



“Dear business partner,

In this issue of our regular newsletter, we have chosen to focus on some themes related to our auctions and product prices. I hope you will find it useful!

Recently, we have received a lot of questions from you about two important topics – Virtual Interconnection Points (VIP) and the Trading Region Upgrade (TRU). We have not included these topics in this newsletter as there is no big news yet. However, we hope to provide you with more information on the VIP implementation in the near future, as the European-wide discussion on its final design is still ongoing. With respect to the TRU service, we will inform you as soon as we have something to offer.”

Tomáš Vyležík, Senior Manager, Client and Contract Management

Booking platforms' emergency procedures

- Several PRISMA platform incidents in late 2017
- Day-ahead and within-day fall back solution

AUCTIONS

The need for a **fall back solution** in the event of day-ahead and within-day auction failures has become relevant following the PRISMA platform incidents in late 2017. Work on the improvement of the integration of PRISMA and related TSO emergency processes started back in Q4/2017 and will continue during this year with the aim of agreeing on a common process.

For now, in case auction-booking platform availability is affected or the auction has not been successfully uploaded, please contact our **Commercial Operations (CO)** department immediately by *phone* or *email*.

If the auction booking platform failure occurs outside of working hours, during weekends or bank holidays, or you were not successful in contacting our CO department as directed above, please contact our

Dispatching department directly by phone (tel.: +420 220 225 970; mobile: +420 739 536 629).

Tomáš Vyležík

Favorable Czech-Polish price spread

- Available Czech-Polish transmission capacity
- Wide day-ahead price spread in Feb'18

MARKET

NET4GAS offers both firm exit-bundled and unbundled transmission capacities on the Czech-Polish border via the **GAZ-SYSTEM Auction Platform (GSA)**. Shippers also have the opportunity to book the Český Těšín Czech exit and the Cieszyn Polish entry capacities on an interruptible basis.

Due to the wide price spreads between the Czech and Polish virtual trading points, NET4GAS has seen considerable interest in booking these capacities since Q4/2017.

Tomáš Vyležík

2019 Price Decision already in Q2/2018

- 2019 border points' tariffs to be published in Q2/2018
- Yearly auction to take place on 2 July 2018

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)*, there will be two separate gas Price Decisions published by the *Energy Regulatory Office (ERO)* for the calendar year 2019.

The Price Decision with the yearly tariffs for the Czech border points shall be published no later than 30 calendar days before the annual yearly auction which will be held on 2 July 2018. The second Price Decision, containing i.a. transmission tariffs from/into SSOs and DSOs, will be published on 30 November 2018 at the latest.

Drahomíra Glacová

Prices on the Transparency Platform

- Actual TSO tariffs provided in different views on the ENTSOG Transparency Platform

PRICES

The ENTSOG *Transparency Platform* provides clear information on TSOs' and SSOs' entry and exit points, capacities, allocations, products and tariffs.

The new rules set by TAR NC for the *information upload* intend to provide transparency to the market. According to these rules, the TSO prices for all border interconnection points shall be uploaded no later than 30 calendar days before yearly capacity auctions. The

rest of the prices, which were not published before the auctions, shall be uploaded no later than 30 calendar days before the start of the tariff validity period.

Moreover, a new feature called *simulation cost* shall provide another view of TSO products and tariffs, namely the total real cost of 1 GWh/day/year of transmission, including all fees and levies.

Tomáš Novák

No monthly interruptible capacity auctions

- CAM NC affecting long-term interruptible products
- Daily and within-day rules unchanged

PRODUCTS

Commission Regulation (EU) No 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (CAM NC) has introduced new rules for offering interruptible capacity in annual, quarterly and monthly auctions effective as of 1 January 2018.

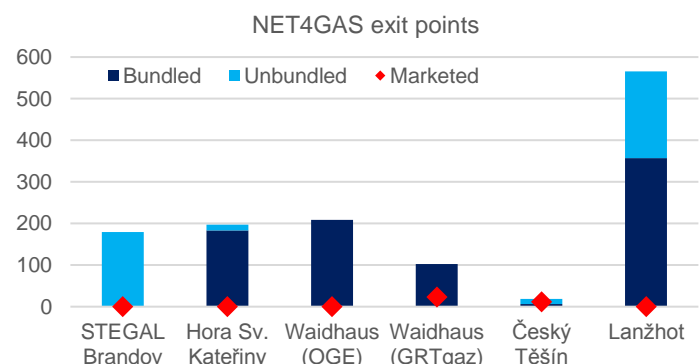
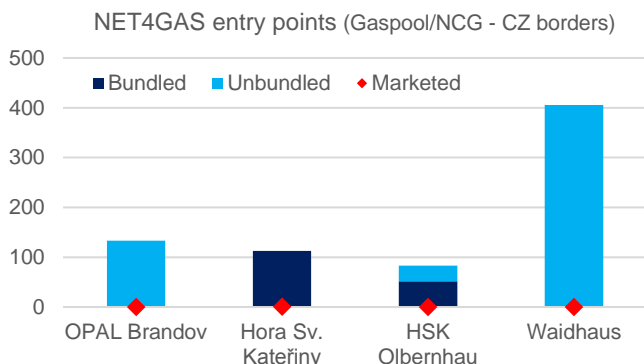
As a result, and contrary to the situation in 2017, there were neither quarterly nor monthly interruptible capacity auctions held in January and February for any of the NET4GAS border interconnection points with available firm capacities.

Rules for offering interruptible daily and within-day capacity products remain unchanged. Interruptible daily capacity products are offered by NET4GAS even if firm capacity has not been sold out, whereas within-day interruptible capacities are allocated by means of an over-nomination procedure.

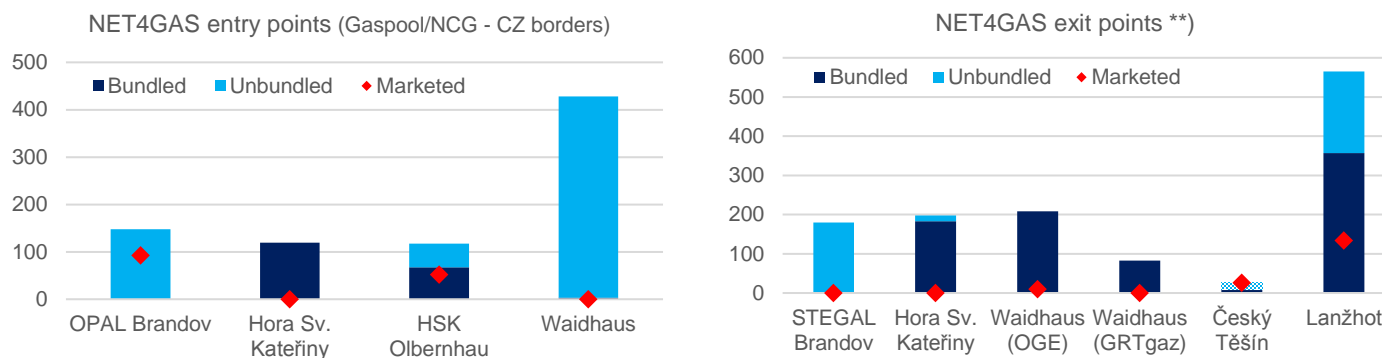
David Urban

Recent auction activities (Q1 / 2018)

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



NET4GAS firm capacities in daily auctions in Feb 2018 in GWh/d (22 – 28 February 2018) ***)



*) In addition, the Lanžhot bundled & unbundled entry capacities offered from Slovakia exceeded 1.4 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.

AUCTIONS

Since October 2017, we have been experiencing significant interest in Český Těšín exit bookings on both monthly and daily bases, which can be attributable to the wide price spread between the Polish and Czech traded markets. Compared with the last quarter, Brandov – OPAL entry capacities are only available on an unbundled basis, as the bundled product for Q1 / 2018 was sold out in the quarterly auction in December 2017.

Detailed information about available capacities in the transmission system, the technical capacity of adjacent TSOs, and scheduled shutdowns can be found on the [NET4GAS website](#).

Vladimír Čermák

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
12 March 2018 09:00	19 March 2018 09:00	Monthly	1 April 2018 – 1 May 2018	Firm
20 March 2018 07:00	27 March 2018 09:00	Monthly	1 April 2018 – 1 May 2018	Interruptible
09 April 2018 09:00	16 April 2018 09:00	Monthly	1 May 2018 – 1 June 2018	Firm
17 April 2018 07:00	24 April 2018 09:00	Monthly	1 May 2018 – 1 June 2018	Interruptible
23 April 2018 09:00	7 May 2018 09:00	Quarterly	1 July 2018 – 1 October 2018	Firm
14 May 2018 09:00	21 May 2018 09:00	Monthly	1 June 2018 – 1 July 2018	Firm
22 May 2018 07:00	29 May 2018 09:00	Monthly	1 June 2018 – 1 July 2018	Interruptible
28 May 2018 07:00	4 June 2018 09:00	Quarterly	1 July 2018 – 1 October 2018	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 $H+4$.