



NEWS4SHIPPERS

October 2019



"Dear business partner,

In this NEWS4SHIPPERS issue you will find information about the proceeding public tenders on Gas Supply and EU Allowance units for the calendar year 2020. We have also included some information regarding the upcoming auctions of NET4GAS capacities, the pilot project TRU, planned capacity auctions and maintenance of NET4GAS' infrastructure.

If you are interested in trends on the Czech gas market, I would point out the traditional Czech Autumn Gas Conference organized by the Czech Gas Association which will take place in Prague on 11 & 12 November 2019.

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

David Urban, Senior Specialist, Client and Contract Management

Tender on 2020 fuel gas supply

- Yearly contractual volume up to 2,700 GWh
- Pricing based on Index OTE for Czech Intra-Day gas market
- Submission of bids is possible until 4 November 2019

PRODUCTS

NET4GAS has announced a public tender for fuel gas supply in 2020. The contract should serve as the main source of fuel gas needed to run the gas transmission system of NET4GAS.

The bidder should supply gas in a quantity corresponding to the nomination request received from NET4GAS, up to a contractual volume of 12 800 MWh/d. The yearly contractual volume will depend on the operation of the NET4GAS transmission system in 2020.

The contractual price shall be comprised of the Index OTE for the Czech Intra-Day gas market for a specific gas day in EUR/MWh as published on the Czech Market Operator (OTE) [website](#) and a fee (trader's margin). The

binding unit fee will only be quoted in EUR/MWh. The offer with the lowest binding price bid will win the tender.

The deadline for the submission of bids is set to 4 November 2019 10:30 a.m., with more information being available [here](#).

Drahomíra Glacová

Czech Autumn Gas Conference in Prague on 11 & 12 November 2019

MARKET

NET4GAS, as its general partner, would like to point out the [2019 Czech Autumn Gas Conference](#) organized by the Czech Gas Association held in Prague in the middle of November.

The motto of this year's conference, which is held in the year marking the 100th anniversary of the [Czech Gas Association](#), is *The Strategic Role of Gases*. Czech and international speakers will talk about the future of gases in the energy mix including widely discussed topics such as hydrogen, power-to-methane and LNG. Moreover,

there will be a trading round table with relevant business and trading topics as well as a [presentation on the current investment projects in the Czech gas transmission system](#).

At the end of Day 1, there will be a gala evening at *Martinicky Palace* by Prague Castle, which is one of the most beautiful late Renaissance palaces in Prague.

Do not hesitate to contact us for more information about the upcoming annual conference. [We will be glad to meet you and discuss further topics on this important occasion!](#)

Tomáš Vyležík

Tender on 2020 EU Allowance Units supply

- Yearly contractual volume up to 400,000 units
- Pricing by monthly futures price as quoted by the ICE exchange
- Submission of documents for the qualification round is possible until 11 November 2019

PRODUCTS

NET4GAS has announced a public tender with the intention to conclude an "Agreement on the Purchase of Allowances for Greenhouse Gas Emissions" for 2020.

Under the Agreement, NET4GAS will purchase all European Union Allowance Units (EUA) required to cover the greenhouse gas emissions produced at NET4GAS

facilities, primarily gas fired compressor stations, for the coming calendar year.

NET4GAS intends to purchase EUAs on a monthly basis in a volume needed to cover greenhouse gas emissions for the previous calendar month. The yearly purchased volume will depend on the operation of the NET4GAS network in 2020 and is expected to reach up to 400,000 EUAs.

The contractual price will be linked to the ICE exchange monthly futures settlement price as quoted on the day of the purchase of the EUAs.

The deadline for the submission of documents for the qualification round of the tender is set to 11 November 2019 14:00 p.m.. Detailed tender documentation and a contract draft are available [here](#).

Tomáš Vyležík

TRU suspended until further notice

PRODUCTS

NET4GAS and Gas Connect Austria have decided to suspend marketing of the TRU product as no new arrangement has been agreed by the relevant parties. We will let you know in case of any change in the future.

Drahomíra Glacová

Overview of NET4GAS capacity auctions and planned maintenance

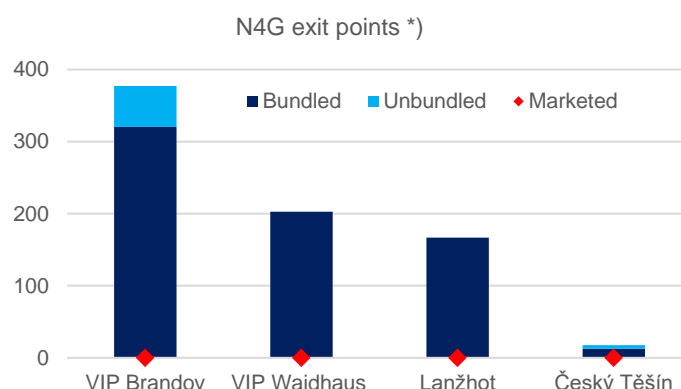
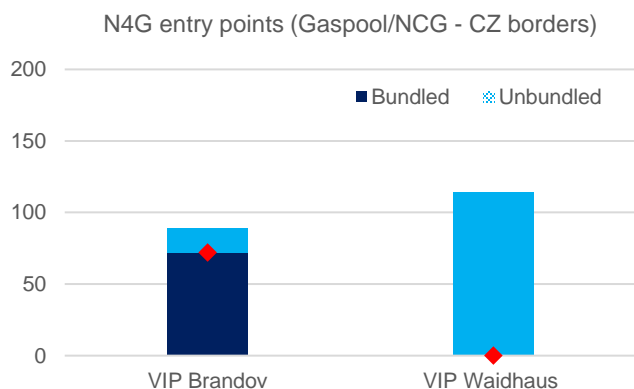
Recent auction activities (Q3 / 2019)

AUCTIONS

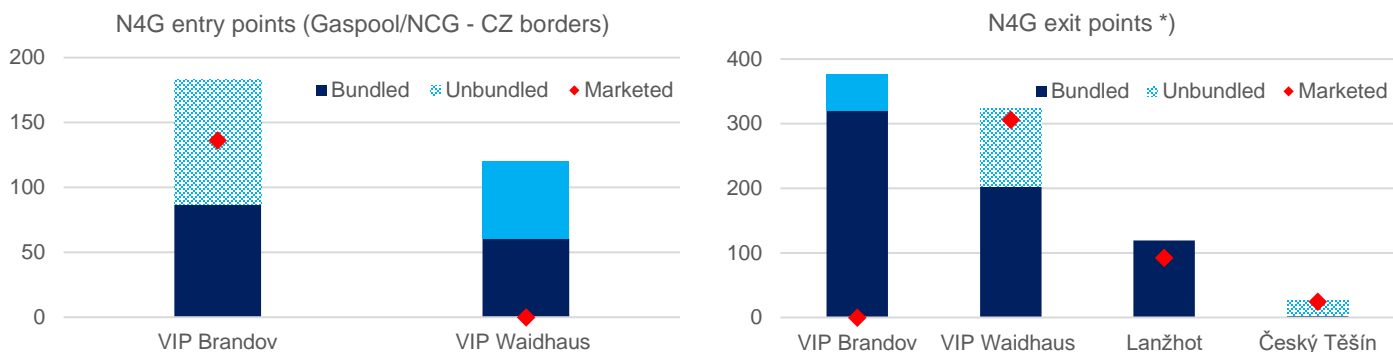
After higher than average bookings in Q2 due to the gas surplus described in the last newsletter, the summer months continued to have high additional bookings as you can see on the NET4GAS Extranet. As can be seen on the GIE AGSI pages, storage facilities in the Czech Republic on 1 August 2019 were already more than 91% filled with less than 3.5 TWh left for further injection in Q3. Reuters in August described this filling of European gas storage to a multi-year high as being caused by a tripling of LNG imports into the region in the past 10 months followed by European gas spot prices falling to a 10-year lows.

Tomáš Václavík

NET4GAS capacities offered and booked in monthly auctions for October 2019 in GWh/d



NET4GAS capacities offered and booked in daily auctions in GWh/d for the period 24 September – 3 October 2019 **)



Note: Hatched charts represent unbundled capacities 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.

***) These 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 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 December 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 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]
October	VIP Brandov	1,533.629	109.935	1,533.629
	Lanžhot	1,640.413	721.947	918.466
November	VIP Brandov	1,533.629	17.799	1,533.629
	Lanžhot	1,640.413	721.947	1,640.413
December	No planned maintenance			

Exit points

Month	Exit point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
October	Lanžhot	913.680	481.298	493.067
November	Lanžhot	913.680	206.121	913.680
December	No planned maintenance			

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
14 October 2019 9:00	21 October 2019 9:00	Monthly	1 November 2019 – 1 December 2019	Firm
21 October 2019 9:00	4 November 2019 9:00	Quarterly	1 January 2020 – 1 April 2020	Firm
21 October 2019 9:00	4 November 2019 9:00	Quarterly	1 April 2020 – 1 July 2020	Firm
21 October 2019 9:00	4 November 2019 9:00	Quarterly	1 July 2020 – 1 October 2020	Firm
22 October 2019 9:00	29 October 2019 9:00	Monthly	1 November 2019 - 1 December 2019	Interruptible
11 November 2019 9:00	18 November 2019 9:00	Monthly	1 December 2019 – 1 January 2020	Firm
19 November 2019 9:00	26 November 2019 9:00	Monthly	1 December 2019 – 1 January 2020	Interruptible
25 November 2019 7:00	2 December 2019 9:00	Quarterly	1 January 2020 – 1 April 2020	Interruptible
25 November 2019 7:00	2 December 2019 9:00	Quarterly	1 April 2020 – 1 July 2020	Interruptible
25 November 2019 7:00	2 December 2019 9:00	Quarterly	1 July 2020 – 1 October 2020	Interruptible
9 December 2019 9:00	16 December 2019 9:00	Monthly	1 January 2020 – 1 February 2020	Firm
17 December 2019 7:00	27 December 2019 9:00	Monthly	1 January 2020 – 1 February 2020	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 $H+4$.