

DECREE
of 7 September 2005
on states of emergency in the gas sector

According to Article II Clause 17 of Act No. 670/2004 Coll., amending Act No. 458/2000 Coll., on business conditions and public administration in the energy sectors and on amendments to other laws (the “Energy Act”), as amended, and to implement Section 73 Subsections 5 and 10 of the Energy Act, the Ministry of Trade and Industry (the “Ministry”) has stipulated:

Section 1
Subject of regulation

This Decree shall transpose the corresponding Directive¹⁾ of the European communities and regulate the procedures for the gas sector to prevent a state of emergency situations (a “state of emergency”), and the procedures to be used during such situation, and when the consequences are being removed using the safety standard of gas supplies. In addition, the extent and the method of limiting gas consumption and the contents of contingency plans shall be stated for these purposes.

Section 2
Preventing a state of emergency situations

(1) To prevent a state of emergency situation the contractual gas transmission or gas distribution and the contractual gas supply to end customers with gas consumption over 400,000 m³ per year can be limited.

(2) Restriction of gas consumption to prevent a state of emergency situation will be carried out by declaration of the second level of consumption; however, it must not be declared for longer than 48 hours, and it must not be declared more than once a week.

(3) To prevent a state of emergency situation at a gas producer, the operation of the gas production plant and upstream pipelines can be limited to the necessary extent.

Section 3
State of emergency

(1) When a state of emergency is declared, gas transmission, gas distribution or the gas supply to all traders and end customers can be limited or interrupted.

(2) When a gas producer declares a state of emergency, the operation of the gas production plant and upstream pipelines can be limited or interrupted to the necessary extent.

(3) When an underground gas storage facility operator declares a state of emergency, the activities related to the gas storage can be limited or interrupted to the necessary extent.

(4) When a state of emergency is declared the respective operator in the area will limit or interrupt the gas supply to customers to the necessary extent in the following sequence:

- a) to customers with an annual consumption of over 400,000 m³ per year in a sequence determined by the respective gas trader and the transmission system operator or the

¹⁾ Council Directive 2004/67/EC concerning measures to safeguard security of natural gas supply

distribution system operator;

b) to all other customers.

(5) When gas supplies to the end customers are interrupted, the transmission system operator or the distribution system operator will act in a non-discriminatory manner.

(6) When removing the consequences of a state of emergency, this will be done according to the contingency plans of the producer, the transmission system operator, distribution system operators and underground gas storage facility operators.

Section 4 Consumption levels

Consumption levels shall apply to gas traders and end customers using gas as follows:

- a) the first consumption level i.e. unlimited consumption according to the contractually agreed daily gas consumption;
- b) the second consumption level i.e. a contractually agreed limit of gas consumption according to the requirements of the respective transmission system operator, distribution system or underground gas storage facility operators down to the level when all supply points with gas consumption over 400,000 m³ per year in the whole state or in the area concerned will be supplied with gas at the safety and technological minimum level;
- c) emergency consumption level which results in interruption of supply to all end customers.

Section 5 Declaration of consumption levels

(1) A state-wide declaration of consumption levels by the transmission system operator shall be carried out through Český rozhlas (Czech Radio), channel ČRo 1, Rádiožurnál, during regular daily broadcasts at 6:00 a.m. and 13:00 o'clock after the end of the news, or possibly through other media.

(2) A declaration of the second consumption level or emergency consumption level for a particular part of the state by distribution system operators will be carried out through the local broadcasting of Český rozhlas (Czech Radio), or possibly through channel ČRo 1, Rádiožurnál, during regular daily broadcasts at 6:00 a.m. and 13:00 o'clock after the end of the news, or possibly through other media.

(3) At the same time, a declaration of an emergency consumption level will be sent to municipalities, regional administration, the Police of the Czech Republic and the Fire brigade (Hasičský záchranný sbor) of the Czech Republic specified in the contingency plan by distribution system operators.

Section 6 The safety and technological minimum

(1) The safety and technological minimum is determined for all end customers consuming more natural gas than 400,000 m³ per year based on a list of individual appliances produced by these end customers, without claims to production, with immediate consumption limits to the safety and technological minimum, i.e. to zero or to the minimum value to make sure both the consumption facility and the operating staff are safe. For gas consumption facilities where consumption cannot be terminated or limited to the safety and technological minimum

immediately, the time lag in hours must be determined as the time required to terminate or limit consumption.

(2) The list of gas appliances and the safety and technological minimum will be stated in the respective contract, including identification of appliances for which a time lag is required to terminate or limit consumption.

(3) For end customers who in particular produce foodstuffs for inhabitants consumed daily, process perishable foodstuffs, produce livestock with a danger of the death of the animals; the urgent needs of health-care facilities, fire protection units, waterworks, sewage works, rendering plants and crematoria, the safety and technological minimum will be up to 95 % of the contractually agreed daily gas consumption.

(4) Should the restriction of supplies according to the safety and technological minimum not ensure the safe gas supply to inhabitants, an emergency consumption level will be declared so that gas supplies to all end customers can be interrupted.

Section 7

Safety standard of gas supply

(1) The safety standard of the required gas supply means providing safe and reliable gas to households and those end customers who cannot switch to other sources of energy to prevent a state of emergency and/or during states of emergency, in particular in the following situations:

- a) 20 % partial interruption of gas supplies of the total daily amount of all import contracts for supplying end customers of the respective gas trader in the Czech Republic or for providing consumption to a respective customer who supplies itself with gas for a period of 8 weeks during the winter;
- b) for gas consumption in 5 consecutive extremely cold calendar days – an extremely cold calendar day is a day during which the average daily temperature remains lower than -14 °C;
- c) to cover gas demand in all consumption possibilities caused by outside temperatures during the coldest period from 1 October to 31 March that have occurred in the last 20 years before the year in question.

(2) Gas traders and end customers who supply themselves with gas can secure the safety standard of the gas supply to the respective extent of the gas trader or end customer through their gas supplier.

(3) The safety standard of gas supply to households and small customers will be secured by the ultimate supplier from the first day of the following month after the customer has applied for a supply.

(4) Gas traders supplying gas to end customers and those end customers who supply themselves with gas will prove that the safety standard of the gas supply is adequate before concluding the gas transmission contract with the transmission system operator.

(5) Gas traders supplying gas to end customers and those end customers who supply themselves with gas and do not use the transmission system for supplies will prove to the distribution system operator that the safety standard of the gas supply is adequate before concluding the contract on gas distribution.

(6) Gas traders supplying gas to end customers and those end customers who supply

themselves with gas must submit information on the amount of the safety standard and the method of meeting it to the Balance Centre on the first day of each month.

Section 8 Contingency plan

(1) Contingency plans are produced to solve and remove accidents occurring in gas production, transmission, distribution and storage facilities, and to solve and remove the consequences of a state of emergency.

(2) A contingency plan must always contain:

- a) a description of the states of emergency;
- b) first name, surname and function of the emergency commission member and the method of summoning the commission;
- c) the system for sending information during emergencies;
- d) the principles of removing states of emergency;
- e) the communication plan and reporting obligations of the gas undertaking;
- f) the location of the operational technical documents storage.

Section 9 Repeal

Decree No. 167/2001 Coll., on states of emergency in the gas sector, will be repealed.

Section 10 Effect

This Decree will come into effect on 1 October 2005.

The Minister:
Ing. Urban v. r.