



"Dear business partner,

In this NEWS4SHIPPERS issue you will find detailed information on the upcoming VIP Brandov-GASPOOL implementation and learn more about our plans to sell Trading Region Upgrade (TRU) service on a day-ahead basis on the PRISMA auction platform. Furthermore, we will inform you about the proceeding Public tender on Gas Supply for calendar year 2019. We have also introduced a new section with an overview of our planned maintenance works.

We hope you will find this information helpful. If you have any questions, please do not hesitate to contact us. We are here to help!"

David Urban, Senior Specialist, Client and Contract Management

VIP Brandov – GASPOOL implementation as of 1 November 2018

- The first VIP auction is scheduled for 15 October 2018 for monthly capacities
- Existing capacity contracts can be transferred from IPs to the VIP Brandov – GASPOOL
- VIP affects nomination procedures and shipper codes

MARKET

As of 1 November 2018, NET4GAS and the adjacent TSOs Gascade, ONTRAS and OPAL Gastransport will establish the new **Virtual Interconnection Point (VIP) Brandov – GASPOOL** (EIC: 21Z0000000004863) at the market area border between GASPOOL and the Czech Republic.

Existing Czech capacity contracts concluded at IPs before 1 November 2018 can be transferred to the VIP upon request of the shipper. The contract transfer process is described in the [Gas Market Rules](#) and [NET4GAS Network Code](#) that have been recently going through the Public Consultation process by the Energy Regulatory Office (in Czech only).

The marketing of the VIP capacity will be undertaken exclusively by VIP-TSOs - NET4GAS and GASCADE. The first VIP auction for November monthly capacities starts on 15 October 2018. The first Day-ahead and Within-day VIP auctions are scheduled for 31 October 2018. No capacity will be offered at the old IPs after 1 November 2018.

As to the nominations, new shipper codes might be needed for some of the existing IP contract holders and holders of the new VIP Exit capacity. Most of the shipper codes for the VIP Entry point remain unchanged.

Implementation of the VIP Waidhaus at the market area border between NCG and the Czech Republic is scheduled for 1 March 2019.

For the latest and more detailed information regarding the VIP implementation please see the [NET4GAS website](#) or contact our [commercial team](#).

Michal Mareš

TRU day-ahead product to be offered in the course of Q4/2018

- NET4GAS and Gas Connect Austria (GCA) have already offered yearly, quarterly and monthly products
- The next monthly auction will be opened between 8 and 15 October 2018
- NET4GAS and GCA plan to launch TRU day-ahead auctions at PRISMA during Q4/2018

PRODUCTS

NET4GAS and GCA have been offering the TRU service for the periods within gas year 2018/19. Within the scope of the one-year pilot phase, the TRU service has already been offered as a yearly, quarterly and monthly service in a paper-based bidding procedure with a uniform price auction algorithm with a final quantity of 112,000 kWh/h.



In the direction from the Czech Republic to Austria, NET4GAS has already sold 90,000 kWh/h in the yearly auction and 22,000 kWh/h in the quarterly auction for the second and third quarters of 2019.

NET4GAS and GCA plan to start offering also day ahead products on PRISMA for both directions during Q4/2018. Both transmission system operators will publish more detailed information on the start of the TRU day ahead auctions in the coming weeks.

Quarterly and monthly auctions will still be conducted using a paper-based bidding procedure with a uniform price auction algorithm. The **next monthly auction will be held between 8 and 15 October 2018.**

A detailed TRU product description and the latest information are available on our [website](#).

Tomáš Vyležík

Public tender on "Gas Supply in 2019"

- Contractual volume of 4,080 MWh / day
- Tender open until 16 October 2018
- Price based on the GASPOOL European Gas Spot Index (EGSI) for the relevant gas day

PRODUCTS

Pursuant to the provisions of the Czech Public Procurement Act NET4GAS intends to conclude an Agreement on Gas Supply to cover fuel gas and gas losses in the transmission system. According to the draft agreement the bidder shall on every day D during the period of performance, supply NET4GAS on the Czech virtual trading point with gas in a quantity corresponding to the nomination request received from NET4GAS, which shall not be higher than 4,080 MWh, by 10:00 a.m. on day D-1.

The contractual price shall be linked to the EGSI index value on the European Energy Exchange AG for the relevant day D for the Gaspool zone plus a fee. The offer with the lowest binding price bid will win the tender.

An Agreement will be concluded for the calendar year 2019. **Deadline for the submission of tender offers is 10:30 AM on 16 October 2018.** The tender offers shall be valid for 90 days.

Tender documentation including the binding contract draft are available on the following [website](#).

David Urban

New Q&As section on the NET4GAS website

MARKET

We have introduced a new [Q&As](#) section on our website with more information about gas transmission in the Czech Republic and cooperation with NET4GAS.

Further improvements to our website are planned for the coming months to provide you with relevant information in an easy-to-understand way and structure.

Please give us your feedback. Please also let us know if you have any suggestions of interesting topics to be included on our website.

Drahomíra Glacová

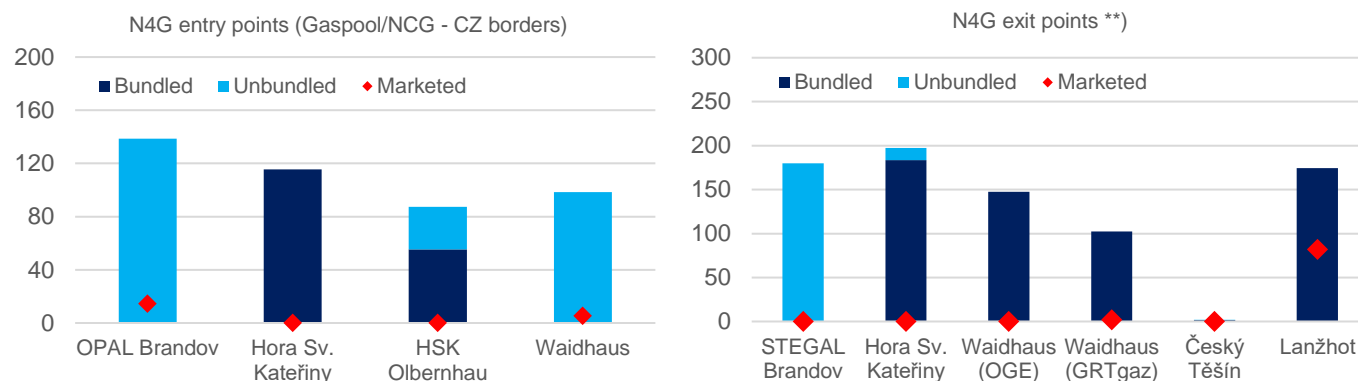
Recent auction activities (Q3 / 2018)

AUCTIONS

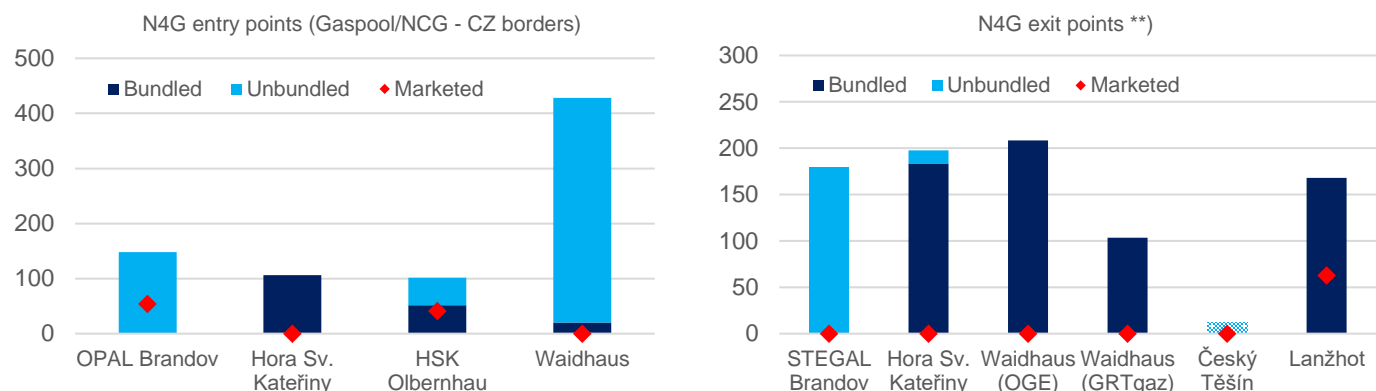
Recent months have shown summer gas prices above levels the market normally experiences. This is in our view mainly attributable to gas used for power generation incentivized by high power prices, continuing injection into storage facilities after the demanding end of the past winter and also increasing oil prices. As oil prices transpire into long term gas contract prices with several months' time lag, shippers nominate oil indexed gas to very high levels resulting in unusually high upstream flows. The winter 2018/19 months are traded at a premium of 4 - 5 €/MWh to summer 2019, meaning shippers are averse to the risk of a gas shortage during the upcoming winter.

Vladimír Čermák

NET4GAS firm capacities in monthly auctions for September 2018 in GWh/d



NET4GAS firm capacities in daily auctions in September 2018 in GWh/d (17 – 21 September 2018) ****)



*) In addition, the Lanžhot bundled & unbundled entry capacities offered from Slovakia exceeded 1 TWh/d.

**) Daily Český Těšín unbundled exit capacities are only offered on an interruptible basis. However, the daily firm bundled product is also available.

****) The daily maximums offered and marketed during the respective time period; marketed also includes interruptible capacities.

Note: Sold capacities also include interruptible products. Competing capacity is allocated at the Hora Sv. Kateřiny and HSK Olbernhau border entry points.

Overview of upcoming planned maintenance works of the NET4GAS infrastructure

SHUTDOWNS The overview of all planned maintenance works and consequent firm capacity interruptions at all entry and exit points of NET4GAS infrastructure for every calendar day is available at our [website](#). Planned maintenances shall be published at least 42 days in advance. Find all upcoming planned maintenance works in the tables below:

Entry points

Month	Entry point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
October	Lanžhot	1,640.413	529.427	1,196.782
	MND GS	153.990	77.000	153.990
	Moravia GS	79.650	40.000	79.650
	HSK/Olbernhau	456.510	38.258	424.456
November	Lanžhot	1,640.413	1,266.023	1,226.078
	MND GS	153.990	77.000	153.990
	Moravia GS	79.650	40.000	79.650
	HSK/Olbernhau	456.510	210.936	424.456

Exit points

Month	Exit point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
October	Č. Těšín	28.051	10.460	17.621
	Lanžhot	913.680	411.195	516.086
	MND GS	83.898	42.000	83.898
	Moravia GS	47.790	24.000	47.790
	Innogy GS	356.000	39.634	316.366
November	Č. Těšín	28.051	10.460	28.051
	Lanžhot	913.680	602.668	611.299
	MND GS	83.898	42.000	83.898
	Moravia GS	47.790	24.000	47.790
	Innogy GS	356.000	39.634	356.000

The last two columns show maximum daily interruption and maximum available daily firm capacity in given month during the maintenance, i.e. in case that the maintenance affects infrastructure only in some days of the month, the maximum available daily firm capacity equals to whole technical capacity.

Upcoming auctions of NET4GAS capacities

AUCTIONS

All upcoming auctions can be found in the auction calendar on the [PRISMA](#) platform. Find all monthly and quarterly auctions to be published in the next three months in the table below:

Publication date	Auctions start	Auction type	Product runtime	Capacity types
8 October 2018 9:00	15 October 2018 9:00	Monthly	1 November 2018 – 1 December 2018	Firm
16 October 2018 7:00	23 October 2018 9:00	Monthly	1 November 2018 – 1 December 2018	Interruptible
22 October 2018 9:00	5 November 2018 9:00	Quarterly	1 January 2019 – 1 October 2019	Firm
12 November 2018 9:00	19 November 2018 9:00	Monthly	1 December 2018 – 1 January 2019	Firm
20 November 2018 7:00	27 November 2018 9:00	Monthly	1 December 2018 – 1 January 2019	Interruptible
26 November 2018 7:00	3 December 2018 9:00	Quarterly	1 January 2019 – 1 October 2019	Interruptible
10 December 2018 9:00	17 December 2018 9:00	Monthly	1 January 2019 – 1 February 2019	Firm
18 December 2018 7:00	27 December 2018 9:00	Monthly	1 January 2019 – 1 February 2019	Interruptible

Daily auctions for firm capacity always start at 4:30PM on the day before the gas day, and auctions for interruptible capacity always start at 5:30PM on the day before the gas day. Within-day auctions start at 7:00PM on the day before the gas day. Bidding windows open at the start of an auction and start every hour H with bids to be placed for the remaining part of the gas day starting at hour $H+4$.