



"Dear business partner,

This issue of our regular News4shippers focuses mainly on the upcoming annual capacity auction, including the 2020 transmission tariffs for border points and storage.

Further, you can find information below about the ongoing tenders for day-ahead and within-day balancing contracts for the calendar year 2020.

As usual, we also provide you with information regarding the upcoming auctions of NET4GAS capacities and planned maintenance of the NET4GAS' infrastructure. Enjoy reading!"

Drahomíra Glacová, Senior Specialist, Client and Contract Management

Yearly capacity auction on 1 July 2019

- Capacities available for the next 15 gas years
- Auction data already on the capacity platforms

AUCTIONS

The firm annual capacity auction starts in line with *Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems (CAM NC)* on 1 July 2019 at 9 AM (CET). All the auction data, including capacities and prices, are already available on the *PRISMA* and *GSA* platforms.

NET4GAS offers firm bundled and unbundled transmission capacities at its border interconnection points starting with GY 2019/20 and ending with GY 2033/34. Unbundled transmission capacities are offered only for the period of the upcoming gas year in line with CAM NC.

An overview and links to the auctions for border point transmission capacities for the upcoming gas year are available in the following tables:

NET4GAS Entry Capacities for GY 2019/20 (GWh/d)

Interconnection Point	Bundled	Unbundled
Lanžhot	52	509
VIP Waidhaus	0	102
VIP Brandov	98	0
Český Těšín	0	0

NET4GAS Exit Capacities for GY 2019/20 (GWh/d)

Interconnection Point	Bundled	Unbundled
Lanžhot	0	157
VIP Waidhaus	183	0
VIP Brandov	288	40
Český Těšín	0	2

For information on the unbundled capacities offered on the other side of our border, please check capacity auctions organized by adjacent transmission system operators Open Grid Europe, GASCADE, OPAL Gastransport, eustream and GAZ-SYSTEM.

Veronika Jurčová

Price decision for the calendar year 2020

- The ERO set different levels of transmission tariffs for each border entry/exit point according to the newly applicable TAR NC methodology
- Short-term price multipliers unchanged

PRICES

In order to comply with the new *Commission Regulation (EU) No. 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (TAR NC)*, the first Price Decision effective as of 2020 has already been published by the Czech Energy Regulatory Office (ERO) on 27 May 2019 prior to the yearly auction. The Price Decision defines tariffs for the Czech border points, including VIP border points, and the transmission tariffs from/into gas storage.

In compliance with the TAR NC, a new capacity-weighted distance reference price methodology has been implemented. Therefore, the levels of transmission tariffs in 2020 will be different for each entry/exit border point. Starting from 1 January 2020, the charges for gas transmission services at border points (compared to 2019 tariffs) will be as follows:

Border point transmission prices (CZK/MWh/d/a)

Entry border point	2020	2019
Lanžhot	484.84	765.01
Český Těšín	209.94	765.01
VIP Brandov	801.14	765.01
VIP Waidhaus	857.68	765.01

Exit border point	2020	2019
Lanžhot	3,155.28	2,991.43
Český Těšín	4,724.95	2,991.43
VIP Brandov	3,388.29	2,991.43
VIP Waidhaus	1,735.89	2,991.43
TRU	4,064.85	3,818.06
Variable charge	0.0026x C _{NCG}	0.003 x C _{NCG}

Multipliers for shorter than yearly products remain unchanged and equal to 1.1 (quarterly products), 1.25 (monthly products), 1.5 (daily products) and 1.7 (within-day products). The calculation of quarterly and monthly capacity prices now reflects the number of days in the relevant period.

Regarding the storage transmission tariffs, the calculation methodology has also changed in line with TAR NC.

Storage point transmission prices (CZK/MWh/d/a)

	2020	2019
TSO Entry	109.69	442.96
TSO Exit	930.79	95.60
TSO Exit variable price	0.30	0.14

The second Price Decision, containing transmission tariffs for DSOs, should be published by the ERO on 30 November 2019 at the latest.

For detailed information, please see where the *Price Decision* is published at the website of the ERO. For more information regarding prices, please see our *website*.

Drahomíra Glacová

Ongoing evaluation of the TRU pilot phase

- TRU product will not be offered in the upcoming yearly auction

PRODUCTS

No decision has been taken regarding the continuation of TRU beyond the GY 2018/2019 pilot phase. As a result, TRU capacities will not be offered in the upcoming yearly auction.

NET4GAS and Gas Connect Austria will provide the market with more information on the evaluation of the TRU pilot phase and the future of this product at the latest by the end of the one-year pilot phase.

Tomáš Vyležik

Tender on 2020 day-ahead and within-day balancing services

- Contractual volume up to 25,000 MWh/day
- Submission of bids is possible until 4 July 2019
- 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 & Withdrawal" for 2020. The objective of this tender is to sign a new agreement for balancing actions within the meaning of *Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (BAL NC)*.

This contract will serve as one of the standard ways NET4GAS can carry out the necessary balancing actions

in line with the process described in Schedules 6 – 10 of the *Gas Market Rules*.

The bidder should supply or offtake gas in a quantity corresponding to the nomination request received from NET4GAS, up to the contractual volume of 25,000 MWh/d. The contract can be used on a day-ahead as well as on a within-day basis.

The contractual price shall be linked to the EGSI index value at the European Energy Exchange AG for the relevant Gas Day D for the GASPOOL zone plus / minus a fee (trader's margin). The offer with the lowest binding price bid will win the tender.

The deadline for the submission of bids is set to 4 July 2019, with more information being available [here](#).

A separate tender on Gas Supply for 2020 will be organized by NET4GAS during summer 2019, and the price for gas delivery will also be based on the GASPOOL European Gas Spot Index (EGSI) for the relevant gas day.

David Urban

Overview of NET4GAS capacity auctions and planned maintenance

Recent auction activities (Q2 / 2019)

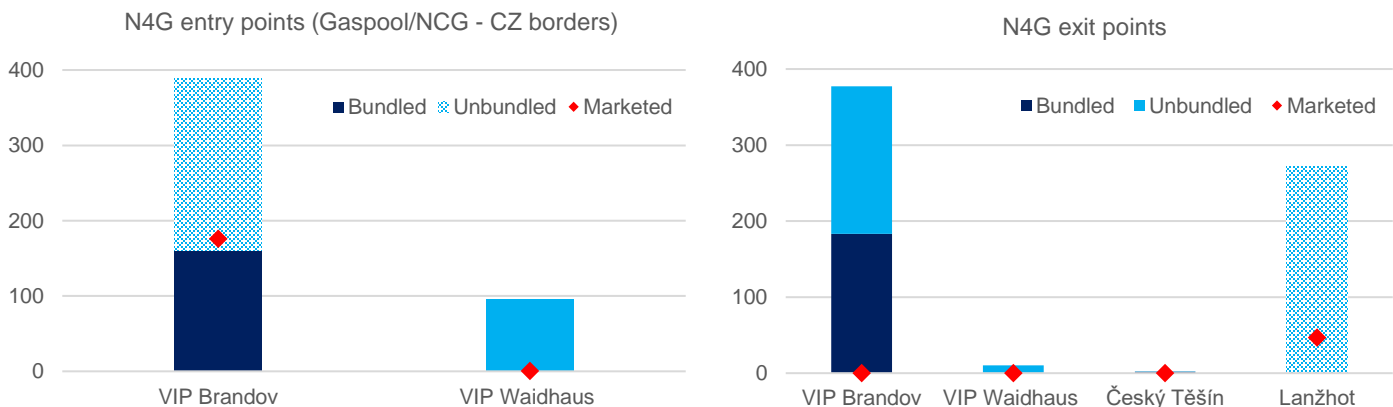
AUCTIONS

The warm winter of 2018/19 and relatively high storage levels have led to a surplus of gas on the German-traded markets. Shippers have injected surplus gas into storage very quickly – as of the beginning of June, net injections into gas storage connected to the NET4GAS transmission system amounted to more than 20 TWh. Shippers have also booked more entry capacities into the Czech system from neighboring traded markets, mainly from Gaspool via VIP Brandov.

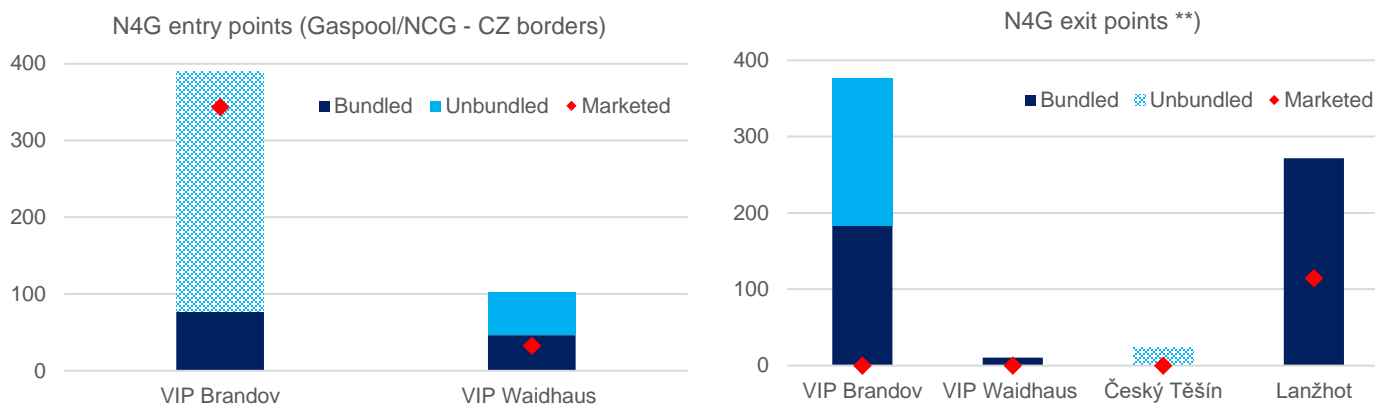
At the same time there has been a marked increase in demand for transmission through exit point Lanžhot. By contrast, flows towards Bavaria at exit point Waidhaus are relatively low.

Vladimír Čermák

NET4GAS capacities offered and booked in monthly auctions for June 2019 in GWh/d *)



NET4GAS capacities offered and booked in daily auctions in GWh/d for the period 26 May – 3 June 2018 ^{***)}



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

*) Monthly capacities at VIP Brandov entry point and Lanžhot exit point were due to an auction premium reached in the firm auction, resp. planned maintenance offered on interruptible basis.

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

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

Overview of upcoming planned maintenance work of NET4GAS infrastructure

SHUTDOWNS

Please find below a rough overview of currently planned maintenance up to September 2019. 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 is 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]
July	VIP Brandov	1,521.464	363.025	1,353.495
	Lanžhot	1,640.413	721.947	918.466
August	VIP Brandov	1,543.973	233.409	1,512.563
	Lanžhot	1,640.413	721.947	918.466
September	VIP Brandov	1,543.973	82.713	1,507.328
	Lanžhot	1,640.413	721.947	918.466

Exit points

Month	Exit point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
July	Lanžhot	913.680	479.205	607.114
August	Lanžhot	913.680	245.881	829.976
September	Lanžhot	913.680	358.881	592.466

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
1 June 2019 9:00	1 July 2019 9:00	Yearly	1 October 2019 – 1 October 2034	Firm
8 July 2019 7:00	15 July 2019 9:00	Yearly	1 October 2019 – 1 October 2034	Interruptible
10 June 2019 9:00	17 June 2019 9:00	Monthly	1 July 2019 – 1 August 2019	Firm
18 June 2019 7:00	25 June 2019 9:00	Monthly	1 July 2019 – 1 August 2019	Interruptible
08 July 2019 9:00	15 July 2019 9:00	Monthly	1 August 2019 – 1 September 2019	Firm
16 July 2019 7:00	23 July 2019 9:00	Monthly	1 August.2019 – 1 September 2019	Interruptible
22 July 2019 9:00	5 August 2019 9:00	Quarterly	1 October 2019 – 1 October 2020	Firm
12 August 2019 9:00	19 August 2019 9:00	Monthly	1 September 2019 – 1 October 2019	Firm
20 August 2019 7:00	27 August 2019 9:00	Monthly	1 September 2019 – 1 October 2019	Interruptible
26 August 2019 7:00	2 September 2019 9:00	Quarterly	1 October 2019 – 1 October 2020	Interruptible
9 September 2019 9:00	16 September 2019 9:00	Monthly	1 October 2019 – 1 November 2019	Firm
17 September 2019 7:00	24 September 2019 9:00	Monthly	1 October 2019 – 1 November 2019	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 $H+4$.