

**365/2009**

**Public Notice**

of 15 October 2009, on the

**Gas Market Rules**

**Amendment: 370/2010**

**Amendment: 442/2011**

Under Section 98a(2)(i) 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 by Act No. 158/2009, the Energy Regulatory Office [“the Office”] hereby lays down the following:

Section 1  
**Purpose**

(1) In relation to the directly applicable regulation of the European Communities <sup>1)</sup> this public notice lays down the following:

- a) Rules for access to the transmission system, distribution systems and gas storage facilities, the scope of the information to be published to enable access to the transmission system, distribution systems and gas storage facilities, and methods of congestion management in the gas system;
- b) Procedures and time limits for nominations and re-nominations.

(2) This public notice also lays down the following:

- a) Time limits for requesting contract execution on the gas market and time limits for contract execution;
- b) Procedures and conditions for transferring and assuming responsibility for imbalances;
- c) The scope of, and time limits for, delivering information for the evaluation of imbalances and billing of gas supplies and other services, and procedures for evaluating, clearing and balancing imbalances and for clearing and settling balancing gas in states of emergency and prevention thereof;
- d) The storage system operators’ procedure for selling gas left in gas storage facilities upon discharge of gas storage agreements;
- e) Types and organisation of spot markets and methods of settlement;
- f) Rules for the development, allocation and use of typical gas supply profiles;
- g) Time limits and procedure for gas supplier change;
- h) Procedures for gas supply interruption, curtailment and resumption in the case of unauthorised gas consumption, unauthorised distribution and unauthorised transmission;
- i) The procedure for ensuring gas supply by suppliers of last resort.

---

<sup>1)</sup> Regulation (EC) No 1775/2005 of the European Parliament and of the Council of 28 September 2005 on conditions for access to the natural gas transmission networks

## Section 2 Definition of basic terms

- (1) For the purposes hereof, the following expressions shall have the meaning ascribed to them:
- a) Domestic zone – a delineated area served by the operator of a distribution system connected to the transmission system, to which at least 90,000 supply points of customers are connected;
  - b) Financial provisions – financial provisions covering the financial liabilities of natural and juristic persons, which arise from commercial relationships with the market operator, TSO, SSO or a distribution system operator;
  - c) Border point – a set of delivery points between the transmission system in the Czech Republic and foreign transmission/distribution systems;
  - d) Organised spot gas market – the day-ahead gas market and the intra-day gas market organised by the market operator, on which cleared entities trade;
  - e) Unused tolerance – the difference between a cleared entity's tolerance with the sign of the system imbalance on a gas day and the cleared entity's total actual imbalance on that gas day;
  - f) Supply/take obligation nomination – a notice whereby a cleared entity notifies the market operator of the gas quantity that it intends to supply into/take from the gas system;
  - g) Transmission nomination – a notice whereby a cleared entity notifies the transmission system operator of the gas quantity that it intends to transport via the respective point of the transmission system;
  - h) Storage nomination – a notice whereby a cleared entity notifies a storage system operator of the gas quantity that it intends to inject/withdraw;
  - i) Distribution nomination – a notice whereby a cleared entity notifies a distribution system operator of the gas quantity that it intends to distribute via a cross-border pipeline point or a delivery point, or the aggregate, or set, of delivery points, of a gas production plant;
  - j) Normalised typical supply profile – a sequence of the relative shares in the planned annual consumption of the individual daily gas takes of a customer group defined by a typical supply profile class within a calendar year subject to normal climatic conditions;
  - k) Responsibility for imbalance – a cleared entity's obligation to balance by supply in kind, or settle financially, the imbalance caused in connection with its obligation to supply/take gas into/from the gas system;
  - l) Fixed supply profile – gas supply characterised by a predetermined fixed amount of gas supply at a supply point for a gas day;
  - m) Gas day – an interval of time from 06.00.00 hrs on a calendar day to 06.00.00 hrs on the following calendar day;
  - n) Gas month – an interval of time beginning on the first gas day of a calendar month and ending at the end of the last gas day of the calendar month;
  - o) Adjusted typical supply profile – a normalised typical supply profile adjusted to the actual climatic conditions for a gas day;
  - p) Cross-border pipeline – a gas pipeline connecting a distribution system and a foreign transmission/distribution system;

- q) Registered market participant – a gas market participant whom the market operator allows access to its information system on the basis of registration;
  - r) Storage capacity – the working volume of a part or the whole of a virtual gas storage facility, in cubic metres, withdrawal or injection capacity, in kWh per day, or withdrawal or injection curve, in kWh per day;
  - s) Off-tolerance imbalance – a cleared entity's imbalance in excess of the allowed tolerances;
  - t) Normal climatic conditions – the average of daily temperatures for the period from 1971 to 2000, developed for the gas industry by the Czech Hydrometeorological Institute, calculated on the basis of the readings taken at all measuring stations of the Czech Hydrometeorological Institute at altitudes of up to 700 m a.s.l.;
  - u) Supply/take obligation re-nomination – a gas quantity value sent after the time limit for supply/take obligation nomination;
  - v) Transmission re-nomination – a gas quantity value sent after the time limit for transmission nomination;
  - w) Storage re-nomination – a gas quantity value sent after the time limit for storage nomination;
  - x) Distribution re-nomination – a gas quantity value sent after the time limit for distribution nomination;
  - y) Storage year – an interval of time beginning on the first gas day of April and ending at the end of the last gas day of March of the following calendar year;
  - z) Actual gas quantity – a gas quantity determined on the basis of values obtained from commercial metering; for the purpose of imbalance evaluation, clearing and settlement, values determined on the basis of allocation rules and typical supply profiles shall also be deemed to be actual gas quantities;
- (2) For the purpose hereof also the following expressions shall have the meaning ascribed to them:
- a) Allocation rule – a method of allocating a gas quantity to a cleared entity at a border point, a gas storage facility point, or a cross-border pipeline point;
  - b) System imbalance – the sum of all cleared entities' positive and negative imbalances on a gas day, adjusted for the use of the flexibility service and imbalances of natural and juristic persons who are not cleared entities;
  - c) Typical supply profile class – the aggregate of the characteristics of the supply points to which the same typical supply profile is assigned;
  - d) Flexibility service – a method of the physical balancing of the transmission system, based on delivering gas at the virtual trading point under an agreement between the transmission system operator and a cleared entity; the flexibility service is defined by the time limit for the transmission system operator to request gas supply/take and the cleared entity's obligation to accept this request, and is characterised by the total quantity of gas, in MWh, and the maximum daily gas quantity supplied/taken, in MWh per gas day;
  - e) Virtual trading point – the point at which nominations of the obligation to supply/take gas into/from the gas system are made;
  - f) Virtual storage facility – a set of all gas storage facilities of one storage system operator;
  - g) Evaluation of imbalances – determining the size of the imbalances of each of the cleared entities, in thousandths of MWh, on a gas day;

- h) Settlement of imbalances – payment in money or in kind made between a cleared entity and the market operator for evaluated and cleared imbalances;
- i) Supply obligation – a cleared entity’s obligation to supply the gas quantity nominated by this cleared entity for a gas day into the gas system at the virtual trading point;
- j) Take obligation – a cleared entity’s obligation to take the gas quantity nominated by this cleared entity for a gas day from the gas system at the virtual trading point;
- k) New storage capacity – the first booking of storage capacity put to use after 1 January 2010;
- l) Type A metering – continuous metering with remote data transmission;
- m) Type B metering – other ways of continuous metering;
- n) Type C metering – non-continuous metering;
- o) Corrected typical supply profile – an adjusted typical supply profile corrected by the value of its share in the residual profile;
- p) Planned annual gas consumption – the value of gas consumption obtained from values of actual historical gas consumption, adjusted to temperature, determined under Schedule 10 hereto;
- q) Actual climatic conditions – the average of actual daily air temperatures in the Czech Republic for each of the trading days, which is calculated on the basis of data from all measuring stations of the Czech Hydrometeorological Institute located at altitudes of up to 700 m a.s.l.;
- r) Adjusted annual consumption – the value of gas consumption obtained from values of actual gas consumption and adjusted for a period of one year under Schedule 10 hereto;
- s) Planned monthly consumption – the monthly value of gas consumption agreed in the gas distribution agreement.

### Section 3 The gas market

- (1) In respect of the gas market, all values denoting time are shown as time in the Czech Republic.
- (2) The gas market operates using numerical codes and code lists administered by the market operator. Numerical codes are used for designating customers’ supply points; delivery points on cross-border pipelines; delivery points, or sets of delivery points, of gas production plants; delivery points, or sets of delivery points, between the transmission system and a distribution system; delivery points between distribution systems; delivery points between a gas storage facility and the transmission system; and delivery points of gas market participants, with the exception of customers.
- (3) Customers’ supply points, delivery points of gas production plants, and distribution systems shall be assigned to only one domestic zone, depending on the connection point.
- (4) For a gas day, the gas quantity exiting from a distribution system equals the gas quantity entering the distribution system and the change in the line pack in the distribution system.
- (5) The entry points to the gas system are border points, virtual storage facility points, delivery points, or sets of delivery points, of gas production plants, delivery points on cross-border pipelines and the transmission system operator’s virtual point. The exit points from the gas system are border points, virtual storage facility points, customers’ supply points, delivery points

on cross-border pipelines, virtualised supply points representing distribution system operators' losses in each of the distribution systems, and the transmission system operator's virtual point. The virtual trading point is located between all entry and exit points of the gas system.

(6) The transmission system operator [hereinafter also 'TSO'], distribution system operators [hereinafter also 'DSO'], and storage system operators [hereinafter also 'SSO'] shall be deemed to be customers to the extent of losses and their own consumption.

## **Gas transmission**

### **Section 4**

(1) Cleared entities contract for gas transmission at a border point or a virtual gas storage facility point. Gas market participants or foreign natural or juristic persons who are not cleared entities shall contract for gas transmission for a border point.

(2) Customers or gas suppliers contract for gas transmission at supply points of customers directly connected to the transmission system.

(3) DSOs contract for gas transmission for the set of delivery points between the transmission and a distribution system. The size of transmission capacity is booked pursuant to the legal regulation that governs regulation in the energy industries and procedures for price control.<sup>2</sup>

(4) For the TSO's virtual point, gas transmission is not subject to contract. The TSO's virtual point serves exclusively for the TSO's needs and for physical balancing.

(5) Gas transmission takes place via the entry points of the transmission system, which include the border points, virtual storage facility points and the TSO's virtual point.

(6) Gas transmission takes place via the exit points of the transmission system, which include the border points, virtual storage facility points, supply points of customers directly connected to the transmission system, delivery points, or sets of delivery points, between the transmission system and distribution systems, and the TSO's virtual point.

(7) The entry point of a virtual storage facility is entry into the transmission system. The exit point of a virtual storage facility is exit from the transmission system.

(8) The TSO characterises the transmission system points in particular by, without limitation, the used name and the size of capacity.

### **Section 5**

(1) Under gas transmission agreements, the TSO shall enable cleared entities to book standard firm transmission capacity, daily firm transmission capacity, standard interruptible transmission capacity, daily interruptible transmission capacity, coordinated firm day-ahead transmission capacity, coordinated interruptible day-ahead transmission capacity, uncoordinated firm day-ahead transmission capacity and uncoordinated interruptible day-ahead transmission capacity. The request for the execution of a gas transmission agreement shall be delivered no later than ten working days by 10 a.m. before transmission is to take place. The TSO shall evaluate the request for the execution of a gas transmission agreement and, in the case of a favourable evaluation, shall send a draft gas transmission agreement to the applicant within five working days by 4 p.m. from the delivery of the request. The applicant shall accept the draft gas transmission agreement so as to ensure that the gas transmission agreement is executed no later than two working days by 12 p.m. [noon] before transmission is to take place.

---

<sup>2</sup> Public notice no. 140/2009 on regulation in the energy industries and procedures for price control

(2) Requests for the booking of standard transmission capacity, daily transmission capacity and day-ahead transmission capacity shall be sent electronically. Requests for transmission capacity booking shall contain the essentials specified in Schedule 1 hereto.

(3) Standard transmission capacity and daily transmission capacity can be booked for border points and virtual gas storage facility points. Day-ahead transmission capacity can be booked for border points.

(4) When standard transmission capacity has been booked, gas transmission starts on the first gas day of the calendar month for which transmission capacity has been booked. Cleared entities can also book transmission capacity from a gas month other than the gas month immediately following the month in which they request transmission capacity booking, however, no earlier than 24 calendar months before the beginning of transmission in accordance with the booking of standard transmission capacity. Standard transmission capacity for border points and virtual gas storage facility points can be booked for no more than 120 gas months following the month in which the request for standard firm or interruptible transmission capacity booking under Section 6(1) was sent.

(5) Gas transmission using booked daily transmission capacity starts on the first gas day of the period for which transmission capacity has been booked and ends on the last gas day of the period for which transmission capacity has been booked. Cleared entities can also book transmission capacity from a gas day other than the gas day immediately following the day on which they requested transmission capacity booking. Transmission capacity can be booked for no more than 31 days from the day of sending the request for daily firm or interruptible transmission capacity booking.

(6) Coordinated day-ahead transmission capacity can only be booked for the border points for which the downstream/upstream TSO books transmission capacity for the same period of time and at the same level and at the same moment under mutual agreements between two connected TSOs. The booking of coordinated day-ahead transmission capacity shall be regarded as transmission nomination under Section 29(1)(a) or Section 29(2)(a), provided that it is not possible to re-nominate transmission under Section 33(4) to the extent of this booked coordinated day-ahead transmission capacity.

(7) Day-ahead transmission capacity can be booked by cleared entities on the last trading day at an exchange in the Federal Republic of Germany at which gas is traded, which precedes the day on which gas transmission is to be started using day-ahead transmission capacity. Gas transmission using day-ahead transmission capacity takes place for one gas day. The TSO shall publish, in a manner enabling remote access, the border points at which it will make it possible for cleared entities to book day-ahead transmission capacity also during the gas day for which the day-ahead transmission capacity has been booked.

(8) Customers and gas suppliers book transmission capacity for a customer's supply point directly connected to the transmission system using the procedure in Sections 11 and 12.

(9) Gas transmission agreements under Section 4(3) shall be entered into for one calendar year, with effect from the first gas day of a calendar year.

(10) The TSO shall book interruptible transmission capacity in cases where a cleared entity requests so or when firm transmission capacity cannot be booked due to the fact that no free firm transmission capacity is available.

## Section 5a

(1) The TSO shall conclude long-term gas transmission agreements with firm transmission capacity with cleared entities or foreign natural or juristic persons for an individual entry/exit

border point of the transmission system for a term of at least 10 years. The minimum size of the required long-term firm transmission capacity is 10,000 MWh/day.

(2) The booking of long-term firm transmission capacity is only possible up to a level that, in aggregate with all the other capacities booked for a period of more than 10 years, does not exceed 65% of the technical capacity of the respective entry/exit border point at any moment within the period of the required capacity booking.

(3) The applicant shall send a request for long-term firm transmission capacity booking to the TSO no earlier than 24 and at least 3 calendar months before the first gas day of the calendar month in which gas transmission is to be started. The TSO shall evaluate all requests received in the preceding calendar month by the 15th day of the calendar month, provided that the date on which the request was delivered is not relevant.

(4) The TSO shall notify the applicant of the booking of the required long-term firm transmission capacity to the whole extent required, or, in the event the TSO has a shortage of capacity, to a lower extent than required. The long-term firm transmission capacity booking shall terminate if the long-term gas transmission agreement with firm capacity is not executed by the fifth working day, inclusive, of the day of delivery of the notification.

(5) Should it not be feasible to satisfy all the applicants for long-term firm transmission capacity booking, the TSO shall book free long-term firm transmission capacity in proportion to the amounts in their requests for long-term firm transmission capacities for each of the applicants. If a request exceeds free long-term firm transmission capacity the TSO shall reduce this request to the level of the free long-term firm transmission capacity prior to allocating the free long-term firm transmission capacity.

(6) In the case of the booking of long-term firm transmission capacity for newly built transport infrastructure commissioned after 1 January 2011, the value of the maximum booked capacity under subsection (2) shall be increased to 90% of the technical capacity of the entry/exit point of the transmission system and the time limit of 24 months under subsection (3) shall be extended to 60 months.

## Section 6

### **Procedure for transmission capacity booking**

(1) Cleared entities can request standard firm or interruptible transmission capacity no later than by 8 a.m. on the day preceding the gas day on which transmission is to be started based on standard firm or interruptible transmission capacity booking.

(2) Cleared entities can request daily firm or interruptible transmission capacity booking no later than by 8 a.m. on the day preceding the gas day on which transmission is to be started based on daily firm or interruptible transmission capacity booking.

(3) The TSO shall evaluate requests for standard firm or interruptible transmission capacity booking and requests for daily firm or interruptible transmission capacity booking and shall book transmission capacity no later than by 8.30 a.m. on the gas day on which the requests for standard firm or interruptible transmission capacity booking or requests for daily firm or interruptible transmission capacity booking were sent. The capacity is booked for the cleared entities by an electronic confirmation of their requests. Should a request under subsection (1) or (2) be sent later, the TSO shall evaluate the request and shall book transmission capacity no later than by 8.30 a.m. on the following calendar day.

(4) For gas transmission to supply points of customers directly connected to the transmission system, the provisions and time limits in Sections 10 to 14 shall apply. The TSO shall take the DSO's steps specified in Sections 10 to 14.

(5) Cleared entities can send their request for the booking of uncoordinated day-ahead transmission capacity between 9 a.m. and 7 p.m. by the date under Section 5(7), or later if the TSO allows transmission capacity booking during the course of a gas day.

(6) Cleared entities shall submit requests for coordinated day-ahead transmission capacity by the times determined by the TSO.

(7) Immediately upon receiving a request for the booking of firm day-ahead transmission capacity the TSO shall evaluate the request and book the capacity if it has free transmission capacity.

## Section 7

### **Managing transmission capacity shortages**

(1) Should it not be feasible to satisfy, upon assessment of requests, all the applicants for standard and daily firm transmission capacity booking at the same point in time, the TSO shall allocate free transmission capacity in proportion to the amounts in the requests for standard firm transmission capacity booking. If a request for standard firm transmission capacity exceeds free transmission capacity the TSO shall reduce this request to the level of free transmission capacity prior to allocating free transmission capacity.

(2) Should it not be feasible after satisfying the requests under subsection (1) to satisfy, upon assessment of requests, all applicants for daily firm transmission capacity at the same point in time, the TSO shall allocate free transmission capacity in proportion to the amounts in the requests for daily firm transmission capacity booking. If a request for daily firm transmission capacity exceeds free transmission capacity the TSO shall reduce the request to the level of the remaining free transmission capacity prior to allocating free transmission capacity.

(3) To the extent of the shortfall in capacity requested under subsections (1) and (2), interruptible transmission capacity shall be tentatively booked for the cleared entities. Standard firm or interruptible transmission capacity or daily firm or interruptible transmission capacity can only be booked upon an electronic confirmation of the requested booking by the cleared entity by 8.45 a.m. on the gas day on which capacity was tentatively booked.

(4) The TSO shall book standard interruptible transmission capacity and daily interruptible transmission capacity without any limitations.

(5) If on a gas day free firm transmission capacity is not available at an entry or exit border point the TSO shall publish, in its own and in the market operator's information systems, limitations on transmission re-nominations for the respective border point, both for the entry point and the exit point of the respective border point. After their transmission nominations, the cleared entities that use this point of the transmission system can re-nominate firm capacity up to no more than 10% of their booked capacity (hereinafter "the allowed limit") against the nomination accepted and confirmed within the time limit under Section 32(1). Re-nomination exceeding the allowed limit, however, up to the booked capacity at most, shall be deemed to be re-nomination of interruptible transmission capacity to the extent exceeding the allowed limit. Re-nomination reduced by more than the allowed limit will not be accepted by the TSO. The TSO shall provide the information about limitations on re-nomination no later than by 9 a.m. on the day preceding the gas day on which transmission re-nomination is to be limited.



(6) If using the procedure in subsection (5) and after nominations at 2 p.m. for the following gas day, also including limited re-nominations, if any, unused firm transmission capacity is available the TSO shall organise a daily transmission capacity auction for the entry or exit border point at which the shortfall in firm transmission capacity occurred. At 3.05 p.m., the TSO shall publish the size of the available unused firm transmission capacity that can be booked in the firm transmission capacity auction. The firm transmission capacity auction for the following gas day shall take place between 3 p.m. and 3.45 p.m.

(7) Cleared entities that have a gas transmission agreement in place can send up to five requests for transmission capacity to a daily auction, in a combination of the price and the requested size of transmission capacity. The Office shall set the minimum price for transmission capacity for the purpose of transmission capacity booking in daily auctions in its price decision<sup>3</sup>).

(8) The resulting price in a daily transmission capacity auction is the marginal price calculated in accordance with the TSO's Grid Code. The resulting price shall apply to all successful bidders in the auction. The TSO shall notify the bidders of the results of a daily transmission capacity auction through its information system no later than by 4 p.m. In a daily auction, transmission capacity is booked by notifying the successful bidders of the results of the auction. The TSO shall publish the resulting price of a daily auction in its information system no later than by 5 p.m.

(9) Sections (5) to (7) shall be applied *mutatis mutandis* for booking transmission capacities for foreign natural and juristic persons at border points and for assessing foreign natural and juristic persons' requests for transmission capacity booking at border points.

## Section 8

### **Information on transmission capacities and related services**

(1) The TSO shall publish, in a manner enabling remote access, the following information:

- a) On a monthly basis, the annual plan of the shutdowns of the various parts of the transmission system and the maintenance plan, which may have an impact on the size of transmission capacities and affect the quality of the services provided;
- b) On a monthly basis, the long-term plan for the reinforcement of the transmission system, which means increasing the transmission capacities or improving the quality of the services provided;
- c) On a daily basis, numerically, the size of the technical capacity, total booked firm capacity, total booked interruptible capacity, and free transmission capacity for each of the transmission system's entry and exit points for the following 18 months;
- d) On a monthly basis, annual forecasts of free transmission capacity for the following ten-year period for each of the transmission system's entry and exit points;
- e) On a monthly basis, historical minimums and maximums of the transmission capacity monthly utilisation factor and annual average flows through each of the transmission system's entry and exit points, at all times for the past three years;
- f) On a daily basis, the actual use of the flexibility service, by day for the last 12 months; use of the flexibility service on the current gas day;

---

<sup>3</sup>) Section 17(10) of the Energy Act

- g) On a daily basis, the actual change in the line pack in the transmission system, by day for the last 12 months;
- h) On a daily basis, gas quantities allocated to each of the border points and virtual storage facility points for the last 12 months; if data under Section 44(6) has not been delivered, preliminary allocated gas quantities under Section 44(5) shall be used;
- i) On a daily basis, actual values of the last registered nominations or re-nominations, by entry/exit point of the transmission system.

(2) The TSO shall publish the information to be provided under subsection 1(a) to (f) and (h) with a daily periodicity no later than by 3 p.m. on the respective gas day, provided that data relating to the currently running gas day under subsection 1(f) shall be updated every hour. The TSO shall publish the information to be provided under subsection 1(g) and (i) no later than by 12 p.m. [noon] on the following gas day. The TSO shall publish the information to be provided under subsection (1) with a monthly periodicity no later than on the ninth calendar day of the respective month.

### **Gas distribution** Section 9

(1) Cleared entities contract for gas distribution at cross-border pipeline points.

(2) Customers and gas suppliers contract for gas distribution at customers' supply points. By agreeing to distribute gas at customers' supply points, the DSO also agrees to provide for gas transport over the distribution system which is one level higher in terms of gas flow ['upstream distribution system'].

(3) DSOs contract for gas distribution at delivery points between distribution systems in the Czech Republic.

(4) Gas producers and gas traders contract for gas distribution at delivery points, or sets of delivery points, of gas production plants.

(5) Gas distribution takes place via the entry points of the distribution system, which include cross-border pipeline points, delivery points, or sets of delivery points, of gas production plants, delivery points, or sets of delivery points, between the transmission and a distribution system, and delivery points between a distribution system and its upstream distribution system.

(6) Gas distribution takes place via exit points of the distribution system, which include customers' supply points, delivery points between the distribution system and the distribution system which is one level lower in terms of gas flow ['downstream distribution system'], and cross-border pipeline points.

(7) For each supply point of a customer, a gas distribution agreement shall only be executed with one gas market participant. For each delivery point, or the set of delivery points, of a gas production plant, a gas distribution agreement shall be executed with each of the gas market participants using this delivery point, or the set of delivery points, of the gas production plant. For a delivery point on a cross-border pipeline, a gas distribution agreement shall be executed with each of the cleared entities using the delivery point on the cross-border pipeline. For delivery points between distribution systems, the DSOs enter into gas distribution agreements.

(8) In the case of a supply point of a customer in the large or medium-sized customer category, which is equipped with type A or B metering, or a supply point of a customer in the small

customer category equipped with type A or B metering and where due monthly readings are taken, the gas distribution agreement shall specify booked distribution capacity. Customer categories are set out in Schedule 2 hereto. In the case of a supply point with multiple metering points, the gas distribution agreement shall specify distribution capacity booked in respect of metering points with type A and B metering and distribution capacity calculated in respect of metering points with type C metering. Distribution capacity in respect of metering points with type C metering for customers taking more than 630 MWh/year shall be determined using the procedure for calculating daily allocated firm capacity for annual gas take over 630 MWh in accordance with the Office's price decision. Distribution capacity in respect of metering points with type C metering for customers taking up to 630 MWh/year, inclusive, and metering points with type A or B metering for customers taking up to 630 MWh/year, inclusive, with billing on an annual basis, shall be determined using the procedure for calculating daily booked firm capacity for annual gas take from 63 MWh to 630 MWh in accordance with the Office's price decision. For evaluating any overstepping of the distribution capacity only values agreed and read at metering points with type A and B metering shall be used.

### Section 10

(1) In gas distribution agreements, distribution capacity for customers' supply points or for delivery points, or sets of delivery points, of gas production plants or for delivery points between distribution systems shall be booked as follows:

- a) Firm distribution capacity in perpetuity, with the option to change booked capacity pursuant to Section 12;
- b) Interruptible distribution capacity in perpetuity, with an option to change booked capacity pursuant to Section 12; the gas distribution agreement shall provide for the method, time and conditions for gas distribution curtailment or interruption, the method and conditions for notifying such curtailment or interruption, and the frequency of such curtailments or interruptions over 12 consecutive gas months;
- c) Firm monthly distribution capacity; it is booked for at least one month and for 11 months at most, always with effect from the first gas day of a calendar month;
- d) Interruptible monthly distribution capacity; it is booked for at least one month and for 11 months at most, always with effect from the first gas day of a calendar month; the agreement shall provide for the method, time and conditions for gas distribution curtailment or interruption, the method and conditions for notifying such curtailment or interruption, and the frequency of such curtailments or interruptions over the term of the agreement; or
- e) Firm sliding distribution capacity; it is booked for the number of gas days given by the number of calendar days of the month in which gas distribution is to be started, or until the end of the last gas day of the gas month following the month in which gas distribution was started as part of arrangements on sliding distribution capacity.

(2) The procedure for booking standard and daily transmission capacity under Sections 5 and 6 shall be used in contracting for gas distribution and in requesting distribution capacity booking at a cross-border pipeline point. The DSO shall take the TSO's steps described in Sections 5 to 7.

(3) Interruptible distribution capacity can only be booked for customers' supply points with type A or B metering and for delivery points, or sets of delivery points, of a gas production plant in cases where firm distribution capacity cannot be booked due to the fact that free firm capacity is no longer available, or for customers' supply points with a planned annual gas take of more than

630 MWh having an option of switching, in full or in part, to a substitute fuel under the legal regulation that provides for states of emergency in the gas industry<sup>4</sup>).

### **Procedure for distribution capacity booking**

#### Section 11

(1) For customers' supply points, the customer can request distribution capacity booking and the execution of a gas distribution agreement electronically in cases under Section 52(1) and Section 53(5) by the time limits under Section 52(3) or Section 53(5), unless a gas distribution agreement has already been executed with the customer for the respective supply point, or the new gas supplier can do so if it has executed an agreement on bundled gas supply services with the customer. The DSO shall inform the gas market participant about the opportunity to book distribution capacity by the time limit under Section 52(6). In the case of the registration of a standard supplier change, distribution capacity shall be booked by the time limit under Section 52(16). Requests for distribution capacity booking for customers' supply points shall contain the essentials specified in Schedule 3 hereto.

(2) The customer or the gas supplier shall send the request for distribution capacity booking and for the execution of a gas distribution agreement for customers' supply points, with the exception of requests under subsections (1), (3) and (7), no later than on the fifth working day by 10 a.m. and no earlier than 4 calendar months before the beginning of the first gas day on which the distribution capacity booking is to become effective, or, in the case of starting supply to a newly connected customer's supply point and for starting supply to a supply point following unauthorised gas consumption or unauthorised gas distribution, no later than by 10 a.m. on the working day preceding the day of the nearest possible start of gas supply agreed with the DSO. Requests for distribution capacity booking for customers' supply points, with the exception of requests under subsections (1), (3) and (7), shall contain the essentials specified in Schedule 3 hereto. The DSO shall evaluate received requests for distribution capacity booking and shall notify all applicants of the results of distribution capacity booking no later than by 12 p.m. [noon] on the third working day from the day on which the requests for distribution capacity booking were sent. If no gas distribution agreement for customers' supply points is in place between a customer/gas supplier and the DSO, the time limit for the latest possible sending of requests and for the notification of the results of distribution capacity booking shall be extended by five working days.

(3) In the case of a fast gas supplier change under Section 54, requests for distribution capacity booking and for the execution of a gas distribution agreement for customers' supply points shall be sent by the customer/gas supplier by the time limit under Section 54(5), or by the gas trader in the regime of the supplier of last resort no later than by 2 p.m. following the provision of information under Section 54(11) or no later than by 10 a.m. on the following day after the provision of information under Section 52(14). The request can only be sent by a gas supplier or customer who has executed with the DSO a gas distribution agreement for customers' supply points. The requests shall be sent electronically, and the DSO shall evaluate received requests for distribution capacity booking and shall notify the applicants of the results of distribution capacity booking no later than by the time limit under Section 54(9). In the case of the registration of a fast gas supplier change, distribution capacity shall be booked by the time limit under Section 54(12). In the case of requests for distribution capacity booking sent by gas traders in the regime of the supplier of last resort, distribution capacity shall be booked automatically. Requests for distribution capacity booking for customers' supply points shall contain the essentials specified in Schedule 3 hereto.

---

<sup>4</sup>) Public notice no. 334/2009 on states of emergency in the gas industry

(4) DSOs shall request distribution capacity booking and the execution of gas distribution agreements for delivery points between distribution systems by the time limit under subsection (1). For requests for a change in booked distribution capacity, the time limits under subsection (2) shall be used.

(5) Gas producers and gas traders shall request distribution capacity booking and the execution of gas distribution agreements for delivery points, or sets of delivery points, of gas production plants by the time limit under subsection (1). For requests for a change in booked distribution capacity the time limits under subsection (2) shall be used.

(6) Requests for distribution capacity booking and the execution of gas distribution agreements for cross-border pipeline points shall be sent by cleared entities to DSOs using the procedure in Section 6. The DSO shall evaluate the requests using the procedure in Section 6. The DSO shall take the TSO's steps under Section 6.

(7) Customers or gas suppliers can request distribution capacity booking and the execution of gas distribution agreements under Section 10(1)(e) for customers' supply points no earlier than 4 calendar months before the beginning of the first gas day on which the distribution capacity booking is to become effective. Requests can only be sent by a gas supplier or customer who has a gas distribution agreement in place with the DSO and has booked distribution capacity under Section 10(1)(a) or (b) for the supply point. In respect of a sliding gas distribution agreement, the maximum requested capacity may not exceed, in aggregate with the other distribution capacities booked for the customer's respective supply point, an amount of 24 times the ensured hourly capacity specified in the connection agreement for the respective supply point. The DSO shall evaluate the requests for distribution capacity booking and shall electronically notify the applicants of the result of distribution capacity no later than within 72 hours from receiving the requests. Distribution capacity has been booked by the electronic confirmation of the requests. Requests for distribution capacity booking for customers' supply points shall contain the essentials specified in Schedule 3 hereto.

(8) Distribution capacity at the customer's supply point cannot be booked in the case of the applicant's inadequate financial provisions, if the request for distribution capacity booking fails to contain the required details and/or was not delivered by the required time, or if the applicant failed to complete or modify his request by 2 p.m. on the following working day upon receiving the DSO's notice highlighting the incorrect details.

## Section 12

(1) If for a customer's supply point included in the large or medium-sized customer category and equipped with type A or B metering, a customer's supply point included in the small customer category and equipped with type A or B metering, where due monthly readings are taken, or for a delivery point between distribution systems, a gas market participant requests a reduction in booked distribution capacity on the basis of distribution capacity booking under Section 10(1)(a) or (b) the DSO shall reduce the booked distribution capacity for a period of at least the following 12 months. The DSO shall not reduce booked distribution capacity if in the period of the subsequent 4 months from the day specified in the request for such reduction a higher distribution capacity is booked for the supply/delivery point under Section 10 (1) (a) or (b) than the booked distribution capacity specified in the request for its reduction.

(2) If for a customer's supply point included in the large or medium-sized customer category and equipped with type A or B metering, a customer's supply point included in the small customer category and equipped with type A or B metering, where due monthly readings are taken, or for a delivery point between distribution systems, a gas market participant requests an increase in distribution capacity booked under Section 10 (1) (a) or (b) the DSO shall check whether it is

possible to increase the capacity and, if there is sufficient distribution capacity, increase the booked distribution capacity for a period of at least the following 12 months, unless during the preceding 12 months there was a reduction in booked distribution capacity within distribution capacity booked under Section 10 (1) (a) or (b).

(3) In the case of requests for a change in booked distribution capacity, the procedure shall be as under Section 11(2) *mutatis mutandis*. Booked distribution capacity can be changed as from the first gas day of a calendar month at all times.

(4) The DSO shall also change the booked distribution capacity for a delivery point between distribution systems in the case that the respective DSO requests a change and proves the need for the change in distribution capacity booking.

### Section 13

#### **Gas distribution in trial operation**

(1) Gas distribution in trial operation means gas distribution for the purpose of checking the technical parameters and operating values and demonstrating the operability of a customer's newly installed or refurbished gas consuming equipment, or upon a change of the type of metering at the customer's supply point. Gas distribution in trial operation may only be started

a) in the case of newly connected customers;

b) in the case of a customer having the nature of a technological process load, who has refurbished the whole, or a part of, gas consuming equipment and the refurbished gas consuming equipment has a more than 30% share of the maximum daily gas take at the customer's respective supply point; or

c) in the case of customers' supply points at which type C metering was changed to type A or B.

(2) A customer's supply point where less than 50% of annual gas consumption is used for space and service water heating is understood to be a supply point of a customer having the nature of a technological process load. Other supply points shall be regarded as supply points of customers having the nature of a heating load.

(3) The DSO shall start gas distribution in trial operation at a customer having the nature of a technological process load no earlier than on the day specified in the request, and stop the same on the day specified in the request, however, no later than the last day of the third calendar month following the month in which gas distribution was started. On other cases, the DSO shall start gas distribution in trial operation on the day specified in the request, and stop the same on the day specified in the request, however, no later than the last day of February. The maximum duration of gas distribution in trial operation at newly connected customers having the nature of a heating load shall be six calendar months.

(4) During gas distribution in trial operation, the maximum daily gas take at a customer's supply point may not exceed an amount of 24 times the hourly capacity ensured for the respective supply point agreed in the connection agreement.

(5) Customers and gas suppliers send booking requests for distribution capacity in trial operation by the time limits under Section 11(2). Throughout trial operation under subsection (1)(c), the DSO shall book for the customer's supply point the allocated distribution capacity that was determined for the purpose of determining the payment for gas distribution under the Office's Price Decision.

(6) If a customer or gas supplier does not request distribution capacity booking under Section 10(1) by the time limit under Section 11(2) prior to the end of distribution in trial operation, the DSO shall book, for the respective supply point, distribution capacity under Section 10 (1) (a) and amounting to the highest daily gas consumption achieved during the trial operation.

#### Section 14

#### **Methods for managing distribution capacity shortages**

In the event of distribution capacity shortages at cross-border pipeline points the procedures in Section 7 (1) to (4) shall be followed. The DSO shall take the TSO's steps specified in Section 7.

#### Section 15

#### **Information on the distribution system**

(1) The DSO shall publish, in a manner enabling remote access, and update as at the 15th day of a calendar month, the following information:

- a) The annual plan of the shutdowns of the various parts of the distribution system and the maintenance plan, which may have an impact on the size of distribution capacities and affect the quality of the services provided;
- b) A long-term plan for the reinforcement of the distribution system, which means increasing the distribution capacities or improving the quality of the services provided;
- c) Numerically, the size of the technical capacity, the total booked firm capacity, the total booked interruptible capacity, and free distribution capacity for each of the entry and exit points on cross-border pipelines;
- d) Numerically, the indicative availability of monthly distribution capacities for each of the entry and exit points of delivery points on cross-border pipelines;
- e) Annual forecasts of free entry and exit capacities for each of the entry and exit points of the delivery points on cross-border pipelines for the following ten-year period.

(2) The DSO shall publish by 12 p.m. [noon] every day, in a manner enabling remote access, the change in the line pack in the distribution system, by day for the last 12 months; if data under Section 44(2) has not been provided the preliminary value of the change in the line pack under Section 44(1) shall be used unless the market operator is publishing these values.

(3) Within two hours of the end of the respective hour, the DSO shall publish, in a manner enabling remote access, preliminary gas consumption in its distribution system, by hour of the currently running gas day.

#### Section 16

#### **Gas storage**

(1) Cleared entities' access to gas storage facilities in which SSOs provide storage capacity and storage services shall be organised on the principle of a virtual storage facility.

(2) SSOs shall at all times offer the entire free storage capacity in all of their gas storage facilities at the respective virtual storage facility point. The virtual storage facility point in the transmission system is the point at which storage capacity is provided and at which gas delivery and acceptance, gas injection into the gas storage facility and gas withdrawal from the gas storage facility take place from the commercial point of view, regardless of the actual delivery points.

- (3) A virtual storage facility is characterised by the name of the SSO and the storage capacities.
- (4) Under gas storage agreements, the SSO shall book annual firm storage capacity, annual firm new storage capacity, monthly firm storage capacity, daily firm storage capacity, and daily interruptible storage capacity for cleared entities. Storage capacity can be booked as follows:
- a) Annual firm gas storage; the minimum duration of storage capacity booking is one storage year and the maximum duration of storage capacity booking is five storage years; capacity is booked at all times with effect from the first day of a storage year and the booking ends at the end of the last day of the storage year;
  - b) Annual firm new gas storage capacity; the minimum duration of storage capacity booking is one storage year and the maximum duration of storage capacity booking is 15 storage years; capacity is allocated at all times with effect from the first day of a storage year and the allocation ends at the end of the last day of the storage year;
  - c) Monthly firm gas storage capacity; the minimum duration of storage capacity booking is one gas month and the maximum duration of storage capacity booking is 12 gas months;
  - d) Daily firm gas storage capacity; the minimum duration of storage capacity booking is one gas day and the maximum duration of storage capacity booking is 30 gas days of the day of submitting the request for daily firm storage capacity;
  - e) Daily interruptible gas storage capacity; the duration of storage capacity booking is one gas day.
- (5) An SSO operating gas storage facilities connected to the transmission system via more than one delivery point shall consult the allocation of gas injection and withdrawal to each of the delivery points of its gas storage facilities with the TSO.

## Section 17

### **Procedure for annual firm storage capacity booking**

- (1) SSOs shall book annual firm storage capacity on the principle of multi-round on-line auctions.
- (2) SSOs shall publish, in a manner enabling remote access, the terms and conditions of an auction for free storage capacity no later than 30 calendar days before the beginning of a multi-round on-line auction and no earlier than 18 months before the first gas day of the immediately following storage year for which the annual firm storage capacity is to be booked. In the case of a repeated auction, the time limit of 30 calendar days shall be shortened to 10 calendar days. The terms and conditions of auctions must be reasonable, non-discriminatory and transparent. The terms and conditions of auctions shall include the following:
- a) The minimum price per unit of storage capacity for the first storage year and the method for the calculation of the price for the other storage years throughout storage capacity booking;
  - b) The time and date of auction opening;
  - c) The required method of secured electronic communication, including an alternative method of communication should electronic communication fail on the part of the bidders;
  - d) The way of paying a financial deposit [~ 'collateral'];
  - e) The size of free storage capacity offered;



- f) A model form of the gas storage agreement, or amendments to the existing gas storage agreement if such amendments have been necessitated by storage capacity booking, which will be entered into with the bidders for whom storage capacity will be booked;
- g) A model form of the request form for the first access to the SSO's information system;
- h) The increase in the price per unit of storage capacity between auction rounds.
- i) The minimum and maximum storage capacity booking time.

(3) A cleared entity requesting storage capacity booking sends its request for storage capacity booking in the respective auction round in the form of a number rounded to two decimal places, which expresses the percentage share of the size of the free storage capacity. Together with its request for storage capacity booking, the bidder for storage capacity booking also specifies the required duration of storage capacity booking, which can be divided into multiple parts with different durations. A request for storage capacity booking and the required duration of the booking that were submitted in an auction round may not be changed during this auction round.

(4) A gas supplier forming a group with the SSO or being a part of the same group or of another business grouping with the SSO, who alone or in connection with other gas suppliers forming a group with the SSO or being a part of the same group or of another business grouping with the SSO has booked with the SSO a storage capacity of at least 80% of the capacity of the virtual storage facility operated by the SSO, may only participate as a bidder in the auction for storage capacity if the minimum price for storage capacity under subsection (2)(a) above is lower than or equal to the market price of storage capacity having the same or comparable parameters for annual storage capacity booking in the Czech Republic. The size of booked storage capacity under the preceding sentence shall be assessed as at the first day of the storage year immediately following the auction. If several gas suppliers forming a group with the SSO or being a part of the same group or of another business grouping with the SSO send requests for storage capacity booking exceeding in aggregate the size of free storage capacity, the SSO shall reduce the requests of such gas suppliers on a *pro rata* basis so that their requests in aggregate match the size of free storage capacity.

(5) The SSO shall reduce the request(s) for storage capacity booking received from a gas supplier(s) under subsection (4) above by the requests for storage capacity booking received from the other bidders, however, by no more than to the difference between free storage capacity and the requests for storage capacity booking received from the other bidders.

(6) Bidders shall pay the financial deposit [~ 'collateral'] no later than three working days before the declared date of the auction. By paying the financial deposit, cleared entities become bidders who may actively participate in the on-line auction (hereinafter "active bidders"). An active bidder may send a request for storage capacity booking in the auction up to an amount equalling the ratio of the paid financial deposit and the product of coefficient 0.05 and the minimum price per unit of storage capacity under subsection (2)(a). The furnishing of an irrevocable bank guarantee shall also be deemed to be payment of the financial deposit.

(7) An active bidder may send a request for storage capacity booking in the next auction round only up to the amount of its request for storage capacity booking in the preceding auction round. If in one auction round an active bidder does not send any request for storage capacity booking, or sends a request for storage capacity booking or the required duration of booking valued zero, it may no longer send requests for storage capacity booking to any of the following auction rounds.

(8) If a value of 100 is exceeded in an auction round when all the requests for storage capacity booking of active bidders have been added up, another auction round shall follow. In such a

subsequent auction round, the auction price per unit of storage capacity shall be increased in the manner specified in the terms and conditions of the auction.

(9) Each of the auction rounds is limited to ten minutes. Provided that all active bidders agree, the SSO may shorten an auction round.

(10) During the auction, the SSO shall notify active bidders of the sum of all the requests for storage capacity booking received in the preceding auction round and the time left until the end of the current auction round.

(11) The SSO shall stop the auction if in an auction round the sum of the requests for storage system booking of all active bidders is lower than or equal to 100. The SSO shall book storage capacity, rounded to whole cubic metres or kWh/day, in accordance with active bidders' requests for storage capacity booking received in the last auction round. Should a part of the storage capacity remain outside booking, this part of the storage capacity shall be booked for active bidders from the last but one round on a *pro rata* basis by the size of their requests for storage capacity booking sent to the last but one auction round, provided that for the purpose of calculating the booking, an active bidder's request for storage capacity booking shall be reduced by the storage capacity booked for this active bidder in the last auction round.

(12) If the sum of all requests for storage capacity booking of active bidders in the first auction round does not exceed 100, the price for gas storage shall be set at the level of the minimum price under subsection (2)(a). Otherwise, the price for gas storage shall be set at the level of the auction price in the last auction round in which the sum of all requests for storage capacity booking of active bidders amounted to 100 or more.

(13) The SSO shall send electronic notifications of storage capacity booking immediately after the auction, together with the final price per unit of storage capacity.

(14) The SSO shall refund the financial deposit to active bidders for whom storage capacity has not been booked within ten calendar days from the end of the auction. The SSO shall refund the financial deposit to active bidders for whom storage capacity has been booked within ten calendar days from the execution of the gas storage agreement.

## Section 18

### **Procedure for monthly firm storage capacity booking**

(1) SSOs shall book monthly firm storage capacity on the basis of the results of multi-round on-line auctions.

(2) SSOs shall publish the terms and conditions of auctions for free monthly firm storage capacity no later than 14 calendar days before the beginning of the auction, and shall do so in a manner enabling remote access. In the case of a repeated auction the time limit for publication is 7 calendar days. The terms and conditions of auctions must be reasonable, non-discriminatory and transparent. The terms and conditions of auctions shall include the same details as the terms and conditions of auctions for annual firm storage capacity, provided that the price per unit of storage capacity shall remain unchanged throughout the duration of storage capacity booking. The terms and conditions of auctions shall also include the number of calendar months for using the storage capacity.

(3) Section 17(3) and (6) to (12) shall apply *mutatis mutandis* to these auctions. The requested duration of storage capacity booking shall be specified as an integer expressing the number of

months of the term of the agreement, within the permissible range determined in accordance with the last sentence of subsection (2).

(4) SSOs shall send electronic notifications of storage capacity booking immediately after the auction, together with the final price per unit of storage capacity.

(5) Section 17(14) shall apply *mutatis mutandis* to the refunding of, and drawing on, financial deposits.

#### Section 19

##### **Procedure for daily firm storage capacity booking**

Cleared entities send electronic requests for daily firm storage capacity booking to SSOs no later than one calendar day by 8 a.m. and no earlier than 30 calendar days before the beginning of the first gas day from which they request the booking. SSOs evaluate the requests received, and shall notify all bidders of the results of storage capacity booking by 9 a.m. on the calendar day on which the requests for storage capacity booking were submitted. By electronic confirmation of requests, the daily firm storage capacity is booked.

#### Section 20

##### **Procedure for booking daily interruptible storage capacity**

(1) Cleared entities that have booked storage capacity with an SSO can request booking of daily interruptible storage capacity from that SSO.

(4) Requests for the booking of daily interruptible storage capacity are sent electronically by cleared entities no later than by 4 p.m. on the preceding gas day. The price for interruptible storage capacity shall only be paid for the uninterrupted part of the allocated daily interruptible storage capacity. The SSO shall evaluate the requests, and shall electronically notify the booking within 10 minutes from every whole hour in which the request for daily interruptible storage capacity booking was received. Daily interruptible storage capacity shall be deemed booked by the notification of the booking. The SSO can allow a cleared entity to submit a request for interruptible storage capacity booking later after the time under the first sentence, specifically also during a gas day.

#### Section 21

##### **Procedure for booking annual firm storage capacity in new storage capacity**

(1) An SSO planning the development of new storage capacity may book no more than 90% of this storage capacity under subsections (2) to (8). The SSO shall book the remaining part of this capacity using the procedure in Section 17 or 18. The SSO shall not proceed under subsections (2) to (8) when booking new storage capacity which the SSO has offered under the rules, approved by the Energy Regulatory Office, for the allocation and management and control of the overstepping of new storage capacity<sup>4a</sup>).

(2) SSOs shall book new storage capacity for annual firm storage capacity on the principle of multi-round on-line auctions. SSOs shall open the auction no earlier than seven years before the

---

<sup>4a</sup>) Section 67a (3) of Act No. 458/2000 on the Conditions of Business and State Administration in the Energy Industries and on Changes to Certain Laws (the Energy Act), as amended

beginning of the storage year from which it is possible to start gas storage using the new storage capacity in full.

(3) The maximum duration of new storage capacity booking for annual firm storage capacity booking is 15 storage years. SSOs shall set out the duration of storage capacity booking when announcing the terms and conditions of auctions.

(4) Where in the development of new storage capacity the storage capacity, or the various parameters thereof, is gradually increased and the SSO specifies the increase in storage capacity, or in the various parameters thereof, for each of the years in the terms and conditions of an auction under subsection (5)(h), the SSO shall allocate this increase in storage capacity, or in the various parameters thereof, on a *pro rata* basis among all the cleared entities for whom the new storage capacity has been booked.

(5) SSOs shall publish the terms and conditions of auctions for new storage capacity no later than 60 days before the planned opening of an auction. In the case of an auction for new storage capacity that already was offered in an auction, but was not booked, the SSO shall publish the terms and conditions of the auction no later than 30 days before the planned opening of the auction. The terms and conditions of auctions must be reasonable, non-discriminatory and transparent. The terms and conditions of auctions shall include the following:

- a) The minimum price per unit of storage capacity and the method for the calculation of the price for the other storage years throughout storage capacity booking;
- b) The minimum quantity, expressed in per cent, which must be booked in the auction for the SSO not to cancel the auction;
- c) The date and time of the auction;
- d) The required method of secured electronic communication, including an alternative method of communication should electronic communication fail on the part of bidders;
- e) The way of paying a financial deposit;
- f) A model form of gas storage agreement, or a model form of an agreement on changes to the rights and obligations under a gas storage agreement if amendments to the gas storage agreement are necessitated by storage capacity booking, which shall be executed with the bidders for whom storage capacity has been booked;
- g) The minimum and maximum duration of storage capacity booking;
- h) The total storage capacity offered in the first year of gas storage and in the following years if the new storage capacity, or the parameters thereof, are increased gradually;
- i) A model form of the request form for the first access to the SSO's information system.
- j) The size of the increase in the price per unit of storage capacity between auction rounds.

(6) A gas supplier forming a group with the SSO or being a part of the same group or of another business grouping with the SSO, who alone or in connection with other gas suppliers forming a group with the SSO or being a part of the same group or of another business grouping with the SSO has booked with the SSO a storage capacity of at least 80% of the capacity of the virtual storage facility operated by the SSO, may only participate as a bidder in an auction for new storage capacity if the minimum price for storage capacity under subsection (5)(a) is lower than or equal to the market price of storage capacity having the same or comparable parameters for annual firm storage capacity booking in the Czech Republic. In such a case a gas supplier under the preceding sentence can request storage capacity up to the amount of the storage capacity that

must be booked in the auction under the terms and conditions of the auction for the SSO not to cancel the auction. The second sentence of Section 17(4) shall be used *mutatis mutandis*.

(7) The SSO shall reduce the request(s) for storage capacity booking received from a gas supplier(s) under subsection (6) by the requests for storage capacity booking received from the other bidders, however, by no more than to the difference between the minimum amount under subsection (5)(b) and the requests for storage capacity booking received from the other bidders.

(8) Section 17(3) and (6) to (14) shall be used *mutatis mutandis* for the organisation of auctions. The bidders shall pay the financial deposit no later than five calendar days before the date of the auction. The minimum price per unit of storage capacity shall be set pursuant to subsection (5)(a).

(9) In the event of it being possible, after the booking of annual firm storage capacity in new storage capacity, to make this new storage capacity available before the booking of annual firm storage capacity in new storage capacity comes into effect, the SSO can offer such capacity to gas market participants by way of the booking of monthly firm storage capacity, and can do so repeatedly. For the booking of this storage capacity Section 18 shall be used *mutatis mutandis*. The storage capacity so booked shall continue to be regarded as new storage capacity.

## Section 22

### **Procedure for the sale of gas left**

(1) If upon the end of storage capacity booking under a gas storage agreement the cleared entity's gas has not been withdrawn completely and it is not feasible to transfer this gas within the virtual storage facility under any other of the existing storage capacity bookings of this cleared entity using the virtual storage facility, the SSO shall carry out controlled sale of this gas on the organised day-ahead gas market.

(2) The SSO shall carry out controlled gas sale every gas day depending on its available withdrawal capacity. For the purpose of controlled gas sale, the SSO shall book transmission capacity for the entry point of the virtual storage facility.

(3) On the organised day-ahead gas market, the SSO shall offer to sell gas for a price of EUR 1/MWh. Every day, the SSO shall publish the gas volume that it will offer on the organised day-ahead gas market.

(4) The SSO shall remit the proceeds from the sale of left gas, net of the justifiable costs directly incurred in the gas sale, to the cleared entity under subsection (1) within 15 calendar days from the end of the left gas sale.

## Section 23

### **Storage capacity reduction in the case of curtailed or interrupted gas storage**

(1) In the case of curtailed or interrupted gas storage, the SSO shall first reduce booked interruptible storage capacities and then booked firm storage capacities.

(2) The SSO shall reduce booked interruptible storage capacities on the basis of the price per unit of interruptible injection/withdrawal capacity in the order of priority from the lowest price to the highest price, provided that it shall reduce storage capacities booked for the same price per unit of interruptible capacity to the same level in respect of the agreed interruptible capacity. If a cleared entity's nomination is below the maximum level of applied reduction, its storage

nomination shall remain unaffected. Otherwise, the SSO shall confirm the relevant storage nomination in the reduced amount.

(3) Upon a planned curtailment or interruption of storage capacity, the SSO shall reduce booked firm storage capacities by reducing the storage capacities booked for the days for which the interruption is planned, proportionally equally for all cleared entities. If a cleared entity's nomination is below the maximum level of applied reduction, its storage nomination shall remain unaffected. The SSO shall notify of the amount by which booked firm storage capacities will be reduced together with its notification of a planned interruption in storage capacity.

(4) If the causes for curtailing or interrupting gas storage cease to exist in whole or in part, the SSO shall immediately inform the cleared entities concerned, and they can then re-nominate their storage.

(5) In the event of a sudden outage in injection/withdrawal, the SSO shall reduce booked storage capacities and confirm storage nominations using *mutatis mutandis* the procedure described in subsections (1) to (4).

## Section 24

### Information on storage capacities

(1) SSOs shall publish, in a manner enabling remote access, and update as at the 15th day of a calendar month, the following information:

- a) The annual plan of reductions in the size of storage capacity or decrease in the quality of the services provided by a virtual storage facility due to shutdowns or planned maintenance at each of the gas storage facilities;
- b) A five-year plan of modifications to the size of the working volume and the daily maximum injection/withdrawal capacity of the respective virtual storage facility for every storage year;
- c) Numerically, the size of the technical, total booked, and free storage capacities of the respective virtual storage facility;
- d) Modifications to the size of the working volume and the daily maximum injection/withdrawal capacity of the respective virtual storage facility for the last three storage years, for each storage year.

(2) SSOs shall publish, in a manner enabling remote access, and update daily at 9 a.m. at least the following information:

- a) The size of the total available injection/withdrawal capacity for the following gas day;
- b) The size of the total committed firm injection/withdrawal capacity calculated as the sum of cleared entities' injection/withdrawal capacities for the following gas day;
- c) The current level of gas stores in the virtual storage facility in energy units;
- d) The size of interrupted interruptible capacity and the highest price per unit of interruptible capacity, in respect of which the interruption was applied for the preceding gas day;
- e) The size of interrupted firm storage capacity, broken down by injection capacity and withdrawal capacity, for the preceding gas day;
- f) Actual daily values of injection and withdrawal for the preceding gas day.

(3) The SSO shall publish the information under subsection (2) for the last 3 calendar years.

(4) The SSO shall publish, in a manner enabling remote access, the resulting price and size of the storage capacities booked in each of the auctions for the last 3 calendar years.

## Section 25

### **Designation of gas market participants, delivery points and supply points**

- (1) The market operator shall manage code lists of registered gas market participants, code lists of delivery and supply points, and other data needed for the identification of gas market participants and each of the supply and delivery points. The EIC code specified by the market operator shall be used for the code lists.
- (2) DSOs shall ensure that the market operator designates the following by the assignment of numerical codes:
  - a) Delivery points on cross-border pipelines;
  - b) Delivery points, or sets of delivery points, of gas production plants connected to the distribution system, subject to agreement with the gas producers;
  - c) Delivery points between adjacent systems, subject to agreement with the adjacent DSOs.
- (3) The TSO shall ensure that the market operator designates the following by the assignment of numerical codes:
  - a) Delivery points, or sets of delivery points, of gas production plants connected to the transmission system, subject to agreement with the gas producers;
  - b) Delivery points, or sets of the delivery points, between the transmission system and distribution systems, subject to agreement with DSOs;
  - c) Border points in the transmission system;
  - d) Delivery points between gas storage facilities and the transmission system, subject to agreement with SSOs.
- (4) DSOs and the TSO shall ensure that customers' supply points are designated by the assignment of numerical codes.

## Section 26

### **Allocation of responsibility for imbalance**

- (1) Responsibility for imbalance relates to each individual supply point of a customer or a delivery point, or the set of delivery points, of a gas production plant. Responsibility for imbalance at these supply points and delivery points, or sets of delivery points, of gas production plants may only be transferred, either directly or through another registered gas market participant, to a single cleared entity.
- (2) If no cleared entity with responsibility for imbalance has been assigned to a supply point of a customer or a delivery point, or the set of delivery points, of a gas production plant the market operator shall request the respective gas market participant under subsection (1) to remedy the situation. In the event of failure to assign a cleared entity responsible for imbalance to the customer's supply point or the delivery point, or the set of delivery points, of the gas production plant, the market operator shall notify the respective operator and the gas market participants concerned thereof.
- (3) Responsibility for imbalance at the entry and exit points of a virtual storage facility shall be borne by the respective cleared entity using this point of the transmission system. The following shall apply to the entry and exit points of a virtual storage facility: the last registered transmission nomination or re-nomination by the respective cleared entity shall be deemed to be

the gas quantity actually delivered or taken, with the exception of curtailments or interruptions of transmission or activities related to gas transmission and gas storage under the Energy Act.<sup>5)</sup>

(4) Responsibility for imbalance at the border entry and exit points shall be borne by the respective cleared entity using this point of the transmission system. It is understood that at entry and exit border points, the last registered transmission nomination or re-nomination of the respective cleared entity is deemed to be the gas quantity actually delivered/taken, with the exception of cases of gas transmission curtailment or interruption under the Energy Act<sup>5)</sup>.

(5) Responsibility for imbalance at an entry/exit point on a cross-border pipeline shall be borne by the respective cleared entity using this point of the distribution system.

(6) Any transfer of responsibility for imbalance under subsection (1) shall be subject to the market operator's approval. The transferring gas market participant shall request the transfer of responsibility for imbalance under subsection (1) through the market operator's information system and the accepting cleared entity shall approve the assignment of responsibility for imbalance at each individual supply point of the customer or at a delivery point, or the set of delivery points, of a gas production plant through the market operator's information system. Upon approval of the assignment of responsibility for imbalance to the accepting cleared entity the market operator shall, subject to the accepting entity's adequate financial provisions, transfer the cleared entity's responsibility for imbalance to the accepting cleared entity. The market operator shall assess the assignment of responsibility for imbalance within 60 minutes from the whole hour in which the request for assignment of responsibility for imbalance was approved by the accepting cleared entity through the market operator's information system. The market operator shall immediately inform the transferring gas market participant, the accepting cleared entity, and the respective operator of the distribution or transmission system about the result of the assessment of the assignment of responsibility for imbalance. Assignment of responsibility for imbalance shall become effective no earlier than on the following gas day after approval by the market operator. As at the date of effect of the change of the cleared entity, the operator of the distribution or transmission system shall determine the reading on the metering instrument under Section 53(2).

(7) DSOs shall publish, in a manner enabling remote access, and notify the market operator of the allocation rules at each of the points on cross-border pipelines. The market operator shall immediately publish the allocation rules at each of the points on cross-border pipelines in a manner enabling remote access.

(8) The TSO shall publish, in a manner enabling remote access, and notify the market operator of the allocation rules as each of the border points. The market operator shall immediately publish the allocation rules at each of the border points in a manner enabling remote access.

## Section 27

### **Two and more gas suppliers' supply to a single supply point**

(1) A customer may have agreements with one or more gas suppliers. Multiple gas suppliers' supplies to a single supply point are only allowed subject to the use of a fixed supply profile.

(2) A cleared entity that is not assigned at the supply point as the cleared entity responsible for imbalance shall supply gas under the fixed profile to the customer's supply point by delivering the gas to the cleared entity responsible for imbalance at the supply point at the virtual trading point on the basis of their mutual agreement.

---

<sup>5)</sup> Section 58(1)(i) and Section 60(1)(f) of the Energy Act



## **Procedures and time limits for sending transmission, distribution, storage and supply/take obligation nominations**

### Section 28

(1) Cleared entities shall send their supply obligation and take obligation nominations as preliminary nominations and daily nominations of supply obligation and take obligation electronically, using a standardised report defined in the market operator's commercial terms and conditions, as follows:

- a) Nomination of a transaction under a bilateral contract, when the cleared entity registers a gas transfer with a different cleared entity at the virtual trading point;
- b) Nomination of own gas transfer, when the cleared entity registers a gas transfer with itself at the virtual trading point;
- c) Nomination of the cleared entity's preliminary total imbalance, when the cleared entity registers a gas transfer between the cleared entity and the market operator for preliminary total imbalance;
- d) Nomination of the cleared entity's actual total imbalance, when the cleared entity registers a gas transfer between the cleared entity and the market operator for actual total imbalance.

(2) In its information system, the market operator shall set the cleared entity's nomination under subsection 1(c) and (d) at the maximum value that the cleared entity can nominate under Section 49(3) and Section 50(2) on the respective gas day.

(3) In the event that by gate closure for nominations sent by cleared entities nominations under subsection 1(a) and (b) are not matched, the market operator shall register the lower of the nominated values.

(4) The market operator shall nominate supply obligations and take obligations for cleared entities as daily nominations of supply obligation and take obligation, electronically in a standardised report defined in the market operator's commercial terms and conditions, as follows:

- a) Nomination of traded gas on the organised day-ahead market, when the market operator registers transactions executed on the organised day-ahead market between the market operator and each of the cleared entities;
- b) Nomination of traded gas on the organised intra-day market, when the market operator registers transactions executed on the organised intra-day market between the market operator and each of the cleared entities.

(5) A cleared entity's supply obligation and take obligation nomination is the sum of nominations under subsections (1) and (4), adjusted using the procedure in subsection (3).

(6) The market operator shall add up all the received and registered nominations of actual total imbalance and total preliminary imbalance on the respective gas day, as sent by cleared entities under subsection 1(c) and (d), so that the cleared entities' supply obligation has the plus sign and their take obligation has the minus sign. The market operator shall register nominations in respect of the TSO as

- a) an obligation to supply by the market operator and an obligation to take by the TSO in the case that the sum is positive,
- b) an obligation to take by the market operator and an obligation to supply by the TSO in the case that the sum is negative.

## Section 29

- (1) Cleared entities shall nominate transmission at the entry points of the transmission system
  - a) up to the booked capacity in respect of the border points of the transmission system; transmission at an entry point shall be nominated in a breakdown by gas importer, showing the designation of these gas importers in a form enabling the TSO and operators of the adjacent transmission systems to carry out the matching procedure,
  - b) up to the booked capacity in respect of points of a gas storage facility; transmission at an entry point shall be nominated so as to enable the TSO and the SSO to carry out the matching procedure.
- (2) Cleared entities shall nominate transmission at the exit points of the transmission system
  - a) up to the booked capacity in respect of the border points of the transmission system; transmission shall be nominated in a breakdown by gas customer, showing the designation of these customers in a form enabling the TSO and operators of adjacent transmission systems to carry out the matching procedure,
  - b) up to the booked capacity in respect of the points of a gas storage facility; transmission shall be nominated so as to enable the TSO and the SSO to carry out the matching procedure,
  - c) up to the booked capacity in respect of a supply point of a customer directly connected to the transmission system, broken down by hour within a gas day.
- (3) The TSO shall nominate transmission at the TSO's exit virtual point for
  - a) the flexibility service,
  - b) nominations under Section 28(6).
- (4) The TSO shall nominate transmission at the TSO's entry virtual point for
  - a) the flexibility service,
  - b) nominations under Section 28(6).
- (5) For customers' supply points directly connected to the transmission system, with a booked capacity of less than 500,000 m<sup>3</sup>/day, transmission is not nominated.
- (6) A natural or juristic person that is not a cleared entity shall nominate and re-nominate transmission in the TSO's information system. The TSO shall check that transmission nominations or re-nominations at entry points of the transmission system match those at exit points of the transmission system and in the case of inequality of the sum of transmission nominations or re-nominations at entry and exit points, taking into account fuel gas, shall not accept these nominations or re-nominations.

## Section 30

- (1) Cleared entities shall nominate distribution up to the booked capacity at the entry points of the distribution system
  - a) in respect of cross-border pipeline points, in a breakdown by gas importer in a form enabling the DSO and operators of the adjacent distribution or transmission systems to carry out the matching procedure,
  - b) in respect of a delivery point, or the set of delivery points, of a gas production plant, as the total planned value of gas distribution at this entry point of the gas system.

(2) Cleared entities shall nominate distribution up to the booked distribution capacity at an exit point of a cross-border pipeline in a breakdown by customer, in a form enabling the DSO to carry out the matching procedure.

(3) For customers' supply points and for delivery points between distribution systems, distribution is not nominated.

### Section 31

Cleared entities shall nominate storage in a breakdown showing the codes of the booked storage capacities up to the available withdrawal and injection capacity, in a form enabling the SSO and the TSO to carry out the matching procedure.

### Section 32

(1) Cleared entities shall send transmission, distribution and storage nominations and preliminary weekly nominations no later than by 2 p.m. on the respective gas day for the following seven gas days.

(2) Cleared entities shall send supply obligation and take obligation nominations no later than by 2 p.m. on the respective gas day for the following gas day.

(3) The market operator shall check the financial provisions for all of the cleared entities' nominations in accordance with its commercial terms and conditions, and no later than by 2.10 p.m. shall send the nominations that are financially provided for, and have been adjusted under subsection (4), to the respective operators.

(4) In the event that a cleared entity lacks adequate financial provisions for its nominations, the market operator shall reduce the nominations in the order of priorities so as to make the cleared entity have the required financial provisions. Under one priority, the nominations shall be reduced evenly in the case of multiple nominations. Priorities for reduction are as follows:

- a) First of all, transmission nominations at an exit point of a gas storage facility are reduced;
- b) The transmission nominations at an exit border point and distribution nominations at an exit point of a cross-border pipeline are reduced;
- c) Finally, nominations of supply obligations under bilateral contracts are reduced.

(5) The TSO, DSOs and SSOs shall check and match the nominations, and by 3 p.m. shall notify, through their own and the market operator's information systems, the cleared entities of whether they have accepted and registered their nominations.

(6) The market operator shall nominate under Section 28(6) at 2.10 p.m.

(7) For cleared entities, the market operator shall nominate supply obligation and take obligation under Section 28 (4) (a) within ten minutes from the evaluation of the results of the organised day-ahead gas market.

(8) For cleared entities, the market operator shall nominate supply obligation and take obligation under Section 28 (4) (b) within ten minutes from the matching of the offers and bids on the organised intra-day gas market.

(9) The market operator, the TSO, DSOs and SSOs shall interconnect their information systems so as to enable the forwarding of all transmission nominations and re-nominations sent to the TSO, distribution nominations and re-nominations sent to DSOs, and storage nominations and re-nominations sent to SSOs, to the market operator without undue delay.

(10) In its information system, the market operator shall support transmission nominations and re-nominations, distribution nominations and re-nominations, and storage nominations and re-nominations. A cleared entity's nominations and re-nominations sent to the market operator's information system and duly forwarded by the market operator to the respective operator shall be deemed to be the cleared entity's transmission, distribution or storage nominations and re-nominations sent directly to the respective operators.

(11) The market operator or the TSO shall accept nominations of transmission at border points as daily nominations for a gas day, or broken down by hours of a gas day.

### **Procedures and time limits for nominating transmission, distribution, storage, and supply and take obligations**

#### Section 33

(1) All transmission, storage and distribution nominations of a cleared entity for a gas day sent after the time limit under Section 32(1) shall be deemed to be transmission, storage and distribution re-nominations. Transmission, storage and distribution re-nominations are classified as corrective transmission, storage and distribution nominations, first transmission, storage and distribution re-nominations, corrective transmission, storage and distribution re-nominations, and continuous transmission, storage and distribution re-nominations.

(2) Cleared entities can send corrective transmission, storage and distribution nominations, first transmission, storage and distribution re-nominations, corrective transmission, storage and distribution re-nominations, and continuous transmission, storage and distribution re-nominations to the TSO, DSOs and SSOs.

(3) The market operator shall check the financial provisions for all transmission, storage and distribution re-nominations sent by cleared entities under subsection (2) in accordance with the market operator's commercial terms and conditions, and shall send the transmission, storage and distribution re-nominations that are financially provided for to the respective operators. In the event that a cleared entity's financial provisions for its transmission, storage or distribution re-nominations are not adequate, the market operator shall make reductions in the order of priorities set out in Section 32(4) to make the cleared entity have adequate financial provisions. At one level of priority, reductions are made evenly in the case of multiple transmission, storage and distribution re-nominations.

(4) The transmission, storage and distribution re-nominations under subsection (2) shall be sent as follows:

- a) Corrective transmission, storage and distribution nomination: by 4 p.m. on the gas day on which nominations are to be sent under Section 32(1);
- b) First transmission, storage and distribution re-nomination: by 8 p.m. on the gas day on which nominations are to be sent under Section 32(1);
- c) Corrective transmission, storage and distribution re-nomination: by 00:00:00 hours (midnight) on the day following the day on which nominations are to be sent under Section 32(1);
- d) continuous transmission, storage and distribution re-nomination: by every whole hour on the day following the day on which nominations are to be sent under Section 32(1), and no later than by 3 a.m. on the day following two days following the day on which nominations are to be sent under Section 32(1).

(5) The market operator shall check the financial provisions for transmission, storage and distribution re-nominations under subsection (3) as follows:

- a) In the case of corrective transmission, storage and distribution nominations: by 4.10 p.m. on the gas day on which nominations are to be sent under Section 32(1);
- b) In the case of first transmission, storage and distribution re-nominations: by 8.10 p.m. on the gas day on which nominations are to be sent under Section 32(1);
- c) In the case of corrective transmission, storage and distribution re-nominations: by 00.10 a.m. on the day following the day on which nominations are to be sent under Section 32(1);
- d) In the case of continuous transmission, storage and distribution re-nominations: within ten minutes from every whole hour on the day following the day on which nominations are to be sent under Section 32(1), in which a continuous re-nomination was sent.

(6) The TSO, SSOs and DSOs shall approve a continuous re-nomination if it is technically feasible and sent in accordance with Schedule 4 hereto.

(7) The TSO, DSOs or SSOs shall notify cleared entities, also through the market operator's information system, of the accepted and registered

- a) corrective transmission, storage and distribution nominations: by 6.00 p.m. on the gas day on which nominations are to be sent under Section 32(1);
- b) first transmission, storage and distribution re-nominations: by 10.00 p.m. on the gas day on which nominations are to be sent under Section 32(1);
- c) corrective transmission, storage and distribution re-nominations: by 2 a.m. on the day following the day on which nominations are to be sent under Section 32(1);
- d) continuous transmission, storage and distribution re-nominations: within two hours from the whole hour in which the re-nomination was sent.

(8) The market operator or the TSO shall accept re-nominations for transmission at border points as daily re-nominations for a gas day, or broken down by hours of a gas day remaining until the end of the gas day.

#### Section 34

(1) All supply obligation and take obligation nominations sent by a cleared entity for a gas day after the time limit under Section 32(2), but not later than by 5 a.m. on the day following two days following the day on which nominations are to be sent under Section 32(2), shall be deemed to be supply obligation and take obligation re-nominations.

(2) In the event that by gate closure for supply obligation and take obligation re-nominations, the re-nominations of transactions under bilateral contracts are not matched, the market operator shall not register such re-nominations.

(3) After the end of every hour the market operator shall check the financial provisions for all supply obligations and take obligation re-nominations of cleared entities. If a cleared entity does not have adequate financial provisions for its re-nominations the re-nominations shall be rejected.

(4) Within ten minutes from the end of every hour, the market operator shall inform the respective cleared entities, through its information system, about the acceptance and registration, or rejection, of their supply obligation and take obligation re-nominations.

## Section 35

### **Procedures for imbalance clearing by the market operator**

- (1) The market operator's activities that are subject to a charge include the following:
- a) Clearing, the charge for which is composed of:
    - 1 The price for cleared entity registration, in CZK;
    - 2 The annual fee for the clearing activity, in CZK/year;
    - 3 The price for clearing, in CZK/MWh, related to the gas consumed by customers, gas producers, the TSO and DSOs;
  - b) Provision of the actual values to gas market participants, in CZK/year; registered market participants who are not cleared entities shall pay this charge;
  - c) Spot gas market organisation; subject to charge is the gas quantity traded on the organised spot gas market, in CZK/MWh; the charge is payable by the cleared entity that has entered into an imbalance clearing agreement containing provisions on access to the organised spot gas market.
- (2) Gas market participants shall pay the charges for the market operator's activities directly to the market operator, with the exception of the price under subsection 1(a)(3), which gas market participants shall pay, at least once a month, to the operator of the transmission or distribution system to which the gas market participant's supply point is connected.
- (3) The market operator shall bill DSOs and the TSO the clearing charge for all the gas consumed in the respective operator's distribution or transmission system, including losses and their own consumption, on the basis of actual values.

## Section 36

### **Commercial balancing of imbalances**

- (1) The market operator shall be responsible for the commercial balancing of cleared entities' imbalances.
- (2) Cleared entities shall be granted tolerances for each entry and exit point of the gas system as follows:
- a) For a customer's supply point at which the cleared entity has been assigned with responsibility for imbalance, the tolerances for the respective gas day shall be granted in relation to the size of the booked or calculated distribution capacity, planned annual gas consumption, typical supply profile class, and the actual gas quantity taken, using the procedure in Schedule 5 hereto;
  - b) For a gas production plant at which the cleared entity has been assigned with responsibility for imbalance, the tolerances for the respective gas day shall be granted in relation to the size of the booked or calculated distribution capacity and the actual amount of gas produced, using the procedure in Schedule 5 hereto;
  - c) For a border point, cross-border pipeline point and a gas storage facility point, tolerances shall be granted to the cleared entity for the respective gas day in relation to the size of the capacity booked for this cleared entity and to the quantity of the gas transmitted or distributed, using the procedure in Section 5 hereto.

(3) If at a border point, a gas storage facility point or a cross-border pipeline point an allocation rule is applied on a gas day, whereby the value of transmission or distribution nomination is deemed to be the supplied value, tolerances shall not be granted at the respective point on this gas day.

(4) A cleared entity's total tolerance for the respective gas day is the sum of tolerances granted at each of the entry and exit points of the gas system, adjusted by the value of tolerance under subsection (8).

(5) A cleared entity's imbalance at the entry into the gas system is the difference between the actual quantity of gas supplied into the gas system on a gas day and the last nomination or re-nomination of all supply obligations registered with the market operator.

(6) A cleared entity's imbalance at the exit from the gas system is the difference between the last confirmed nomination or re-nomination of all take obligations at the market operator and the actual quantity of gas taken from the gas system on a gas day.

(7) A cleared entity's total imbalance on a gas day is the sum of the cleared entity's imbalance at the entry into the gas system and the cleared entity's imbalance at the exit from the gas system, adjusted by the imbalance value under subsection (8).

(8) A cleared entity's total imbalance can be transferred to another cleared entity. The transfer of a cleared entity's total imbalance to a different cleared entity shall cause the transfer of the transferor's total tolerance as well. The transferring cleared entity sends its request for the transfer of total imbalance through the market operator's information system and the accepting cleared entity approves the transfer of this total imbalance through the market operator's information system. Following the approval of the transfer of total imbalance by the accepting cleared entity, the market operator shall, within 60 minutes from the whole hour in which the request for the transfer of total imbalance was approved by the accepting cleared entity through the market operator's information system, check the adequacy of the accepting cleared entity's financial provisions. The market operator shall immediately notify the transferring and accepting cleared entities of the result of its assessment of the transfer of total responsibility for imbalance. If the accepting cleared entity's financial provisions are adequate the market operator shall transfer the cleared entity's total imbalance. The transfer of a cleared entity's total imbalance shall become effective no earlier than on the following gas day after the market operator's approval. Total imbalance of a cleared entity that has accepted total imbalance from another cleared entity cannot be transferred to any other cleared entity.

(9) No later than by the 13th day of a calendar month, the market operator shall publish, in a manner enabling remote access, the actual income for imbalances in excess of the allowed tolerances for the last 12 calendar months, broken down by month.

## Section 37

### **Commercial balancing in the prevention of states of emergency throughout the Czech Republic due to gas shortage or surplus in the gas system**

(1) The provisions of this Section shall be followed from the gas day following the day on which the TSO declared prevention of a state of emergency ['emergency'] due to a gas shortage or surplus in the Czech gas system, in particular, but without limitation, upon the critical use of the line pack in the transmission system and the flexibility service and by purchasing gas for no more than the price of missing balancing gas under the Office's price decision or by selling gas for at least the price of missing balancing gas under the Office's price decision. For the purpose hereof, the use of the flexibility service below 20% or above 80% of the working volume shall be regarded as critical.

(2) The Office sets the price for off-tolerance imbalance in the prevention of emergency in its price decisions<sup>3</sup>).

(3) In co-operation with the market operator, the TSO shall inform all cleared entities, registered market participants, DSOs and SSOs, electronically and without any delay, that on the following gas day commercial balancing of imbalances in the prevention of emergency will be started.

(4) If prevention of emergency is declared due to a shortage of gas in the gas system the TSO shall buy the missing gas on the intra-day market under Section 41 for the price of missing balancing gas under the Office's price decision from the beginning of the gas day on which commercial balancing in the prevention of emergency is applicable. If the TSO's bid is not matched within 15 minutes the TSO shall increase the price at five-minute intervals by EUR 2/MWh until matching, however, to no more than the price set in the Office's price decision.

(5) If prevention of emergency is declared due to a shortage of gas in the gas system, the price for missing balancing gas shall be equal to the maximum purchase price realised by the TSO under subsection (4). In the event that the bid cannot be matched even at the maximum level under subsection (4), the price under the Office's price decision shall be deemed to be the maximum realised price.

(6) If prevention of emergency is declared due to a surplus of gas in the gas system the TSO shall sell the excess gas on the intra-day market under Section 41 for the price of excess balancing gas under the Office's price decision from the beginning of the gas day on which commercial balancing in the prevention of emergency is applicable. If the TSO's offer is not matched within 15 minutes the TSO shall decrease the price at five-minute intervals by EUR 2/MWh until matching, however, to no less than EUR 0.1/MWh.

(7) If prevention of emergency is declared due to a surplus of gas in the gas system, the price for excess balancing gas shall be equal to the minimum selling price realised by the TSO under subsection (6). In the event that the offer cannot be matched even at the minimum price under subsection (6), the price under the Office's price decision shall be deemed to be the minimum realised price.

#### Section 38

##### **Commercial balancing in states of emergency throughout the Czech Republic due to gas shortage or surplus in the gas system**

In the event of a state of emergency throughout the Czech Republic due to gas shortage or surplus in the gas system, the procedure shall be analogous to the one under Section 37(2) to (7), provided that

- a) on the respective gas day, tolerances under Section 36(2) shall not be granted to cleared entities, and
- b) on the respective gas day, cleared entities shall not be allowed to balance imbalances through payment in kind, by way of the registration of all nominations under Section 28(1)(c) and (d) for the respective gas day with a value of zero and by dealing with all imbalances through financial settlement with the market operator.

#### Section 39

##### **Types of spot markets, their organisation and methods of settlement**

(1) The market operator shall organise a day-ahead gas market with gate closure for offers at 10 a.m. for the following gas day, and an intra-day market.



- (2) Only cleared entities can trade on a spot gas market.
- (3) A cleared entity's bid is understood to be its obligation to take the requested gas quantity for the respective gas day if the request is satisfied.
- (4) A cleared entity's offer is understood to be its obligation to supply the offered gas quantity for the respective gas day if the offer is satisfied.
- (5) The minimum quantity of gas requested or offered on an organised spot gas market is 0.1 MWh. The quantity of gas requested or offered on an organised spot gas market shall be specified in MWh with an accuracy of one decimal place.
- (6) The result of transactions on the markets under subsection (1) is the determination of the agreed gas supplies, takes, and prices.
- (7) Transactions on the markets under subsection (1) shall be anonymous in respect of each other.
- (8) The virtual trading point shall be the point to/from which the gas is supplied/taken.
- (9) The market operator shall request and offer gas on a spot gas market for imbalances that have not been balanced using the procedure in Schedule 6 hereto.

#### Section 40 **Day-ahead market**

- (1) Organised spot gas market participants send their offers and bids to the day-ahead market until the day preceding the gas day. On the basis of the received offers and bids, results of the day-ahead market, for the day-ahead market for the gas day, shall be determined as follows:
  - a) The resulting gas price, in EUR/MWh, achieved on the day-ahead market;
  - b) Gas quantities traded, in MWh.
- (2) The market operator shall enter the data on each of the cleared entities' contracted gas quantities into its information system as nominations of gas traded on the organised day-ahead market.
- (3) Having determined the results of the day-ahead market, by 10.30 a.m. the market operator shall inform each of the spot market participants about the results of the evaluation of the offers and bids sent to the day-ahead market for the respective gas day as follows:
  - a) The size of gas supply and take, in MWh, contracted on the day-ahead market;
  - b) The price achieved on the day-ahead market.
- (4) Having informed each of the participants about the results of the day-ahead market, the market operator shall publish, in a manner enabling remote access, the offer and bid curves, gas quantities in executed transactions, prices achieved for the day-ahead gas market, gas quantities in failed offers and bids, and the number of successful and failed offers accepted and the number of successful and failed bids accepted. The published data shall not contain any information about the specific participants in the day-ahead market.

#### Section 41 **Intra-day market**

- (1) The intra-day market is organised within a gas day and offers/bids to supply/take gas can be sent to it and accepted on it.

- (2) The intra-day market for a gas day is organised from 10.30 a.m. on the preceding calendar day to 5 a.m. on the following calendar day.
- (3) The market operator shall enter the data on each of the cleared entities' contracted gas quantities into its information system as nominations of gas traded on the intra-day market.
- (4) Within 10 minutes from closing on the intra-day market, the market operator shall adjust the total gas quantities contracted for supply and take obligations as part of the nomination of traded gas on the organised intra-day market for the respective gas day.
- (5) By 1 p.m. on the day following the gas day, the market operator shall publish, in a manner enabling remote access, the gas quantities in executed transactions and a weighted average of the gas prices for the respective gas day on the intra-day market.

## Section 42

### **Financial settlement of transactions on organised spot gas markets**

By the time limits under Section 32(7) and (8), the market operator shall provide each spot gas market participant with the following information, in a breakdown by market:

- a) The size of supply obligation and take obligation following from the gas quantity traded on the respective market, in MWh, with an accuracy of one decimal place;
- b) Achieved prices, in EUR/MWh, in a breakdown by transaction;
- c) Volume of payments for contracted gas takes and contracted gas supplies, in EUR.

## Section 42a

### **The unused tolerance market**

- (1) The market operator shall organise an unused tolerance market and enable the registration of bilateral unused tolerance trades.
- (2) If unused tolerance has a sign opposite to that of the system imbalance, unused tolerance equals zero.
- (3) The unused tolerance market works from the 11th day in a calendar month from 6 p.m. to 4 p.m. on the following calendar day for all gas days of the preceding calendar month.
- (4) The market operator shall notify the results of the unused tolerance market at 5 p.m. on the 12th day in the calendar month. Following the notification of the results of the unused tolerance market to each of the participants, the market operator shall publish, in a manner enabling remote access, the offer and bid curves, the number of the trades made on the unused tolerance market, and the prices achieved for unused tolerance, for each gas day of the preceding month. The published data shall not contain any information about the various participants in the unused tolerance market.
- (5) Registrations of bilateral unused tolerance trades take place from 6 p.m. on the 11th day in a calendar month to 10 a.m. on the 13th day in the calendar month for all gas days of the preceding month.
- (6) The unused tolerance market and registrations of bilateral unused tolerance trades shall take place separately for each gas day.

## Section 43

### **Physical balancing**

(1) The TSO shall be responsible, in co-operation with DSOs, for the physical balancing of the gas system. For balancing, the TSO shall use the line pack in the gas system, the flexibility system, and gas purchased from or sold to cleared entities, for which it bids or which it offers on an organised spot gas market.

(2) The point of gas delivery between the TSO and a cleared entity is the virtual trading point. In the market operator's information system, such gas deliveries are registered as supply obligation and take obligation nominations under Section 28 (1) (a).

(3) The market operator shall aggregate the nominations for all cleared entities under Section 28(1) (c) and (d). Should cleared entities' nominations under Section 28(1) (c) and (d) differ from cleared entities' maximum possible nominations under Section 49(3) and Section 50(2), the market operator shall settle the remaining part of preliminary total imbalance with the TSO, which has balanced this preliminary total imbalance using the instruments described in subsection (1), by way of paying or receiving the price based on the result of gas sale/purchase on an organised spot gas market under Schedule 6 hereto.

### **Scope and time limits for providing data for the evaluation of imbalances and the billing of gas supplies and other services**

#### Section 44

(1) Every calendar day, no later than by 12 p.m. [noon], DSOs shall provide the market operator with the following information for the preceding gas day:

- a) Preliminary allocation of gas supplies at cross-border pipeline points, in a breakdown by entry point and by cleared entity, and by importer and customer, specifying their designation;
- b) Preliminary values of the allocation of gas supplies from delivery points, or sets of delivery points, of gas production plants;
- c) Preliminary values of gas supply and take at delivery points between distribution systems; the DSO that operates the metering instruments shall send the data;
- d) Preliminary allocation of gas take at cross-border pipeline points, in a breakdown by exit point and by cleared entity;
- e) Preliminary values of gas take at supply points of customers with type A metering, whose supply points were tagged, using a code, for individual data transmission to the market operator for the respective gas month;
- f) Preliminary values of all gas takes at supply points of customers with type A metering who have not changed their supplier, which were not tagged, using a code, for individual data transmission to the market operator for the respective gas month, broken down by the nature of the distribution of gas consumption in a calendar year;
- g) Preliminary value of their own consumption;
- h) Preliminary value of the change in the line pack.

(2) No later than by 12 p.m. [noon] on the ninth calendar day, but no later than by 12 p.m. [noon] on the sixth working day of a calendar month, DSOs shall provide the market operator with the following information for each of the gas days of the preceding gas month:

- a) Booked firm capacities, booked interruptible capacities and actual allocations of gas supplies at cross-border pipeline points, in a breakdown by entry point and by cleared entity;

- b) Actual values of the allocation of gas supplies from delivery points, or sets of delivery points, of gas production plants;
  - c) Actual values of gas supply and take at delivery points between distribution systems; the DSO that operates the metering instruments shall send the data;
  - d) Booked firm capacities, booked interruptible capacities and actual allocations of gas take from each of the cross-border pipeline points, in a breakdown by exit point and by cleared entity;
  - e) Actual values of gas take at supply points of customers with type A and B metering, whose supply points were tagged for individual data transmission to the market operator for the respective gas month;
  - f) Actual values of distribution capacity booked at supply points of customers with type A and B metering, whose supply points were tagged, using a code, for individual data transmission to the market operator for the respective gas month;
  - g) Actual values of gas take at supply points of customers with type A metering, for all customers in the respective distribution system, which were not tagged, using a code, for individual data transmission to the market operator for the respective gas month, broken down by the nature of the distribution of gas consumption in a calendar year;
  - h) Actual values of gas take at supply points of customers with type B metering, for all customers in the respective distribution system, which were not tagged, using a code, for individual data transmission to the market operator for the respective gas month, broken down by the nature of the distribution of gas consumption in a calendar year;
  - i) Actual values of distribution capacity booked at supply points of customers with type A and B metering, which were not tagged, using a code, for individual data transmission to the market operator for the respective gas month, broken down by the nature of the distribution of gas consumption in a calendar year;
  - j) The average monthly GCV for the whole distribution system;
  - k) Actual value of their own gas consumption;
  - l) Actual value of the change in the line pack.
- (3) No later than by 12 p.m. [noon] on the third calendar day before the beginning of the following calendar month, DSOs shall send the following information to the market operator:
- a) Expected values of distribution capacities booked at supply points of customers in the large or medium-sized customer category with type A and B metering, and customers in the small customer category with type A and B metering, for which due monthly readings are taken, applicable from the first day of the following month at all supply points of customers which were tagged, using a code, for individual data transmission to the market operator for the respective gas month;
  - b) The expected value of the sum of distribution capacities booked at supply points of customers in the large and medium-sized customer categories with type A and B metering, and customers in the small customer category with type A and B metering, for which due monthly readings are taken, applicable from the first day of the following month at all supply points of customers which were not tagged, using a code, for individual data transmission to the market operator for the respective gas month, broken down by the nature of the distribution of gas consumption in a calendar year;
  - c) Values of the planned monthly gas consumption at supply points of customers in the large and medium-sized customer categories with type B metering, and customers in the small customer category with type B metering, for which due monthly readings are taken,

applicable from the first day of the following month for the following three months at all supply points of customers which were tagged, using a code, for individual data transmission to the market operator for the respective gas month;

- d) The sum of the values of the planned monthly gas consumption at supply points of all customers in the large and medium-sized customer categories with type B metering, and customers in the small customer category with type B metering, for which due monthly readings are taken, applicable from the first day of the following month for the following three months at all supply points of customers which were not tagged, using a code, for individual data transmission to the market operator for the respective gas month, broken down by the nature of the distribution of gas consumption over a year.

(4) No later than by 12 p.m. [noon] on the third calendar day before the beginning of the following calendar month, the TSO shall send to the market operator the expected values of transmission capacity booked at all supply points of customers directly connected to the transmission system.

(5) No later than by 12 p.m. [noon] on every calendar day, the TSO shall send the following information to the market operator for the preceding gas day:

- a) Preliminary allocations of gas supplies at border points, in a breakdown by entry point and exit point and by cleared entity, and by importer and customer, showing their designations;
- b) Preliminary allocations of gas supplies at points of gas storage facilities, in a breakdown by entry point and exit point, and by code of booked storage capacities;
- c) Preliminary allocations of gas supply at the TSO's virtual point, separately for the flexibility service, and allocations based on nominations under Section 28(6);
- d) Preliminary values of gas take at delivery points, or sets of delivery points, between the transmission and distribution systems;
- e) Preliminary values of gas take at supply points of customers directly connected to the transmission system;
- f) Preliminary average GCV at the entry into each domestic zone.

(6) No later than by 12 p.m. [noon] on the ninth calendar day, but no later than by 12 p.m. [noon] on the sixth working day of a gas month, the TSO shall provide the market operator with the following information for each of the gas days of the preceding gas month:

- a) Booked firm capacities, booked interruptible capacities and actual allocations of gas supplies at border points, in a breakdown by entry point and exit point, by cleared entity, and by importer and customer, showing their designation;
- b) Booked firm capacities, booked interruptible capacities and actual allocations of gas supplies at points of gas storage facilities, in a breakdown by entry point and exit point, and by code of booked storage capacities;
- c) Actual allocations of gas supplies at the TSO's virtual point separately for the flexibility service, own consumption, losses, and allocations based on nominations under Section 28(6);
- d) Actual values of gas take at delivery points, or sets of delivery points, between the transmission and distribution systems;
- e) Booked firm capacities, booked interruptible capacities and actual values of gas take at supply points of customers directly connected to the transmission system;
- f) The average GCV for the whole transmission system;
- g) The actual value of the change in the line pack.

(7) By 12 p.m. [noon] on every calendar day, DSOs shall provide the TSO with the preliminary value of the change in the line pack for the preceding gas day.

(8) No later than by 12 p.m. [noon] on the ninth calendar day, but no later than by 12 p.m. [noon] on the sixth working day of a gas month, DSOs shall provide the TSO with the actual values of the change in the line pack for each of the gas days of the preceding gas month.

(9) The market operator shall make the data under subsections (1), (2), (5) and (6) available to the cleared entities whom the data concerns within 30 minutes of receiving the data. The cleared entities can also make this data available, in the market operator's information system, to other registered gas market participants.

(10) The DSO shall send updates of the data sent under subsection (3) no later than by 12 p.m. [noon] on the ninth calendar day, but no later than by 12 p.m. [noon] on the sixth working day.

#### Section 45

(1) No later than by 12 p.m. [noon] on the ninth calendar day, but no later than by 12 p.m. [noon] on the sixth working day of a gas month, DSOs shall provide the market operator with the following information for the preceding gas month:

- a) The typical supply profile class and the value of the planned annual gas consumption, and, as the case may be, the value of calculated distribution capacity, and the actual values of gas take at supply points of the customers who are equipped with type C metering read on a monthly basis and have changed their supplier, and whose supply points were tagged for individual data transmission to the market operator for the respective gas month;
- b) The typical supply profile class and the value of the planned annual gas consumption, and actual values of gas take at supply points of the customers who are equipped with type C metering and have changed their supplier, and whose supply points were tagged for individual data transmission to the market operator for the respective gas month, and the DSO has the values of the monthly readings;
- c) Actual values of gas take at supply points of the customers who are equipped with type C metering and have changed their supplier, and whose supply points were tagged for individual data transmission to the market operator for the respective gas month, if in the preceding gas month a gas meter reading was taken at these customers and checked, and the date of the reading, the typical supply profile class, and the value of the planned annual gas consumption, unless this information was provided under paragraph a) or b);
- d) The change of the typical supply profile class and the planned annual gas consumption in respect of the customers who have changed their supplier and whose supply points were tagged for individual data transmission to the market operator for the respective gas month, if there was a change but no gas meter reading was taken at these customers;
- e) The value of the total planned annual gas consumption for each of the typical supply profile classes for all supply points of the customers who are equipped with type C metering in the respective distribution system and have not changed their supplier, applicable as at the last gas day of the respective calendar month;
- f) The value of the actual monthly gas consumption for each of the typical supply profile classes for all supply points of the customers who are equipped with type C metering read on a monthly basis and have not changed their supplier, broken down to the planned annual gas consumption of customers with type C metering and with calculated distribution capacity.

(2) DSOs shall send the data under Section 44(2) (g) and (h) to the market operator if in the respective distribution system at least one customer has changed its supplier for a supply point with type C metering.

(3) No later than by 15 December, DSOs shall inform the market operator about the planned losses in the following calendar year.

(4) By 12 p.m. [noon] on the ninth calendar day, but no later than by 12 p.m. [noon] on the sixth working day of a gas month, DSOs shall provide the market operator with all the details under Schedule 7 hereto for the preceding gas month, concerning the billing of gas distribution for the preceding gas month, for the supply points where the supplier was changed and these supply points were tagged for individual data transmission for the respective gas month.

(5) The market operator shall make the details provided by DSOs for the supply points under subsection (4) available to the gas suppliers and all cleared entities concerned no later than 24 hours from receiving them.

(6) Every day by 1 p.m. at the latest, the market operator shall make the preliminary values of gas take at the supply points of the customers who have changed their supplier available in its information system for the gas suppliers and all cleared entities concerned. For supply points with type A metering, values sent under Section 44(1)(e) or Section 44(5)(f) shall be made available. For supply points with type B metering, the value determined by the market operator in accordance with Section 46(7) shall be deemed to be the preliminary value of gas take. For supply points with type C metering, the preliminary aggregate values for groups of the cleared entity's supply points, broken down by network and typical supply profile class, shall be published. The value determined by the market operator in accordance with Sections 46 and 47 shall be deemed to be the preliminary value of gas take.

(7) No later than by 12 p.m. [noon] on every eleventh day of a calendar month, the market operator shall make the actual values obtained from metering for the preceding month, for each individual gas day, available in its information system for the gas suppliers and all cleared entities concerned, in respect of supply points of the customers who have changed their supplier.

(8) DSOs shall send corrections to the values sent under subsections (1) and (2) and under Section 44(2) to the market operator no later than within three calendar months from the time limit under subsection (1). Subsections (4) to (7) shall be used *mutatis mutandis* for such corrections.

(9) No later than by 12 p.m. [noon] on the third calendar day before the beginning of the following calendar month, the TSO shall send to the market operator the expected values of booked transmission capacity at supply points of customers directly connected to the transmission system, applicable from the first day of the following month at all supply points of customers directly connected to the transmission system.

### **Imbalance evaluation using typical supply profiles**

#### **Section 46**

(1) Typical supply profiles shall be used as a surrogate method for determining the daily gas take at supply points of customers equipped with type C metering.

(2) On the basis of the data provided by DSOs, the market operator shall create normalised typical supply profiles applicable to the whole gas system for each of the typical supply profile classes and for every calendar year.

(3) DSOs shall assign the individual typical supply profile classes to supply points of customers with type C metering upon the connection of the customer's gas consuming equipment, upon a change of the nature of the supply point, and upon a change in the planned annual gas

consumption. For the respective period, only one typical supply profile may be assigned per supply point. A typical supply profile class shall be assigned to a supply point under Schedule 11 hereto. For this purpose, the characteristics of the nature of supply points are specified in Schedule 8 hereto. DSOs shall keep records of the assignment of typical supply profile classes at least for the last three years.

(4) The market operator shall compute the gas take, using the adjusted typical supply profile, for a supply point of a customer equipped with type C metering for a gas day on the basis of the planned annual gas consumption at the supply point and the daily value of the respective adjusted typical supply profile under Schedule 9 hereto. DSOs shall determine the planned annual gas consumption at supply points of customers with type C metering using the procedure in Schedule 10 hereto. For a supply point of a customer equipped with type C metering read on a monthly basis, or sent to the market operator under Section 45(1)(b), the actual daily value of gas take shall be determined from the actual monthly gas consumption at the supply point and the ratio of the adjusted typical supply profile to the sum of adjusted typical supply profiles for all gas days of the respective gas month under Schedule 9 hereto.

(5) For every gas day, the market operator shall determine the residual gas take profile in the respective distribution system, which shall be computed under Schedule 9 hereto.

(6) If the values of actual climatic conditions are not available for an adjusted typical supply profile, the value of the last known forecast of climatic conditions for the respective gas day shall be used.

(7) If for the preliminary evaluation of imbalances during a gas month the market operator does not receive preliminary values of gas take at supply points of customers with type B metering from the operator of the respective transmission or distribution system to which the supply point is connected, the market operator shall use, for the settling of imbalances, a surrogate estimate of the daily expected gas consumption, calculated as a ratio of the planned monthly gas consumption and the number of days in the calendar month. If the planned monthly gas consumption is not available, the market operator shall use an estimate calculated as the average of the actual values for the last known four gas days having the same name, which are stored in the market operator's system. If the market operator's system does not contain any actual values the market operator shall use values calculated as 66% of the booked distribution capacity, converted to energy units using a GCV of 10.55 kWh/m<sup>3</sup>, for settling preliminary imbalances.

#### Section 47

(1) The market operator shall allocate the residual gas take profile for each gas day among the supply points of customers with type C metering, by typical supply profile class under Schedule 9 hereto, for all type C meters in the respective distribution system for the purpose of determining preliminary values of gas take. The market operator shall allocate the residual gas take profile for each gas day among the supply points of customers with type C metering, by typical supply profile class under Schedule 9 hereto, for all type C meters that are not read on a monthly basis in the respective distribution system for the purpose of determining the actual values of gas take. The values so determined shall be deemed to be values of gas take by customers with type C metering for the purpose of calculating daily imbalances of each of the cleared entities.

(2) In distribution systems in which all type C meters are read on a monthly basis, the principle of the residual profile shall be applied to determine preliminary values of gas take. To determine the actual values of gas take, the actual monthly consumption of type C meters shall be used, broken down to gas takes on each individual gas day of the respective gas month according to the respective typical supply profile. The difference between the total value of gas supply and the total value of gas take covers losses and the DSO's own consumption.



- (3) The market operator shall publish the following information:
- a) No later than one calendar month before the first gas day of the respective calendar year, normalised typical supply profiles applicable to the whole of the calendar year;
  - b) No later than by 1 p.m. on the first day following the gas day to which they relate, adjusted typical supply profiles applicable to the respective gas day;
  - c) No later than by 1 p.m. on the first day following the gas day to which they relate, preliminary coefficients of residual profiles of each of the distribution systems; the details of calculating the coefficients of residual profiles are set out in Schedule 9 hereto;
  - d) No later than by 12 p.m. [noon] on the 11th day of the following gas month, actual coefficients of residual profiles of each of the distribution systems, in a breakdown by gas day, for the preceding gas month; the details of calculating the coefficients of residual profiles are set out in Schedule 9 hereto;
  - e) No later than one calendar month before the first gas day of the respective calendar year, normal climatic conditions applicable to the whole of the calendar year;
  - f) No later than by 1 p.m. on the first day following the gas day, actual climatic conditions; if the actual gas-specific climatic conditions are unknown the value of the last known forecast of climatic conditions shall be used;
  - g) On a daily basis by 1 p.m., adjusted typical supply profiles for the following seven gas days on the basis of weather forecasts.
- (4) Typical supply profile classes are set out in Schedule 11 hereto.

#### Section 48

#### **Evaluating and clearing differences between the values under typical supply profiles and the actual consumption values**

- (1) In using typical supply profiles, a difference arises between the value determined by means of this method and the actual value of consumption at the respective supply point. The market operator shall evaluate and clear these differences for cleared entities on a monthly basis.
- (2) Using the gas meter readings taken at supply points of customers with type C metering under Section 45(1)(c), the market operator shall evaluate the differences between the values of actual gas consumption and the values determined under Section 47(1) for the same period. The market operator shall add up the differences between the actual gas consumption and the values under typical supply profiles for all of the respective cleared entity's customers concerned, and shall bill these differences to the cleared entity at the clearing price set in the Office's price decision. Should the clearing price change in the period to which the evaluation of differences relates the differences shall be evaluated separately for the period before the change and for the period after the change.
- (3) For the respective calendar month, the cleared differences under subsection (2), broken down by distribution system, shall be billed, with the opposite sign, to the cleared entity to which in the respective distribution system responsibility for imbalance was transferred at customers who have not changed their supplier.
- (4) Every calendar month, no later than by 12 p.m. [noon] on the twelfth calendar day, the market operator shall make the evaluation of the above accounting for the differences between the actual gas consumption and the value under typical supply profiles under subsections (2) and (3), and between the actual gas consumption and the corrected value of the actual gas consumption, available in its information system for cleared entities, and possibly for other gas market participants authorised to receive this data.

5) If for supply points of customers with type C metering the DSO sends a correction to a gas meter reading [‘reading 1’], and sends such correction no later than on the day of the actual distribution of the data for imbalance evaluation under Section 45(1)(c) in the fourth month following the month in which ‘reading 1’ was taken under Section 45(1)(c), the market operator shall, no later than by 12 p.m. [noon] on the 16th calendar day of the fourth month following the month in which ‘reading 1’ was taken under Section 45(1)(c), clear the differences as per subsections (2) and (3), and shall publish these values in its information system.

(6) If a correction is provided under Section 51(1) the market operator shall, no later than by 12 p.m. [noon] on the twelfth calendar day of the fourth month following the month to which the correction to the gas meter reading provided under Section 51(1) relates, evaluate and clear the differences under subsections (2) and (3) and publish these values in its information system.

(7) Once a year, no later than by 31 March, DSOs shall send the actual value of losses in their respective distribution systems. The market operator shall account for the difference, at the gas clearing price set by the Office, with the cleared entity that has assumed responsibility for imbalance in losses in the respective distribution system. Should the clearing price change in the respective calendar year, the differences shall be evaluated separately for the period before the change and for the period after the change.

(8) After the evaluation of losses, the differences cleared under subsection (7) shall be billed, with the opposite sign, to the cleared entity that has assumed responsibility in the respective distribution system for imbalances at customers who have not changed their supplier.

(9) The financial settlement of the differences under subsections (2) to (8) shall be carried out by the market operator.

(10) The market operator shall not follow subsections (1) to (4), (7) and (8) in the case of distribution systems in which all supply points are read on a monthly basis.

### **Evaluation and settlement of cleared entities’ imbalances**

#### **Section 49**

(1) Every day by 1 p.m., the market operator shall notify each of the cleared entities of the results of the preliminary evaluation of the imbalances for the preceding gas day, broken down as follows:

- a) The size of the preliminary entry imbalance;
- b) The size of the preliminary exit imbalance;
- c) The size of the preliminary total imbalance;
- d) The preliminary size and direction of the system imbalance, of which the TSO shall be notified in advance.
- e) The preliminary size of the difference between allocations and nominations at border points and cross-border pipeline points, broken down by gas importer;
- f) The preliminary size of the difference between allocations and nominations at the virtual storage facility point, broken down by code of booked storage capacities.

(2) Every day by 1.30 p.m., cleared entities can send the market operator their disagreement with the results of the preliminary evaluation of imbalances for the preceding gas day under subsection 1(a) to (c) and Section 44(9). The market operator shall only accept disagreement with the results of the preliminary evaluation of imbalances from the cleared entity that ended up in an off-tolerance imbalance on the respective gas day on the basis of the notification under subsection (1), or in the case that the cleared entity’s imbalance is greater than 3,000 MWh. If

the market operator concludes that the disagreement with the results of the preliminary evaluation of imbalances for the preceding gas day is justifiable, it shall notify each of the cleared entities of a new time limit for nominating preliminary imbalances under Section 32(2) no later than one hour before the new time limit for nominating preliminary imbalances, however, no later than by 4 p.m. on the same day.

(3) On the basis of the preliminary evaluation of imbalances, cleared entities shall send a nomination for the following gas day of the preliminary total imbalance up to the amount of the preliminary total imbalance of the preceding gas day. If the nomination of a cleared entity's preliminary total imbalance is lower than the preliminary total imbalance under subsection 1(c) for the preceding gas day the remaining part of the preliminary total imbalance shall be settled with the market operator by paying the price for missing balancing gas or by receiving the price for excess balancing gas, in accordance with the Office's price decision. The nomination of a cleared entity's preliminary total imbalance shall be zero in the case that on the preceding gas day, a state of emergency was declared throughout the Czech Republic due to gas shortage or surplus in the gas system.

(4) The market operator shall clear and settle with the TSO, the difference between the payments received and made for missing and excess balancing gas and payments received for off-tolerance imbalance from cleared entities.

(5) On the basis of actual values of readings for the preceding month for each individual gas day, by 12 p.m. [noon] on every eleventh day of a calendar month the market operator shall evaluate, and notify to each of cleared entities, the following:

- a) The size of the actual entry imbalance;
- b) The size of the actual exit imbalance;
- c) The size of the actual total imbalance;
- d) The actual size and direction of the system imbalance, of which the TSO shall be notified in advance;
- e) Total imbalance in excess of the permitted tolerances for each gas day on which such imbalance occurred, provided that this imbalance had the same sign as the system imbalance;
- f) Unused tolerances;
- g) The actual size of the difference between allocations and nominations at border points and cross-border pipeline points, broken down by gas importer,
- h) The actual size of the difference between allocations and nominations at virtual storage facility points, broken down by code of booked storage capacities.

(6) No later than by 3 p.m. on the day of notification under subsection (5), cleared entities can send the market operator their disagreement with the results of the evaluation of imbalances for the preceding gas month under subsection (5). The market operator shall only accept disagreement with the results of the evaluation of imbalances from the cleared entity that ended up in an off-tolerance imbalance on the respective gas day on the basis of the notification under subsection (5), or in the case that the cleared entity's imbalance is greater than 3,000 MWh. If the market operator concludes that the disagreement with the results of the evaluation of imbalances for the preceding gas month is justifiable, it shall notify each of the cleared entities of new values under subsection (5) no later than by 6 p.m. on the same day.

(1) On the 13th calendar day, the market operator shall send the adjusted values of imbalances under Section 49(5)(e) to cleared entities if the cleared entities traded in unused tolerance under Section 42a.

(2) On the basis of the actual evaluation of imbalances, cleared entities shall nominate the actual total imbalance for the fifteenth to the twenty-fourth gas days of the [same] month, in a maximum amount of one-tenth of the sum of the actual total imbalances for the preceding gas month. If a cleared entity's nomination of the actual total imbalance is lower than one-tenth of the sum of actual total imbalances for the preceding gas month, the remaining part of the one-tenth of the sum of the actual total imbalances for the preceding gas month shall be settled with the market operator by paying the price for missing balancing gas or receiving the price for excess balancing gas, in accordance with the Office's price decision.

(3) In addition to the price of imbalance gas under subsection (2) and Section 49(3), the market operator shall bill cleared entities separately for imbalances in excess of allowed tolerances, in accordance with the Office's price decision, if the tolerance, increased by the value of unused tolerance bought on the unused tolerance market, was exceeded on the respective gas day and the cleared entity's imbalance had the same sign as the system imbalance.

#### Section 51

#### **Evaluation and billing of imbalances after receiving corrections to readings**

(1) If for supply points of customers with type A, B or C metering read on a monthly basis the DSO or TSO sends a correction to a gas meter reading ['reading 1'] that was sent under Section 44(2) (e) and (g) or under Section 45(1)(c), and sends such correction no later than by 12 p.m. [noon] on the ninth calendar day, but no later than by 12 p.m. [noon] on the sixth working day of the fourth month following the month in which 'reading 1' was taken, the market operator shall, no later than by 12 p.m. [noon] on the twelfth calendar day of the fourth month following the month in which 'reading 1' was taken, clear the difference between the values of 'reading 1' and the correction sent as per this subsection, using the gas clearing price under the Office's price decision. The market operator shall be responsible for the financial settlement of such differences.

(2) If after the delivery of a correction under subsection (1) the imbalance allocated to the cleared entity decreases the market operator shall, no later than the by 12 p.m. [noon] on the twelfth calendar day of the fourth month following the month in which 'reading 1' was taken, financially settle the difference between the value of the imbalance determined under Section 36(7) and the value calculated in accordance with this subsection, for the fixed price applicable to an imbalance above allowed tolerances under the Office's price decision and up to no more than the amount of the payments made for imbalance above allowed tolerances for a gas day. If after the delivery of a correction under subsection (1) the imbalance allocated to the cleared entity increases the market operator shall not carry out financial settlement in excess of allowed tolerances.

#### **Standard gas supplier change**

#### Section 52

(1) A gas market participant's standard change of gas supplier ['standard supplier change'] shall mean the following:

- a) Switching the supplier for another supplier;

c) Switching the supplier of last resort for a different supplier.

(2) Before requesting a standard supplier change under subsection (3), the customer and the new gas supplier shall enter into a gas supply agreement or an agreement on bundled gas supply services.

(3) No earlier than four months before the gas supplier change and no later than by 10 a.m. on the tenth working day before the required date of the gas supplier change, the new gas supplier shall deliver the request for a standard supplier change to the market operator. If the new gas supplier provides supplies under an agreement on bundled gas supply services, it shall request distribution capacity booking under Section 11 no later than on the day of requesting the standard supplier change and no earlier than ten working days before requesting the standard supplier change. The request for a standard supplier change shall contain the following:

- a) The new gas supplier's identification by the code assigned under Section 25(1);
- b) The type of the gas supply agreement, the date from which gas supply is to take place, and the term of the agreement;
- c) The identification of the cleared entity to be assigned with responsibility for imbalance at the supply point that the supplier change concerns, by the code assigned under Section 25(1);
- d) The supply point and identification thereof by the code assigned under Section 25(1).

(4) By 12 p.m. [noon] on every working day, if a request under subsection (3) was received before 10 a.m. on the respective working day, the market operator shall inform, through its information system, the current gas supplier, the current cleared entity, the new gas supplier, the new cleared entity, the operator of the distribution or transmission system to which the supply point is connected, and other entities whom the request for a standard supplier change concerns, about the planned standard supplier change by way of sending the supply point identification using the code assigned under Section 25(1) and the date on which the new gas supplier is to start the supply. A request under subsection (3) received after 10 a.m. on a working day shall be regarded as a request received on the following working day.

(5) By 6 p.m. on the fifth working day from the delivery of the details under subsection (4), the DSO or TSO shall inform the market operator that it is or that it is not possible to book distribution or transmission capacity at the customer's supply point under subsection (3), if the case entails a standard supplier change where the new supplier has entered into an agreement on bundled gas supply services. Distribution or transmission capacity at the customer's supply point cannot be booked in the event of inadequate financial provisions, if the request was not submitted by the set time limit or if it fails to meet the requirements for the details of requests for distribution or transmission capacity booking. The following is regarded as failure to meet the requirements for the details of requests: it is not possible to clearly identify the gas market participant from the request, namely by the assignment of an EIC code with the first name and surname and the date of birth of the gas market participant, or the company name/business name of the gas market participant and the Company/Registered Number [IČ] of the person, if any was assigned to the person; the supply point at which the supplier is to be changed was not included in a submitted request for distribution capacity booking; or if the new gas supplier fails to complete/modify the request by 2 p.m. on the working day following the day on which the DSO or the TSO, highlighting the incorrect details, invited this supplier to remedy shortcomings in the request.

(6) Should the DSO or TSO fail to inform the market operator under the first sentence of subsection (5) by 6 p.m. on the fourth working day from the delivery of information under

subsection (4), the market operator shall notify the DSO or TSO thereof. If the DSO or TSO does not perform the information obligation under the first sentence of subsection (5) even upon such notification, but registers the customer's supply point under subsection (15), it shall be deemed to have informed the market operator about an opportunity to book distribution or transmission capacity.

(7) Without any delay from the time limit under subsection (5), the market operator shall inform the current gas supplier, the new gas supplier, all the cleared entities concerned, and the operator of the distribution or transmission system to which the customer's supply point is connected, about the opportunity to book distribution or transmission capacity at the customer's supply point under subsection (3). Should it not be possible to book distribution or transmission capacity at the customer's supply point under subsection (3) the market operator shall inform, through its information system, the current and new gas suppliers, the current and new cleared entities, the operator of the transmission or distribution system to which the supply point is connected, and other entities whom the request for a standard supplier change concerns, about stopping the standard supplier change. Through its information system, the market operator shall inform the current gas supplier and the current cleared entity about a request to continue gas supplies.

(8) By 6 p.m. on the fifth working day from the delivery of information under subsection (4), the current gas supplier can, through the market operator's information system, request that the standard gas supplier change be stopped if the agreement with the current gas supplier, the subject matter of which is gas supply, was not terminated as of the effective date of supplier change, or if the customer expresses its will in writing that the gas supplier change should not be performed.

(9) By 6 p.m. on the fifth working day from the delivery of information under subsection (4), the new gas supplier can, through the market operator's information system, withdraw the request for a standard supplier change.

(10) No later than by 6 p.m. on the fifth working day from the delivery of information under subsection (4), the cleared entity shall notify whether it consents to assignment with responsibility for imbalance. Immediately following the cleared entity's expression of consent to assignment with responsibility for imbalance at the respective supply point, the market operator shall inform, through its information system, the current gas supplier, the current cleared entity, other cleared entities concerned, and the operator of the transmission or distribution system to which the supply point is connected, about the assignment of the cleared entity. If by 6 p.m. on the fifth working day from the delivery of information under subsection (4) the market operator's information system does not contain the cleared entity's consent to assignment with responsibility for imbalance at the respective supply point, the market operator shall inform, through its information system, the current and new gas suppliers, the current and new cleared entities, other cleared entities concerned, and the operator of the transmission or distribution system to which the supply point is connected, about discontinuing the standard supplier change.

(11) By 8 p.m. on the working day on which a request under subsection (9) was received before 6 p.m., the market operator shall inform, through its information system, the current gas supplier, the current cleared entity, the operator of the transmission or distribution system to which the supply point is connected, and other entities whom the request for a standard supplier change concerns, about discontinuing the process of supplier change.

(12) By 8 p.m. on the working day on which a request under subsection (9) was received before 6 p.m., the market operator shall inform, through its information system, the new gas supplier,

all cleared entities concerned, and the operator of the transmission or distribution system to which the supply point is connected, that the current gas supplier requested that the standard supplier change be stopped.

(13) If the current gas supplier has requested that the standard supplier change be stopped under subsection (8), but the new gas supplier has confirmed, in the market operator's information system, the submitted request for supplier change on the basis of the customer's written statement that makes it clear that the customer intends to change its supplier, and has done so by 2 p.m. on the eighth working day from the day on which the market operator provided information under subsection (4), the market operator shall continue in the process of supplier change. The new gas supplier shall furnish the market operator with the customer's opinion in writing upon the market operator's request. Otherwise, the market operator shall stop the supplier change process and shall immediately inform the current gas supplier, the new gas supplier, all cleared entities concerned, and the operator of the distribution or transmission system to which the customer's supply point is connected, that the current gas supplier will continue to supply gas.

(14) After the transmission of the request to continue supplies under subsection (7), no later than by 2 p.m. on the eighth working day from the day on which the market operator provided information under subsection (4), the current gas supplier and the current cleared entity shall send, through the market operator's information system, consent to continuing supplies. The market operator shall immediately inform the current gas supplier, all cleared entities concerned, the operator of the distribution or transmission system to which the customer's supply point is connected, and other entities whom the request for a standard supplier change concerns, about the consent of the current gas supplier and the current cleared entity to continue gas supplies. If by 2 p.m. on the eighth working day from the delivery of information under subsection (4) the market operator's information system does not contain the current gas supplier's and the current cleared entity's consent to continue supplies to the respective supply point the procedure in Section 54(4) to (13) shall be followed *mutatis mutandis*, provided that one day preceding the day from which supply from the current gas supplier is not ensured shall be regarded as the time limit specified in Section 54(5) and (9) to (11).

(15) By 12 p.m. [noon] on the fifth working day following the provision of information under subsection (4), the DSO or TSO shall register with the market operator the customer's supply point at which the standard supplier change has taken place, and shall provide information about the supply point under Schedule 12 hereto.

(16) No later than by 8 a.m. on the ninth working day from the day on which it provided information under subsection (4), the market operator shall inform the operator of the distribution or transmission system to which the supply point is connected, the current gas supplier, the new gas supplier, and all the cleared entities concerned about the result of the assessment of the request for a standard supplier change.

(17) Distribution or transmission is booked for the supply point under subsection (3) by the notification of the registration of the standard supplier change under subsection (16).

### Section 53

(1) A registered standard supplier change shall become effective as from the gas day specified in the request for a standard supplier change under Section 52 (3) (b).

(2) As at the effective date of a standard supplier change, the DSO or TSO shall read the gas meter; in the case of supply points equipped with type C metering, the DSO or TSO shall

determine the reading on the gas meter using the procedure in subsection (3); the DSO shall then send the data it has ascertained to the market operator. Without undue delay, the market operator shall forward this data to the old and new gas suppliers and to the old and new cleared entities.

(3) The DSO shall determine the readings on gas meters at supply points with type C metering by reading the gas meter as at the effective date of the standard supplier change, or the meter reading provided by the customer to the DSO directly or through the current or new gas supplier shall be used if the reading is provided by the end of the second working day from the day of the supplier change, or, in the case that the meter reading is not provided by the end of the second working day from the day of the supplier change, the reading on the gas meter shall be determined by estimating gas consumption as at the effective date of the gas supplier change under Schedule 13 hereto. If the DSO has taken the gas meter reading and at the same time the customer has provided a reading, the reading taken by the DSO shall be used for billing gas distribution.

(4) In the case of a standard supplier change at a customer's supply point with type A or B metering, the operator of the distribution or transmission system to which the customer's supply point is connected shall send to the market operator the actual daily values of gas take at the customer's supply point for the last 12 known calendar months, and shall do so no later than by the time limit under Section 52(15), and the actual daily values of gas take at the customer's supply point, by the time limit under Section 44(2) or Section 44(6), for the gas months in which the standard supplier change was approved under Section 52(16) but was not effective.

(5) In the case of a change of customer at a supply point and the simultaneous change of gas supplier, the provisions on a standard change of gas supplier shall apply *mutatis mutandis*, with the exception of Section 52(8). Failure to submit a request for the execution of a connection agreement shall also be a reason for the impossibility to book distribution/transmission capacity at the customer's supply point under Section 52(5). For starting supply to the supply point of a newly connected customer, when the gas supplier is not the gas trader who is the supplier of last resort in the respective domestic zone, and for a new gas supplier who is not the supplier of last resort in the respective domestic zone to start supply to a supply point following unauthorised gas offtake or unauthorised distribution, the provisions on a standard change of gas supplier shall apply *mutatis mutandis*, provided **that**

- a) the gas supplier shall deliver a request for a standard supplier change under Section 52(3) to the market operator no later than by 10 a.m. on the working day preceding the working day of the nearest possible start of gas supply, which was agreed with the DSO;
- b) the request for a standard supplier change under Section 52 (3) (b) must contain the type of the agreement the subject matter of which is gas supply, the date of the nearest possible start of gas supply agreed with the DSO and the term of the agreement.
- c) the steps to effect the supplier change under Section 52 (5) to (7), (10) and (15) shall be taken by 6 p.m. on the working day preceding the working day of the nearest possible start of gas supply, which was agreed with the DSO. The steps under Section 52 (8), (9) and (11) to (14) shall not be taken;
- d) the operator shall notify the result of its assessment of the request for a standard supplier change under Section 52(16) immediately following the completion of all the steps under Section 53 (5) (c). The supplier change shall come into effect on the day of the nearest possible start of gas supply agreed with the DSO.

(6) The market operator shall deal with requests for supplier changes in the sequence in which the market operator has received them. If a request under the first sentence is submitted by multiple gas market participants for the same supply point with the same required date of effect of supplier change, the last supplier change registered by the market operator shall be regarded as effective. In such a case, the market operator shall notify all suppliers and cleared entities that



are affected by the supplier change of the planned effectuation of supplier change and of the registration of the supplier change.

(7) As of the effective date of supplier change, the market operator shall cancel each individual assignment of supply/delivery points to the suppliers whose supply periods are affected by the assignment of the supply/delivery points to the new supplier, and shall immediately notify the supplier concerned, the cleared entity concerned and the operator of the transmission/distribution system to which the supply/delivery point is connected thereof.

#### Section 54 **Fast supplier change**

(1) If a cleared entity does not have the required financial provisions even after reductions in nominations under Section 32(4), at 5.30 p.m. the market operator shall notify, through its information system, that the cleared entity does not have the financial provisions required for covering supplies to customers' supply points. At the same time, the market operator shall notify the same to the cleared entities concerned, the gas suppliers concerned, and the operator of the distribution or transmission system to which the supply point is connected.

(2) If at 7 a.m. on the following calendar day the cleared entity as per subsection (1) still does not have the required financial provisions for covering supplies to customers' supply points, the market operator shall suspend its right to nominate, to transfer and assume responsibility for imbalance, and to trade on the day-ahead and intra-day gas markets. The market operator shall immediately distribute the above information to all registered market participants and publish it in a manner enabling remote access.

(3) At customers' supply points where a cleared entity with a suspended right to nominate, to transfer and assume responsibility for imbalance, and to trade on the day-ahead and intra-day gas markets under subsection (2) had been assigned with, or transferred, responsibility for imbalance, the gas supplier shall be assigned with responsibility for imbalance by the time limit under subsection (2). If the cleared entity is at the same time the gas supplier to the customers' supply points the operator of the distribution or transmission system to which the customers' supply points are connected shall immediately electronically notify the customers whose electronic mail address is known to the operator that as from the respective day, gas supplies to their supply points are not ensured or that gas supplies will be provided by a supplier of last resort.

(4) If by 2 p.m. a cleared entity with adequate financial provisions is not assigned to a supply point under the first sentence of subsection (3) the market operator shall distribute this information to all registered market participants and publish this information in a manner enabling remote access. The operator of the distribution or transmission system to which the customers' supply points are connected shall immediately electronically notify the customers whose electronic mail address is known to the operator that as from the respective day, gas supplies to their supply points are not ensured or that gas supplies will be provided by a supplier of last resort.

(5) In respect of the supply points of customers whose cleared entity's right to nominate, to transfer and assume responsibility for imbalance, and to trade on the day-ahead and intra-day markets has been suspended by the market operator due to inadequate financial provisions, the request for a fast supplier change shall be sent by the new gas supplier through the market operator's information system no later than within two calendar days by 8 a.m. following the time limit under subsection (3) or (4). If the new gas supplier supplies gas under an agreement

on bundled gas supply services, it shall send the request for distribution capacity booking under Section 11 no later than by the time limit for requesting a fast supplier change. Requests for fast supplier changes shall contain the following details:

- a) Identification of the new gas supplier, by the code assigned under Section 25(1);
- b) The type of the gas supply agreement and the term of the agreement;
- c) The identification of the cleared entity that is to be assigned with responsibility for imbalance at the supply point that the supplier change concerns, by the code assigned under Section 25(1);
- d) The supply point and its identification by the code assigned under Section 25(1).

(6) If a request for a fast supplier change is not delivered in accordance with subsection (5) gas supply to the customer's supply point is not ensured on the third day from the time limit under subsection (3) or (4) if the customer is not covered by the regime of a supplier of last resort.

(7) If a request for a fast supplier change is not delivered in accordance with subsection (5) gas supply to the customer's supply point is ensured on the third day from the time limit under subsection (3) or (4) if the customer is covered by the regime of a supplier of last resort.

(8) No later than within 60 minutes from receiving a request under subsection (5), the market operator shall inform, through its information system, the new gas supplier, the new cleared entity and, as the case may be, other cleared entities concerned, and the operator of the distribution or transmission system to which the supply point is connected, that a request has been received under subsection (5). A fast supplier change shall become effective on the third day from the time limit under subsection (3) or (4).

(9) No later than within two calendar days by 12 p.m. [noon] from the time limit under subsection (3) or (4), the DSO or TSO shall inform the market operator about it not being possible to book distribution or transmission capacity at the customer's supply point under subsection (8) due to inadequate financial provisions. Immediately upon receiving the above information from the DSO or TSO, the market operator shall inform the new gas supplier, and all the cleared entities concerned, about the opportunity to book distribution or transmission capacity at the customer's supply point under subsection (5). Should it not be possible to book distribution capacity, the market operator shall inform, through its information system, the new gas supplier, the new cleared entity and other cleared entities concerned, and the operator of the transmission or distribution system to which the supply point is connected, that the fast supplier change was stopped.

(10) No later than within two calendar days by 12 p.m. [noon] from the time limit under subsection (3) or (4), the cleared entity shall inform whether it consents to assignment with responsibility for imbalance at the customer's supply point under subsection (8). Immediately upon the expression of the cleared entity's consent to assignment with responsibility for imbalance at the respective supply point, the market operator shall inform, through its information system, the new gas supplier and other cleared entities concerned, and the operator of the transmission or distribution system to which the supply point is connected, about the assignment of the cleared entity. If within two calendar days by 12 p.m. [noon] after the time limit under section (3) or (4) the market operator's information system does not contain the cleared entity's consent to assignment with responsibility for imbalance at the respective supply point the market operator shall inform, through its information system, the new gas supplier, the new cleared entity, and other cleared entities concerned, and the operator of the transmission or distribution system to which the supply point is connected, that the fast supplier change was stopped.

(11) No later than within two calendar days by 12.10 p.m. after the time limit under subsection (3) or (4), the market operator shall inform the operator of the distribution or transmission system to which the supply point is connected, the new gas supplier, and all cleared entities concerned, about the result of the assessment of the request for a fast supplier change, and shall notify the gas trader in the regime of a supplier of last resort of the supply points that the supplier of last resort shall supply.

(12) Distribution or transmission capacity is booked by the notification of the registration of the fast supplier change under subsection (11).

(13) As at the effective date of the supplier change, the DSO or TSO shall take a gas meter reading under Section 53(2).

(14) Fast supplier change under subsections (1) to (9) shall also be used for customers' supply points which the gas supplier has lost its authorisation or possibility to supply.

## Section 55 **Repealed**

## Section 56 **Use of typical gas supply profiles for the purpose of gas supply billing**

(1) In respect of customers, the bill shall contain a separate item showing the payment for gas distribution and the payment for the market operator's activity under the Office's price decision. In respect of supply points equipped with type A or B metering in the large and medium-sized customer categories, and supply points of customers in the small customer category which are equipped with type A or B metering and for which due monthly readings are taken, the bill shall also contain an item showing the payment for exceeding the booked distribution capacity and the size of this overstepping.

(2) A part of gas supply billing to customers with type C metering shall be an item showing the gas quantity taken, including the opening and closing readings on the gas meter for the respective period, and identification of the supply point by the code assigned under Section 25(1).

(3) Gas consumption and its allocation to each of the periods shall be determined using the procedure under Schedule 13 hereto, taking into account the readings taken by the DSO and the readings taken by the customer or gas supplier.

(4) In the event of unavailability of the values recorded by the meter over a period set out in another legal regulation <sup>6)</sup> the DSO shall use, for determining the consumption of customers with type C metering, the readings taken by the DSO and properly received readings taken by these customers or gas suppliers from the latest gas supply billing. To estimate gas consumption for the remaining period the DSO shall follow the procedure under point 2 of Schedule 13 hereto.

## Section 57 **Procedures applicable to gas supply interruption, curtailment and resumption upon unauthorised consumption, unauthorised distribution and unauthorised transmission**

(1) Upon the gas supplier's request, the DSO shall discontinue or interrupt gas supply in the case of unauthorised gas consumption

- a) for supply points of customers in the medium-sized customer category and in the large customer category within three working days from the day of receipt of the request for gas supply to be discontinued or interrupted;
  - b) for supply points of customers in the small customer and household categories within five working days from the day of receipt of the request for gas supply to be discontinued or interrupted. Should it not be feasible to discontinue or interrupt the supply due to the metering instrument being inaccessible, the DSO shall request the customer to cooperate. Should the customer fail to provide the required co-operation in respect of gas supply discontinuation, the gas supply discontinuation shall become effective at the end of the 30th day from the required working day specified in the request for the discontinuation of supply if the request for the discontinuation of supply was delivered to the DSO at least five working days before the required date of the discontinuation of supply; in other cases the discontinuation of supply shall become effective at the end of the 30th day from the day of delivery of the request. As at that date, the DSO shall calculate the expected gas consumption pursuant to the legal regulation on gas metering<sup>6)</sup> and shall send this calculation to the gas supplier and the market operator for the supply points that are tagged, using a code, for individual data transmission to the market operator.
- (2) The gas supplier can retract its request under subsection (1), either in writing or through the DSO's information system, by 4 p.m. on the working day preceding the day of the requested gas supply discontinuation or interruption.
- (3) Within four working days, the DSO shall inform the gas market participants concerned about the interruption or discontinuation of gas supply to the customer's supply point.
- (4) If the reasons for curtailing or interrupting gas distribution under subsection (1) cease to exist, or if the customer or gas supplier request the start or resumption of gas supplies to the customer's supply point following an earlier discontinuation or interruption of gas supplies under subsection (1), the DSO shall start or resume gas supply or distribution under the legal regulation on the quality of gas supplies and related services<sup>7)</sup>.
- (5) In respect of requests for gas supply to be discontinued or interrupted and requests for gas supply to be started or resumed at a supply point of a customer directly connected to the transmission system, sections (1) to (4) shall apply to the TSO *mutatis mutandis*.

## Section 58

### **Common provisions**

- (1) The values to be provided or published hereunder shall be specified in thousandths of MWh, with the exception of values of booked distribution capacities or the transmission capacity of customers directly connected to the transmission system, which shall be specified in whole cubic metres, and the values under Section 44(1), which shall be provided in cubic metres.
- (2) Transmission capacity for a border point and a virtual gas storage facility point shall be booked in thousands of MWh/day.
- (3) Transmission nominations and allocations at a border point and a virtual gas storage facility point shall be made in thousands of MWh/day.
- (4) Requests for supplier change, and confirmation or rejection of supplier change, and information required for the registration of supply points and delivery points shall be sent via

---

<sup>6)</sup> Public notice no. 108/2001 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

<sup>7)</sup> Public notice no. 545/2006 on the quality of gas supplies and related services in the gas industry

electronic messaging in a communication environment defined by the market operator. To gas market participants, messages shall be sent in a format defined by the market operator.

(5) Requests for distribution capacity booking and for the execution of gas distribution agreements shall be sent as print versions or electronically in a format defined by the DSO.

## Section 59 Transitory provisions

(1) No later than by 15 December 2009, the cleared entities that use a cross-border pipeline shall inform the DSO about their use of the allocated distribution capacity at cross-border pipeline points from 1 January 2010, broken down to any number of standard and daily booked distribution capacities. The minimum duration of the standard distribution capacities so booked is one month and the maximum duration is 24 months. Cleared entities shall thereby book distribution capacities at cross-border pipeline points as from 1 January 2010, up to the size of the distribution capacities allocated under the currently effective legal regulation.

(2) From 1 January 2010, annual transmission capacity at a supply point of a customer directly connected to the transmission system booked pursuant to the currently effective legal regulation shall be regarded as transmission capacity booked in perpetuity, and from 1 January 2010 monthly transmission capacity at a supply point of a customer directly connected to the transmission system booked pursuant to the currently effective legal regulation shall be regarded as booked monthly transmission capacity, unless the customer or gas trader requests, by 15 December 2009, the conversion of this booked capacity to transmission capacity at a supply point connected directly to the transmission system booked in perpetuity. The bookings of daily transmission capacity for supply points of customers directly connected to the transmission system, which have been arranged pursuant to the currently effective legal regulation, shall cease to exist at the end of the last gas day of 2009.

(3) The booking of transmission capacity at a domestic point shall cease to exist at the end of the last gas day of 2009. The user shall pay the charges for transmission capacity booked at a domestic point, including the charges, if any, for exceeding the transmission capacity, for December pursuant to the currently effective legal regulation.

(4) Transmission capacity booked for border points or virtual storage facility points for more than 24 months shall be regarded as standard transmission capacity booked for 24 months as from the first gas day of 2010. For virtual storage facility points, the TSO shall make it possible to book transmission capacity for a period of more than 24 months in accordance with Section 5(4) if the gas market participant requests so by 15 December 2009.

(5) For determining gas consumption for the purpose of gas distribution billing under Section 56(3) and for determining the planned annual gas consumption under Schedule 10 hereto, during 2010 DSOs can follow the procedure under the currently effective legal regulation. DSOs can only follow the procedure under the currently effective legal regulation subject to publishing this information by 1 December 2009 at the latest. For determining gas consumption for the purpose of gas supply billing, during 2010 gas traders can follow the procedure under the currently effective legal regulation, however, solely in respect of those customers with type C metering, with whom the option to change the gas supply price with a monthly or longer periodicity has been agreed.

(6) The TSO shall evaluate imbalances for 2009, including the organisation of the market of unused tolerance for December, in accordance with the currently effective legal regulation. The market operator shall be responsible for the clearing and settlement of the actual imbalances for

December 2009. Cleared entities shall nominate the actual total imbalance for December 2009 in accordance with Section 28(1)(d) hereof. Cleared entities shall nominate preliminary total imbalance for 30 and 31 December 2009 in accordance with Section 28(1)(c) hereof.

(7) DSOs and SSOs shall also send the data for the calculation of preliminary and actual imbalances for December 2009 pursuant to the currently effective legal regulation.

(8) The TSO shall refer the requests for supplier change which were received in 2009, but for which the result of assessment under the currently effective legal regulation would not be achieved in 2009, to the market operator and such requests shall be deemed to be requests for standard supplier change delivered hereunder as at 1 January 2010.

(9) The methods, time limits, formats and scope of the information and data to be provided by the TSO and DSOs to the market operator are set out in Schedule 13 hereto.

(10) Until 31 December 2010, DSOs can receive requests for distribution capacity booking and for the execution of gas distribution agreements and notify the results of capacity booking on the basis of this public notice both electronically and in a print version.

(11) Distribution capacities allocated to customers' supply points under the currently effective legal regulations shall be regarded as distribution capacity booked in perpetuity in respect of annual gas distribution agreements, as monthly booked distribution capacity in respect of monthly gas distribution agreements, and as sliding booked distribution capacity in respect of sliding agreements. For the purposes of Section 12, changes in distribution capacity agreed in annual firm gas distribution agreements pursuant to the currently effective legal regulations shall be regarded as changes in distribution capacity booked in perpetuity. Distribution capacity allocated to a delivery point, or the set of delivery points, of a gas production plant pursuant to the currently effective legal regulations shall be regarded as distribution capacity booked in perpetuity in respect of annual gas distribution agreements.

(12) The TSO shall provide compensation in the case of limitations on re-nominations under Section 7(5) to the users of the system who executed a gas transmission agreement and booked transmission capacities for the individual entry and exit points of the transmission system prior to the day of effect hereof. The Office shall lay down the method for determining, and the conditions for providing, such compensation in its price decision.

## Section 60 Repealing provisions

The following are repealed:

- 1 Public notice no. 524/2006 laying down the rules for the organisation of the gas market and for the development, allocation and use of typical gas supply profiles
- 2 Public notice no. 184/2007, amending public notice no. 524/2006 laying down the rules for the organisation of the gas market and for the development, allocation and use of typical gas supply profiles
- 3 Public notice no. 321/2007, amending public notice no. 524/2006 laying down the rules for the organisation of the gas market and for the development, allocation and use of typical gas supply profiles, as amended by public notice no. 184/2007 Sb.
- 4 Public notice no. 354/2008, amending public notice no. 524/2006 laying down the rules for the organisation of the gas market and for the development, allocation and use of typical gas supply profiles, as amended

Section 61  
**Effect**

This public notice shall come into effect on 1 January 2010, with the exception of the provisions of Sections 17, 21 and 59 hereof and Schedule 13 hereto, which shall come into effect on the day of promulgation, provisions of Sections 28 to 32 and Section 33(4)(a) and (b) hereof, which shall come into effect on 31 December 2009, provisions of Section 41 hereof, which shall come into effect on 1 April 2010, and provisions of Section 29(2)(c) hereof, which shall come into effect on 1 January 2011.