	<b>b</b>
E.OND	269.7254	-6.5753	310.2925	-6.5753
JMP Net	233.3366	-13.0012	265.6047	-13.0012
PPD	173.6219	-6.2980	311.2588	-16.9996
RWE GasNet	309.8972	-17.5989	334.7791	-18.0538
SMP Net	343.7803	-21.8294	412.2315	-28.4196
VČP Net	295.5860	-15.7169	357.5669	-16.9898
Energy Ústí nad Labem, a.s.	x	x	366.7681	-18.0538
Petr Hurta licence no 220102855	x	x	629.1271	-28.4196
QUANTUM, a.s.	x	x	306.8951	-13.0012
VLČEK Josef – elektro s.r.o.	x	x	319.3503	-16.9996

**k** is the sum of the daily booked firm and interruptible distribution capacity for an unspecified period of time for the supply point, if the customer books daily interruptible distribution capacity for an unspecified period of time, in m<sup>3</sup>.

13.1.2.2 Fixed annual price for gas taken,  $C_{kom}$  in CZK/MWh:

Distribution system operator	Fixed price for gas taken, $C_{kom}$	
	Long-distance pipeline	Local network
	CZK/MWh	CZK/MWh
E.OND	21.50	75.19
JMP Net	12.61	35.93
PPD	16.35	36.08
RWE GasNet	15.66	40.71
SMP Net	16.18	46.04
VČP Net	15.24	39.14
Energy Ústí nad Labem, a.s.	x	95.03
Petr Hurta licence no. 220102855	x	290.66
QUANTUM, a.s.	x	75.39
VLČEK Josef – elektro s.r.o.	x	43.95

13.1.3 For customers' supply points connected to the distribution system of ENERGIE CZ s.r.o. or STAVEBNÍK – stavební bytové družstvo, with an adjusted annual consumption of more than 630 MWh, fixed charges for gas distribution for customers' supply points with an adjusted annual consumption of more than 63 MWh under point 13.1.1 shall be applicable.

13.1.4 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.

13.1.5 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.

13.1.6 For 2013, the gas distribution charge under point 13.1.1 shall be used for customers' supply points at which annual readings were taken in 2012.

13.1.7 For 2013, the gas distribution charge under 13.1.2 shall be used for customers' supply points at which proper monthly readings were taken in 2012. Customers' supply points, with the exception of the household category, at which annual readings were taken in 2012 and at which annual offtake or adjusted annual gas consumption exceeded 630 MWh, can request the determination of the gas distribution charge under point **Chyba! Nenalezen zdroj odkazů.** If a customer requests the determination of the gas distribution charge under point **Chyba! Nenalezen zdroj odkazů.** the distribution system operator shall bill this charge from the first day of the month following the request. Consumption at customers' supply points for which a price under point 13.1.2 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 13.1.1, a price under 13.1.2 has been determined for 2013. 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.

- 13.1.8 For customers' supply points at which proper monthly readings were taken in 2012 and whose annual offtake was lower than or equal to 630 MWh in 2012, the customer can request the determination of the gas distribution charge under point 13.1.1 with annual billing. If a customer requests the determination of the gas distribution charge under point 13.1.1 the distribution system operator shall bill this charge from the first day of the month following 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 13.1.2, a price under 13.1.1 has been determined for 2013. 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.

- 13.1.9 Customers with type A or B metering, for whose supply points a price under 13.1.2 has been determined, can request a gas distribution charge,  $C_{jedn}$  in CZK/MWh, which is calculated as

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

where

$s$  is a quantity equalling 10.55 kWh/m<sup>3</sup>.

If the customer requests the gas distribution charge 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 take at the customer's supply point achieved in the preceding two-year sliding 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 take at the customer's supply point achieved for that period. If the customer's gas takes for the preceding two-year period are not known, the value of booked firm distribution capacity agreed under this point shall be used for the purpose of determining the gas distribution charge.

The provisions of this point shall be used *mutatis mutandis* for calculating the gas distribution charge 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 take at the customer's supply point achieved in the preceding two-year period.

If for the customer for whose supply point the charge has been set under this point firm distribution capacity of more than 120% of the maximum daily gas take at the customer's supply point achieved in the preceding two-year period has been booked and the customer fails to prove 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 take at the customer's supply point achieved for that period.

Daily booked firm distribution capacity for an unspecified period cannot be used together with capacity booking under points 13.2 to 13.4 throughout the period of applicability of the gas distribution charge under this point.

13.1.10 The gas distribution charge may not be changed to follow the conditions of points 13.1.7, 13.1.8 or 13.1.9 more than once in 12 months.

13.1.11 If the customer's supply point at which the gas distribution charge under point 13.1.1 is billed on a regular basis for reading periods shorter than 12 months, for 2013 the gas distribution charge determined for the offtake band according to the actual annual gas offtake for the whole 2012 or according to the last known adjusted annual gas consumption shall apply.

13.1.12 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 or offtake band, or on the gas distribution charge set for the customer's supply point.

13.1.13 For supply points

13.1.13.1 with type A or B metering, for which the gas distribution charge is determined under point 13.1.2, the monthly charge for daily booked firm distribution capacity,  $MP_{AB}$  in CZK/month, is calculated as

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

13.1.13.2 and with type C metering, for which the gas distribution charge is determined under point 13.1.2, 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 2013 to December 2013, 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 2012 to January 2013 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 offtake in the  $i^{\text{th}}$  month, in thousands of  $m^3$ ,

$PD_i$  is the number of calendar days in the  $i^{\text{th}}$  month;

ii) For supply points for which it is not feasible to find the actually achieved offtake under i) above for February 2012 to January 2013 (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 gas distribution agreement;

13.1.13.3 [For supply points] for which the gas distribution charge is determined under point 13.1.1, daily allocated firm distribution capacity at the supply point,  $RK_C$  in thousands of cubic metres, is calculated as

$$RK_C = RS / 110 ,$$

where

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

### 13.2 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 13.1.3.

The following fixed prices and conditions shall apply to gas distribution to supply points:

The double-component price for gas distribution is composed of a fixed price for the gas taken and the fixed monthly charge for daily booked firm monthly distribution capacity. The fixed price for the gas taken, in CZK/MWh, is the same as the price for 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/1,000m<sup>3</sup>, for the month in which the booking of firm monthly distribution capacity 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	January, February, December	March, November	April, May, June, July, August, September, October
F	0.4	0.2	0.083

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

### 13.3 Charges for daily booked interruptible distribution capacity for customers' supply points

13.3.1 For gas distribution to supply points of customers with type A or B metering, for which the gas distribution charge is determined under point 13.1.2, the double-component price for gas distribution is composed of a fixed price for the gas taken and a fixed annual charge for daily booked interruptible distribution capacity. The fixed price for the gas taken, in CZK/MWh, is the same as the fixed price for gas applicable to daily firm distribution capacity in the table in point **Chyba! Nenalezen zdroj odkazů..**

- 13.3.1.1 The fixed charge for daily booked interruptible distribution capacity for an unspecified period of time, in CZK/1,000m<sup>3</sup>, 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 unspecified period of time.
- 13.3.1.2 The fixed charge for daily booked interruptible monthly distribution capacity, in CZK/1,000m<sup>3</sup>, is the same as the fixed charge for daily booked firm monthly distribution capacity, **C<sub>kd</sub>** under point 13.2. For calculating **CK**, **k** is the sum of all daily booked firm and interruptible distribution capacities for an unspecified period of time and all daily booked firm and interruptible monthly distribution capacities.
- 13.3.2 The fixed price for a curtailment or interruption of interruptible distribution capacity, **CK<sub>p</sub>** in CZK/1,000m<sup>3</sup>, is calculated as

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

where

**kp<sub>drp</sub>** is the factor of interruptible distribution capacity curtailment or interruption calculated as

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

where

**S<sub>RD</sub>** is the number of gas days on which interruptible distribution capacity was curtailed or interrupted.

**CK<sub>p</sub>** is lower than or equal to **CK**.

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

#### 13.4 Charges for daily booked firm sliding distribution capacity

- 13.4.1 The following fixed prices and conditions shall apply to daily booked firm sliding distribution capacity for supply points of customers with A or B metering, for which the price is determined under point 13.1.2:

The double-component price for gas distribution is composed of a fixed price for the gas taken and the fixed charge for daily booked firm sliding distribution capacity. The fixed price for the gas taken, in CZK/MWh, is the same as the price for gas under point **Chyba! Nenalezen zdroj odkazů.** The fixed charge for 2013 for daily firm sliding distribution capacity in the calendar month in which the booking of the firm sliding distribution capacity is effective, **CK<sub>K</sub>** in CZK/1,000m<sup>3</sup>, is calculated as

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

where

- F<sub>a</sub>** is the ratio of the number of days, on which the booking of firm sliding distribution capacity in the calendar month is effective, to the number of days of the calendar month,
- F<sub>s</sub>** is the factor of firm sliding distribution capacity in the calendar month in which the booking of the firm sliding distribution capacity is effective.

Calendar month	January, February, December	March, November	April, May, June, July, August, September, October
F <sub>s</sub>	0.72	0.28	0.0996

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

### 13.5 Charges for gas distribution in trial operation

The charge for gas distribution in trial operation is a double-component price. The fixed price for gas taken, in CZK/MWh, is the same as the price for 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, the charge for daily booked distribution capacity in trial operation shall be used for calculating the monthly charge for daily booked distribution capacity in trial operation, and for determining **CK**, **k** is understood to be the actually achieved daily capacity at the supply point in the respective month.

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 13.1.13.2.

- 13.6 Charge **P<sub>pd</sub>** for the overstepping of the 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 gas distribution charge is calculated under point 13.1.2 or 13.1.9, if the daily booked firm and interruptible distribution capacity (if the customer books interruptible distribution capacity) is overstepped by more than 3.8%. Charge **P<sub>pd</sub>** is calculated as

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

where

- F<sub>od</sub>** is the factor of the calendar month in which the overstepping took place, in the following table:

Calendar month	January, February, December	March, November	April, May, June, July, August, September, October
F <sub>od</sub>	1.9	0.95	0.3

- D<sub>d</sub>** is calculated as

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

where

**K<sub>rd</sub>** is the actually achieved daily capacity at the customer's supply point, in thousands of cubic metres,

**K<sub>sd</sub>** 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 and 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<sub>d</sub>** at the supply point in the gas month.

13.7 Booking of daily firm distribution capacity for an unspecified period of time in the amount of the historically achieved daily maximum

13.7.1 For gas distribution to the supply points of customers with type A or B metering, for which the price is determined under point 13.1.2, the customers can book daily firm distribution capacity for an unspecified period of time in the amount of the historically achieved daily maximum.

13.7.2 The daily firm distribution capacity for an unspecified period of time in the amount of the historically achieved daily maximum is the maximum value of all daily gas takes in the relevant period from 1 October 2009 to 30 September 2012. If the customer took gas for only a part of the relevant period the known maximum value of all daily takes in the period commencing no later than on 1 October 2011 shall be used.

13.7.3 Customers for whose supply points the data for the relevant period under point 13.7.2 is not known can book capacity under point 13.7.1 no earlier than after 12 calendar months from the end of gas distribution in trial operation or, if not using gas distribution in trial operation, after 12 calendar months from the beginning of gas offtake with type A or B metering. In such a case, the relevant period shall be 12 calendar months prior to capacity booking under point 13.7.1.

13.7.4 After 12 calendar months from capacity booking under point 13.7.1 the distribution system operator shall change the amount of booked capacity under point 13.7.1 depending on the change of the relevant period.

13.7.5 For gas distribution to supply points of customers with booked capacity under point 13.7.1, fixed charges **C<sub>k<sub>om</sub></sub>** in CZK/MWh under point 13.1.2 and fixed charges **CK** in CZK/1,000m<sup>3</sup> under point 13.1.2, where the coefficient **a** is increased by 5%, shall apply.

13.7.6 In the case of exceeding booked capacity under point 13.7.1, the charge for such overstepping under point 13.6 shall not be billed to the customer.

13.8 The minimum charge for daily booked firm and interruptible distribution capacity, if the customer books interruptible distribution capacity, is

**CZK 40,000/1,000m<sup>3</sup>.**

13.9 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 543 m<sup>3</sup>/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 543 m<sup>3</sup>/day.

13.10 For delivery points between distribution systems, the fixed charges under points 13.1 to 13.99 shall apply, with the exception of points 13.1.9 and 13.7, 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 13.6 if the daily booked firm distribution capacity at a delivery point between distribution systems is lower than the highest actually achieved daily gas offtake in the period from 1 October 2009 to 30 September 2012.

13.11 Charges for the entry and exit points of a distribution system at the delivery point of a cross-border gas pipeline

13.11.1 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 <sup>3</sup>	Fixed price for transferred gas, in CZK/MWh
Laa an der Thaya	7,700	0

The fixed prices and conditions under points 1.2 to 1.68 shall apply, provided that references to point 1.1 are replaced with references to the table in this point 13.11.1.

13.11.2 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 <sup>3</sup>	Fixed price for transferred gas, in CZK/MWh
Laa an der Thaya	56,765.57	12.61

The fixed prices and conditions under points 1.2 to 1.68 shall apply, provided that references to point 1.1 are replaced with references to the table in this point 13.11.2.

13.12 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 allocated firm capacity is CZK 10/1,000m<sup>3</sup>. The conditions under points 13.1.13, 13.2 to 13.64 and 13.6 shall apply *mutatis mutandis*, provided that references to point **Chyba! Nenalezen zdroj odkazů.** are replaced with references to this point 13.12.

13.13 The fixed charge for gas distribution to customers' supply points at which a CNG refuelling station is installed for the fuelling of motor vehicles is a single-component charge and for supply points taking up to 630 MWh/year is the same as the fixed gas

price applicable to gas distribution to customers' supply points in the respective table in point 13.1.1.

The following fixed prices apply to supply points taking more than 630 MWh/year:

	Fixed price for gas taken, in CZK/MWh	
	Long-distance pipeline	Local network
E.OND	47.29	243.79
JMP Net	53.25	99.64
PPD	100.30	121.39
RWE GasNet	65.37	124.54
SMP Net	56.11	133.45
VČP Net	64.23	111.84

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 profit<sup>1</sup> and value added tax<sup>2</sup> 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 gas distribution charges on a cost-plus basis

The charge for gas distribution 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 legal regulation<sup>3</sup>.

The distribution system operator may only include economically justifiable costs required for operating the licensed activity, reasonable profit<sup>1</sup> and value added tax<sup>2</sup> into the gas distribution charge. The costs specified in Appendix 2 are usually not regarded as economically justifiable costs.

## IV Final provisions

1. The conversion of supplied gas quantities to MWh is subject to a separate legal regulation<sup>4</sup>.
2. Officially set prices specified in the price decision shall be understood to be prices without VAT.

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

<sup>2</sup> Act No. 235/2004 on Value Added Tax, as amended

<sup>3</sup> Act No. 526/1990 on prices, as amended

<sup>4</sup> Schedule 1 to public notice no. 108/2011 on gas metering and on the method of calculating damages for unauthorised gas offtake, unauthorised gas supply, unauthorised gas storage, unauthorised gas transmission or unauthorised gas distribution

3. Where gas is used in cases when the obligation to pay an excise duty arises under Act No. 353/2003 on Excise Duties, the gas price may be increased by the respective excise 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.

## **V Repealing provisions**

The following are repealed:

1. Energy Regulatory Office Price Decision No. 4/2011 of 21 November 2011, on prices of regulated services related to gas supply;
2. Energy Regulatory Office Price Decision No. 1/2012 of 1 June 2012, amending Energy Regulatory Office Price Decision No. 4/2011 of 21 November 2011, on prices of regulated services related to gas supply.

## **VI Effect**

This price decision shall come into force on 1 January 2013.

Chairwoman of the Energy Regulatory Office:

Alena Vitásková

**Appendix 1**  
to  
**Price Decision No. 3/2012**

1 The following are usually not regarded as gas traders' economically justified costs:

- a) Penalties, delay charges, and monetary damages, related to capital construction;
- b) Deficits caused through one's own fault;
- c) Damage to property and cost of repairing such damage (with the exception of damage caused by natural disasters), including the reduction in value of unusable inventories and physical disposal of inventories, and damages and indemnities;
- d) All emoluments to members of juristic persons' governing and other bodies;
- e) Fines and penalties or other payments for defaulting on obligations under contract and regulations (including environmental regulations);
- f) Unused operating expenditure related to the preparations and arrangements for capital construction (sunk costs);
- g) Write-off of statute-barred and bad debts;
- h) Payments for statute-barred debts;
- i) Repeatedly included costs that have been recouped;
- j) Increase in the prices of inputs that have not yet been processed;
- k) Depreciation higher than corresponding to the actually applied depreciation under a separate legal regulation<sup>5</sup>,
- l) Employer's contributions to employees' personal pension schemes in excess of the limit set out in a separate legal regulation<sup>5</sup>,
- m) Entertainment costs;
- n) Travel costs refunded in excess of the amounts under a separate legal regulation<sup>6</sup>,
- o) Financial settlement (for example, redundancy pay) in excess of the obligations set out in a separate legal regulation<sup>6</sup>,
- p) Payment of premiums towards insurance policies covering damage caused by juristic persons' governing bodies;
- q) Contributions to company meals provided in third-party facilities over 55% of the price of the meals;
- r) Contributions to company meals provided through third parties 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;
- s) Cost of disposal of tangible and intangible fixed assets and inventories and the residual value of these assets, with the exception of the costs (net of disposal proceeds) of disposing of assets no longer fit for use;
- t) Provisioning for receivables in excess of a separate legal regulation<sup>7</sup> and write-off of receivables in excess of a separate legal regulation<sup>5</sup>;

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<sup>5</sup> Act No. 586/1992 on income tax, as amended

<sup>6</sup> Act No. 262/2006, the Labour Code

- u) Creation of reserves, with the exception of reserves for repair of tangible assets under a separate legal regulation<sup>7</sup>,
  - v) Asset depreciation higher than straight-line depreciation under a separate legal regulation<sup>5</sup>,
  - w) Those parts of financial lease payments under lease agreements executed after 1 January 2004, which exceed the amount of payments 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;
  - x) Financial settlement, for example, redundancy pay, in excess of the obligations set out in a separate legal regulation<sup>6</sup>, or other forms of financial settlement;
  - y) Premiums paid for members of juristic persons' governing and other bodies, including directors of limited liability companies, towards liability insurance [D&O] policies;
  - z) Payments of premiums towards employees' insurance in excess of contributions to social security and the government's employment policy and premiums to general health insurance under a separate legal regulation<sup>8</sup>.
- 2 Furthermore, the following are usually not regarded as gas traders' economically justified costs:
- a) Costs spent by the employer on accommodation, including rent of residential space, unless accommodation on business trips is concerned;
  - b) Costs of employees' recreation;
  - c) Costs of private telephone calls;
  - d) Fuel consumption for personal purposes;
  - e) Contributions to building society schemes paid to employees;
  - f) Personal and corporate income tax;
  - g) Other costs not recognised as expense (cost) under a separate legal regulation<sup>8</sup>, with the exception of depreciation.

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<sup>7</sup> Act No. 593/1992 on reserves for calculating the income tax base, as amended

<sup>8</sup> Act No. 589/1992 on contributions to social security and the government's employment policy, as amended  
Act No. 592/1992 on premiums to general health insurance, as amended

**Appendix 2**  
to  
**Price Decision No. 3/2012**

The following are usually not regarded as economically justifiable costs:

- a) Penalties, delay charges, and monetary damages, related to capital construction;
- b) Deficits caused through one's own fault;
- c) Damage to property and cost of repairing such damage (with the exception of damage caused by natural disasters), including the reduction in value of unusable inventories and physical disposal of inventories, and damages and indemnities;
- d) All emoluments to members of juristic persons' governing and other bodies;
- e) Fines and penalties or other payments for defaulting on obligations under contract and regulations (including environmental regulations);
- f) Unused operating expenditure related to the preparations and arrangements for capital construction;
- g) Costs of discontinued preparation and running-in of production and discontinued research and development;
- h) Extra charges on top of the charges paid for air pollution, or other payments of a penalising nature (for example, for damage to farmland);
- i) Write-off of statute-barred and bad debts;
- j) Payments for statute-barred debts;
- k) Repeatedly included costs that have been recouped;
- l) Increase in the prices of inputs that have not yet been processed;
- m) Depreciation higher than corresponding to the actually applied depreciation under a separate legal regulation<sup>5</sup>;
- n) Employer's contributions to employees' personal pension schemes in excess of the limit set out in a separate legal regulation<sup>5</sup>;
- o) Depreciation of assets acquired by gratuitous transfer, with the exception of assets transferred under a separate legal regulation<sup>9</sup>;
- p) Entertainment costs;
- q) Travel costs refunded in excess of the amounts under a separate legal regulation<sup>6</sup>;
- r) Financial settlement (for example, redundancy pay) in excess of the obligations set out in a separate legal regulation<sup>6</sup>;
- s) Payment of premiums towards Directors and Officers liability insurance for juristic persons' Directors;
- t) Contributions to company meals provided in third-party facilities over 55% of the price of the meals.

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<sup>9</sup> Act No. 92/1991 on the transfer of the State's assets to third parties, as amended