



“Dear business partners,

We are glad to start the new year with some good news! NET4GAS successfully launched the operation of a new 150-kilometre high-pressure gas pipeline and thus completed the second and final phase of the Capacity4Gas project. As a result, we have increased the Czech entry technical capacity at VIP Brandov entry point as of 1 January 2021. In this issue of NEWS4SHIPPERS, you will find not only an updated overview of NET4GAS’ capacities but also further Czech gas transmission news, such as information about the variable fee and gas storage transmission fees for the contract year 2021 published by the Czech regulator at the end of the last year.

We wish you a healthy and successful 2021 and sincerely hope that 2021 will be the year that brings our lives “back to normal”!

Tomáš Vyležík, Senior Manager, Client and Contract Management

Czech entry technical capacity at VIP Brandov increases as of 1 January 2021

- VIP Brandov entry capacity increased to 2,546 GWh/d
- Sufficient capacities available in short-term PRISMA auctions

CAPACITIES

The Czech entry technical capacity at the VIP Brandov border point with the German market area Gaspool has increased to 2,546 GWh/d as of 1 January 2021.

The increase is a result of the finalization of the last stage of the Capacity4Gas project and follows previous capacity increases at VIP Brandov and Lanžhot border points at the beginning of 2020. More information about the project is available on our [website](#) and in previous issues of NEWS4SHIPPERS.

The maximum technical capacity (in GWh/d) and the level of booking at entry / exit points on the specific day of 1 January 2021 are summarized in the table below. Please

note that the actual level of technical capacity and capacity bookings might differ during the year.

Border points	ENTRY		EXIT	
	Technical capacity	Booked in %	Technical capacity	Booked in %
Český Těšín	interruptible only		28.052 (4.260) ¹	100%
Lanžhot	1,640.413	12%	1,246.380	90%
VIP Brandov	2,546.338	86%	487.666	23%
VIP Waidhaus	150.000	1%	1,071.471	89%
Gas storage				
MND GS	153.990	8%	83.898	8%
Moravia GS	79.650	0%	47.790	0%
RWE GS	443.000	44%	356.000	1%

¹ Summer Technical capacity at Exit Český Těšín: 4.26 GWh/d (1.5. – 1.10.2021)

Information about NET4GAS’ available capacities for upcoming auctions is available on the [Prisma platform](#) and on our [website](#).

Veronika Jurčová

2021 variable prices and storage transmission tariffs published

- Czech OTE gas market index – a new index setting the variable price at exit border points
- Firm prices for border points were already published in the *Price Decision No. 4/2020* in June 2020

PRICES

On 27 November 2020, the Energy Regulatory Office (ERO) published its new *Price Decision No. 8/2020* with the variable transmission price for border exit points and transmission tariffs for gas storage effective for the calendar year 2021. Moreover, the Price Decision also includes the regulated prices for domestic transmission including distribution systems and customers directly connected to the transmission network.

As of 1 January 2021, the variable price for transported gas at Czech exit border points has been set as $0.0058 \times C_{OTE}$. C_{OTE} is determined by the Czech gas market *OTE index* published by the Czech market operator (in 2020 the NCG market index was used).

Find below the change in the yearly and variable transmission prices for gas storage:

SSO transmission (CZK/MWh/d/y)	2020	2021
Entry TSO	109.69	111.76
Exit TSO	930.79	1,001.96
Variable price - exit TSO (CZK/MWh)	0.30	0.49

For more detailed information, please see the *Price Decision* published on the ERO website or visit our [website](#).

Veronika Jurčová

Incremental capacity projects with Austria and Poland

- Preparation of incremental capacity projects reached its final stage

CAPACITIES

NET4GAS has, in cooperation with the adjacent TSOs Gas Connect Austria and GAZ-SYSTEM, finished the design phase of two incremental capacity projects at the borders with Austria and Poland and has provided its proposal to the respective National Regulatory Authorities (NRAs). The

NRAs have a 6-month period dedicated for publishing their coordinated decisions on the project proposals.

Upon the publication of the decisions of the NRAs and no later than 2 months before the incremental capacity auction, the TSOs shall jointly publish the information on the projects' parameters as approved by the NRAs and a template of the contracts related to the capacity offered. The incremental capacity auction is scheduled on 5 July 2021.

The incremental capacity project proposals, including technical solutions, expected offer levels and provisional timelines, are available on our [website](#).

Michal Mareš

Czech Ten-Year Development Plan

MARKET

On 14 December 2020, the Energy Regulatory Office approved the Czech Ten-Year Network Development Plan for the period 2021–2030. In accordance with the Energy Act, the plan is prepared every year and includes a description of the Czech transmission system and a list of implemented and forthcoming investment projects. Moreover, it also provides information about the EU and Czech energy - climate policy and targets.

You can find the new development plan on our [website](#) (available in Czech only).

Tomáš Vyležík

Implementation of a new capacity management system ongoing

PLATFORMS

The work on the new NET4GAS' capacity management system has already reached its implementation and testing phase.

The new system will replace the currently used tryGAS system including NET4GAS' capacity booking & nominations' platform and the *transmission data* part of our website.

The go-live date of the new system is currently foreseen in the first half of 2022.

Tomáš Vyležík

Overview of NET4GAS capacity auctions and planned maintenance

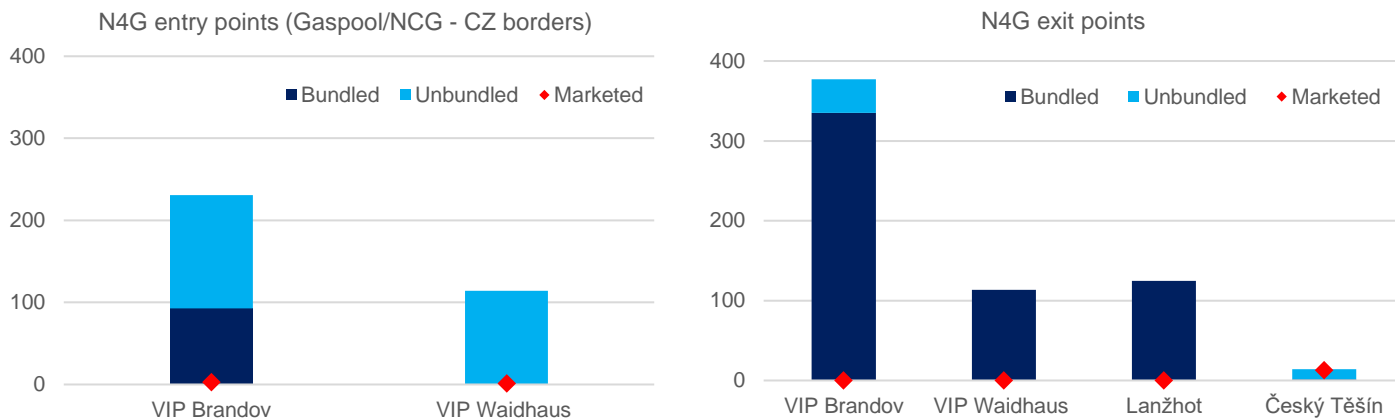
Recent auction activities (Q3-Q4 / 2020)

AUCTIONS

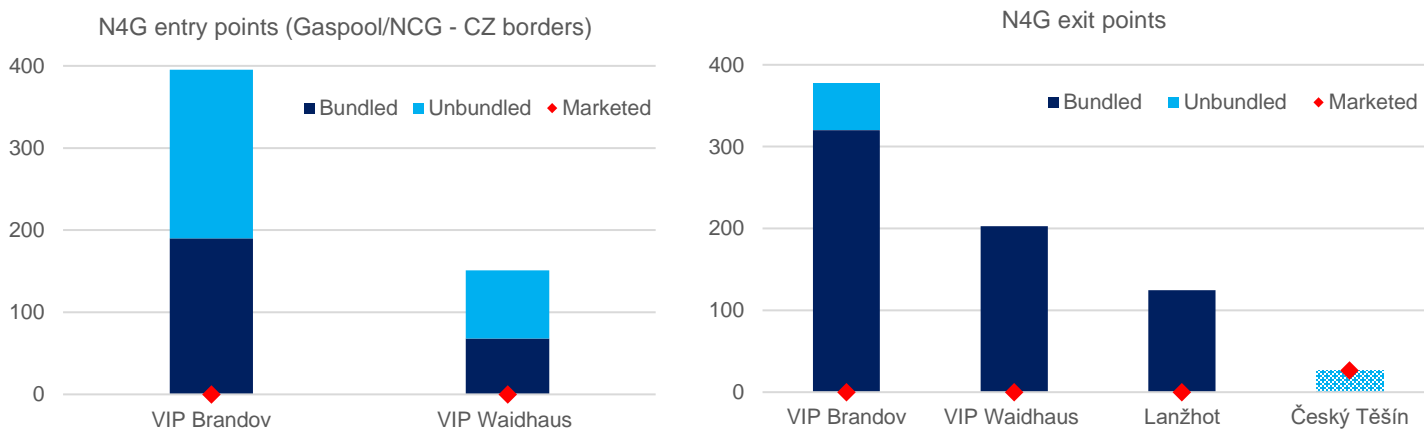
In the third quarter of 2020, there were significant gas price differences between the North-West European and the Eastern European markets with price spreads between the countries often exceeding transmission costs. During this period, shippers booked significantly more Czech transmission capacity than in the previous two quarters, and the exit gas flows towards Slovakia set new records. During the last quarter of the year, Czech gas flows and capacity bookings returned to levels seen in the first half of the year.

Tomáš Václavík

NET4GAS capacities offered and booked in monthly auctions for January 2021 in GWh/d



NET4GAS capacities offered and booked in daily auctions in GWh/d for the period 26 – 31 December 2020 *)



Note: Hatched charts represent unbundled capacities offered on an interruptible basis.

*) Charts represent the daily maximums offered and marketed during the respective time period. Marketed also includes interruptible capacities which are on a day-ahead basis offered for all NET4GAS entry and exit points.

Overview of upcoming planned maintenance work of NET4GAS infrastructure

SHUTDOWNS

Please find below a rough overview of the currently planned maintenance up to March 2021. All and complete planned maintenance work and consequent firm capacity interruptions at all entry and exit points of the NET4GAS infrastructure for every gas day are available on our [website](#). The final maintenance plan is in line with the legislation announced 42 days in advance.

Entry points

Month	Entry point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
January	VIP Brandov	2,546.338	315.822	2,546.338
	VIP Waidhaus	120.000	98.800	120.000
February	VIP Brandov	2,546.338	250.800	2,546.338
	VIP Waidhaus	120.000	98.800	120.000
March	VIP Brandov	2,546.338	411.848	2,546.338
	VIP Waidhaus	120.000	98.800	21.200

Exit points

Month	Exit point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
January	no planned maintenance			
February	no planned maintenance			
March	Lanžhot	1,246.380	144.852	1,246.380

The last two columns show the maximum daily interruption and the maximum available daily firm capacity in a given month during maintenance, i.e. in case the maintenance affects infrastructure only during some days of the month, the maximum available daily firm capacity equals the 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
19 January 2021 7:00	26 January 2021 9:00	Monthly	1 February 2021 – 1 March 2021	Interruptible
18 January 2021 9:00	1 February 2021 9:00	Quarterly	1 April 2021 – 1 October 2021	Firm
8 February 2021 9:00	15 February 2021 9:00	Monthly	1 March.2021 – 1 April 2021	Firm
16 February 2021 7:00	23 February 2021 9:00	Monthly	1 March.2021 – 1 April 2021	Interruptible
22 February 2021 7:00	1 March 2021 9:00	Quarterly	1 April 2021 – 1 October 2021	Interruptible
19 April 2020 9:00	3 May 2020 9:00	Quarterly	1 July 2021 – 1 October 2021	Firm
31 May 2020 7:00	7 June 2020 9:00	Quarterly	1 July 2021 – 1 October 2021	Interruptible

Daily auctions for firm capacity always start at 4:30 PM on the day before the gas day, and the auctions for interruptible capacity always start at 5:30 PM on the day before the gas day. Within-day auctions start at 7:00 PM 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 $H+4$.