

NC TAR	Description	Link	Further information
Information to be published before the tariff period			
Art. 30 (1)(a)	Information on parameters used in the applied reference price methodology related to the technical characteristics of the transmission system.	http://extranet.net4gas.cz/capacity_ee.aspx	Technical capacity at entry and exit points and associated assumptions.
		See table 1 below	Forecasted contracted capacity at entry and exit points and associated assumptions.
		See table 1 below	The quantity and the direction of the gas flow for entry and exit points and associated assumptions.
		https://www.ote-cr.cz/cs/statistika/dlouhodobá-rovnováha/files_dlouhodobá_rovnováha_plynárenská_soustava-cr-2020.png	The structural representation of the transmission network with an appropriate level of detail.
		https://www.net4gas.cz/en/transmission-system/	Additional technical information about the transmission network.
Art. 30 (1)(b)(i)	Information on the allowed and/or target revenue.		The planned value of allowed revenue (intra-system) in 2021: 1,603 mil. CZK (without revenue from commodity-based tariffs). The planned value of target revenue (cross-system) in 2021: 5,177 mil. CZK (without revenue from commodity-based tariffs).
Art. 30 (1)(b)(ii)	Information related to changes in the revenue.		The change in the allowed revenues between 2020 and 2021 is mainly due to a change in the methodology for determining allowed revenues for the 5th regulatory period, when 2021 is its first year, and also by a high correction factor from 2018, which was part of allowed revenues in 2020. The change in the level of target revenues between 2020 and 2021 is mainly due to the expected commissioning of the new infrastructure called Capacity4Gas.
Art. 30 (1)(b)(iii)	Information related the following parameters: types of assets, cost of capital, capital and operational expenditures, incentive mechanisms and efficiency targets, inflation indices.	Types of assets included in the regulated asset base and their aggregated value	The regulated asset base that is used for setting allowed revenue includes these types of assets: pipelines, compressor stations, transfer stations and other (auxiliary) assets. Planned value of the regulated asset base in 2021: 9,118 mil. CZK.
		Costs of capital and its calculation methodology	The regulated asset base that is used for setting target revenue includes these types of assets: pipelines, compressor stations, transfer stations and other (auxiliary) assets. Planned value of the regulated asset base in 2021: 34,866 mil. CZK. The value of nominal WACC (before tax) that is used for setting allowed revenue in the V. regulatory period (2021 - 2025) : 6.43%. Further information provides chapter 16.1.2. of Price Control Principles for the 2021-2025 Regulatory Period in the Electricity and Gas Industries and for the Market Operator's Activities in the Electricity and Gas Industries, and for Mandatory Buyers (hereinafter "Price Control Principles") - "Zásady cenové regulace pro regulační období 2021 až 2025 pro odvětví elektroenergetiky, plynárenství, pro činnosti operátora trhu v elektroenergetice, plynárenství a povinně vykupující" - published by Energy Regulatory Office. http://www.eru.cz/documents/10540/6348085/Zasady-cenove-regulace-2021-2025.pdf (available in Czech only - English translation in progress).
			The value of nominal WACC (before tax) that is used for setting target revenue in 2021: 8.32% (including risk premium). Further information provide chapters 9.3.3. and 9.3.6. of "Decision under Article 27 (4) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas" available at: http://www.eru.cz/documents/10540/3795241/Decision_TAR_NC_ENG.pdf .
		Capital expenditures	The planned value of capitalised expenditure (on investments) that is used for setting the allowed revenue in 2021: 159 mil. CZK. The planned value of capitalised expenditure (on investments) that is used for setting the target revenue in 2021: 10,179 mil. CZK.
		Methodology to determine the initial value of the assets	The initial value of the regulated asset base for setting the allowed revenue was derived from the nominal value of historical investments. The RAB is annually updated by the difference between capitalised expenditure (on investments) and depreciation. According to the § 5 of the Notice No. 262/20015 Coll. of 14 October 2015, on the Regulatory reporting, as amended by Notice No. 50/2017 Coll. (https://www.eru.cz/-/vyhlaska-c-262-2015-sb-o-regulacnim-vykaznictvi?inheritRedirect=true - available in Czech only), the capitalised expenditures for setting the RAB are expressed in gross book value. The initial value of the regulated asset base for setting the target revenue equals the net book value of the assets necessary for providing the cross system transmission services.

Art. 30 (1)(b)(iii)	Information related the following parameters: types of assets, cost of capital, capital and operational expenditures, incentive mechanisms and efficiency targets, inflation indices.	<p>Methodology to re-evaluate the assets</p> <p>Explanation of the evolution of the value of assets</p> <p>Depreciation periods and amounts per asset type</p> <p>Operational expenditures</p> <p>Incentive mechanisms and efficiency targets</p> <p>Inflation indices</p>	<p>The value of RAB that is used for setting the allowed revenue is not annually re-evaluated. The allowed profit equals RAB multiplied by nominal WACC.</p> <p>The value of RAB that is used for setting the target revenue is not annually re-evaluated. The profit equals RAB multiplied by nominal WACC (including risk premium).</p> <p>The formula for annual adjustment of RAB that is used for setting allowed revenue is described in chapter 16.3. of Price Control Principles published by Energy Regulatory Office. http://www.eru.cz/documents/10540/6348085/Zasady-cenove-regulace-2021-2025.pdf (available in Czech only - English translation in progress).</p> <p>The adjustment of RAB value that is used for setting the target revenue is in line with accounting rules. Meaning that from RAB value is subtracted the value of depreciation and added the value of new investments.</p> <p>Individual depreciation rates and minimum depreciations periods are disclosed in Appendix 10 of the Notice No. 262/20015 Coll. of 14 October 2015, on the Regulatory reporting, as amended by Notice No. 50/2017 Coll. (https://www.eru.cz/-/vyhlaska-c-262-2015-sb-o-regulacnim-vykaznictvi?inheritRedirect=true - available in Czech only).</p> <p>The planned values of depreciation of individual assets using for calculation of the allowed revenue in 2021: Pipelines: 463 mil. CZK Compressor stations: 115 mil. CZK Transfer stations: 13 mil. CZK</p> <p>The planned values of depreciation using for calculation of the target revenue in 2021: 1,473 mil. CZK.</p> <p>The eligible costs base for each of the regulated years of the fifth regulatory period is calculated as the arithmetic mean of the adjusted values of actual costs for the last three known years.</p> <p>The values of companies' actual economically justified costs is adjusted by the escalation factor to the time value of the year preceding the regulated year, and by the efficiency factor.</p> <p>The difference between eligible and actual costs in the years of the fifth regulatory period is subject to profit/loss sharing.</p> <p>The value of allowed costs in 2021: 485 mil. CZK</p> <p>The value of operational expenditures used for setting the target revenue for 2021: 743 mil. CZK.</p> <p>The general efficiency factor of 0.2% is annually applied to the eligible cost base. Further details are available in chapter 4.2.2. of Price Control Principles published by Energy Regulatory Office. http://www.eru.cz/documents/10540/6348085/Zasady-cenove-regulace-2021-2025.pdf (available in Czech only - English translation in progress).</p> <p>There is also applied a profit/loss sharing in the regulation. 50% of savings is kept to the regulated company, 50% of savings is benefit for customers (further details in chapter 4.1.1. of Price Control Principles).</p> <p>No incentive mechanisms and efficiency targets are used when setting the target revenue.</p> <p>The escalation factor is annually applied to the initial value of allowed costs. The value of escalation factor in 2021: 106.044% Further details are available in chapter 4.2.1. of Price Control Principles published by Energy Regulatory Office. http://www.eru.cz/documents/10540/6348085/Zasady-cenove-regulace-2021-2025.pdf (available in Czech only - English translation in progress).</p>
Art. 30 (1)(b)(iv,v)	Information on the transmission services revenue including capacity-commodity split, entry-exit split and intra-system/ cross-system split.	<p>The transmission services revenue</p> <p>Capacity-commodity split</p> <p>Entry-exit split</p> <p>Intra-system/cross-system split</p>	<p>The planned value of transmission revenue in 2021: 7,493 mil. CZK</p> <p>Capacity-commodity split in 2021: 90% capacity 10% commodity</p> <p>Entry-exit split in 2021: 17% entry 83% exit</p> <p>Intra-system/cross-system split in 2021: 23% intra-system 77% cross-system</p>

Art. 30 (1)(b)(vi)	Information related to the previous tariff period regarding the reconciliation of the regulatory account.	<p>The actually obtained revenue</p> <p>The under- or over-recovery of the allowed revenue</p> <p>The part of under- or over-recovery attributed to the regulatory account</p> <p>The reconciliation period and the incentive mechanisms implemented</p>	<p>The actually obtained revenue for providing intra system transmission services in 2019: 1,749 mil. CZK</p> <p>The cross system gas transmission falls under the price cap regime therefore the regulatory account is not applicable.</p> <p>There was the over-recovery (25 mil. CZK) in 2019 in the Czech Republic.</p> <p>100% of the value of under-recovery was attributed to the regulatory account.</p> <p>The reconciliation of over-recovery is in the next tariff period without implementation of any incentive mechanism.</p>
Art. 30 (1)(b)(vii)	Information on the intended use of the auction premium.		The auction premium is intended to reduce physical congestion.
Art. 30 (1)(c)	Information on transmission and non-transmission tariffs accompanied by the relevant information related to their derivation.	<p>Commodity-based transmission tariffs referred to in Article 4(3).</p> <p>Non-transmission tariffs for non-transmission services referred to in Article 4(4)</p> <p>The reference prices and other prices applicable at points other than those referred to in Article 29.</p>	<p>Commodity-based transmission tariffs are calculated on the basis of forecasted flows and distances. Commodity-based transmission tariffs are set at all exit points.</p> <p>Tariffs for 2021: IP: 0.0058 * gas price (OTE) DSO and DCC: 1.27 CZK/MWh UGS: 0.49 CZK/MWh</p> <p>Further information is published in chapter 17 of ""Decision under Article 27 (4) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas" available at: http://www.eru.cz/documents/10540/3795241/Decision_TAR_NC_ENG.pdf .</p> <p>N/A</p> <p>The reference prices and other prices applicable at points other than those referred to in Article 29 are published in Energy Regulatory Office Price Decision No. 8/2020 of 30 November 2020.</p> <p>Available at: http://www.eru.cz/en/plyn/cenova-rozhodnuti (English version of Price decision No. 8/2020 will be available in January 2021).</p>
Art. 30 (2)(a)	Information on transmission tariff changes and trends.	<p>Explanation of the difference in the level of transmission tariffs for the same type of service applicable for the prevailing period and for the period for which the information is published.</p> <p>Explanation of the estimated difference in the level of transmission tariffs for the same type of transmission service applicable for the tariff period for which the information is published and for each tariff period within the remainder of the regulatory period.</p>	<p>The differences in the level of transmission tariffs in 2020 and 2021 mainly results from the change of the methodology of setting allowed revenue for the fifth regulatory period 2021-2025 (Price Control Principles). Parameters such as allocation key or WACC were adjusted and these parameters influence also the value of target revenue. Based on this methodology and adjusted parameters were set transmission tariffs for 2021.</p> <p>Detailed description of the methodology can be found in the Price Control Principles - http://www.eru.cz/documents/10540/6348085/Zasady-cenove-regulace-2021-2025.pdf (available in Czech only - English translation in progress).</p> <p>Decision under Article 27 (4) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (available at http://www.eru.cz/en/-/rozhodnuti-podle-clanku-27-odst-4-tar-nc) contains a methodology for setting transmission tariffs, the main principle is neutrality of the net present value of revenues for the period (2020-2025) and the use of average reserved capacities at entry and exit points for the period. This principle was chosen to ensure price stability, with transport tariffs increase only by the selected inflation index. Until the end of the regulatory period, therefore, the average year-on-year growth of transport tariffs at interconnection points is expected to be about 2-3% per year.</p>
Art. 30 (2)(b)	Information about the used tariff model and an explanation how to calculate the transmission tariffs applicable for the prevailing tariff period.		The simplified model is published on the Energy Regulatory Office website (http://www.eru.cz/en/informace-podle-tar-nc).

Table 1

Plan for year 2021	Daily booked transmission capacity	Planned quantity of gas flow
	MWh/day	MWh/year
Entry points	x	x
IP - Lanžhot	110,967	nap
IP - VIP Waidhaus	18,774	nap
IP - VIP Brandov	1,482,412	nap
Sum of IPs	1,612,153	nap
UGSs	110,883	nap
Domestic point	0	nap
Exit points	x	x
IP - Lanžhot	1,121,742	300,697,356
IP - VIP Waidhaus	5,000	0
IP - VIP Brandov	110,359	0
IP - Český Těšín	11,126	6,074,543
Sum of IPs	1,248,227	306,771,899
UGSs	121,686	29,010,002
Domestic point	576,145	85,649,350