NET4GAS, s.r.o., publishes, in compliance with Article 6 Points 1, 2 of Regulation No. 1775/2005/EC, the Transit Pricelist which is applied when the price of the gas transmission across the territory of the Czech Republic is determined in case the transported gas is not designated for the needs of customers in the territory of the Czech Republic.

1. Prices of firm daily transmission capacity for yearly contract having the term of 12 months C_{AXX}[1]

    1.1. The price of the firm daily transmission capacity:

        1.1.1. C_{AR1} is **60,728.00 CZK/1000 m³** between the pairs of Border points:

- Lanžhot and Hora Sv. Kateřiny - Sayda
- Lanžhot and Hora Sv. Kateřiny – Olbernhau
- Lanžhot and Waidhaus

        1.1.2. **C_{AR2} is 54,222.00 CZK/1000 m³** between the pair of Border points:

- Waidhaus and Hora Sv. Kateřiny – Sayda
- Waidhaus and Hora Sv. Kateřiny – Olbernhau

    1.2. The price of the **"shorthaul"** service – **C_{ASH} is 20,723.00 CZK/1000 m³**.

    1.3. The price of the **"counterflow"** service – transmission in the opposite direction of the physical gas flow:

        1.3.1. in the direction Waidhaus – Lanžhot **C_{ACF1} is 0.8 x C_{AR1}**,

        1.3.2. in the direction Waidhaus – Hora Sv. Kateřiny Olbernhau **C_{ACF2} is 0.8 x C_{AR2}**,

        1.3.3. is the direction Hora Sv. Kateřiny Sayda – Lanžhot **C_{ACF3} is 0.829 x C_{AR1}**.

    1.4. The price of the **"capacity coupling"** service – transmission in both directions of the route:

        1.4.1. **C_{ACC1}** is **1.35 x C_{AR1}** between the pairs of Border points:

- Lanžhot and Hora Sv. Kateřiny - Sayda
- Lanžhot and Hora Sv. Kateřiny – Olbernhau
- Lanžhot and Waidhaus,

        1.4.2. **C_{ACC2}** is **1.35 x C_{AR2}** between the pair of Border points:

- Waidhaus and Hora Sv. Kateřiny – Sayda

---

[1] Prices are indicated for capacity values at 20°C.

- Waidhaus and Hora Sv. Kateřiny – Olbernhau

1.5. The monthly payment for the transmission is determined as 1/12 of the product of the firm daily transmission capacity in 1000 m^3 negotiated in the relevant yearly contract and price C$_{AXX.}$

2. **Prices of firm daily transmission capacity for contract having the term of over or below 12 months**

2.1. Contracts having the term of over 12 months:

2.1.1. Refers to services indicated at Points 1.1, 1.2 and 1.4

2.1.2. For contracts having the term of over 12 months, the total payment for the firm daily transmission capacity is determined pursuant to the following formula:

$$C_{AXX,l} = C_{AXX} \times \frac{m}{12}$$

where

m   is a number of months of the term of the contract (*m* is always higher than 12),

C$_{AXX,l}$ is a price of the firm daily transmission capacity for yearly contracts indicated at Points 1.1 or 1.2 or 1.4.

2.1.3. The monthly payment for the transmission is determined as 1/m of the product of the firm daily transmission capacity volume in 1000 m^3 negotiated in the relevant yearly contract and price C$_{AXX,l.}$

2.2. Contracts having the term of at least 1 and no more than 11 months – monthly contracts:

2.2.1. Refers to all services indicated in Article 1.

2.2.2. The price of the firm daily transmission capacity for monthly contracts C$_{MXX}$ in CZK/1000 m^3 is determined pursuant to the following formula:

$$C_{MXX} = C_{AXX} \times \left(0,2 + \frac{1}{12} \times m \right)$$

where

C$_{AXX}$ is a price of the firm daily transmission capacity under the relevant point of Article 1.,

m   is a number of months that the relevant monthly contract refers to.

2.2.3. The monthly payment for the transmission is determined as 1/m of the product of the firm daily transmission capacity in 1000 m^3 negotiated in the relevant monthly contract and the price of the firm daily transmission capacity for monthly contracts **C$_{MXX}$** in CZK/1000 m^3.

2.3. Daily contracts:

2.3.1. Refers to services indicated at Point 1.1.

2.3.2. The price of the firm daily transmission capacity for daily contracts **C$_{DXX}$** in CZK/'000 cu m is determined pursuant to the following formula:

$$C_{DXX} = C_{AXX} \times \frac{0,283}{20} \times d,$$

where

C$_{AXX}$ is a price of the firm daily transmission capacity un1.1,

d   is a number of day that the relevant daily contract refers to.

3. Escalation mechanism

3.1. The price of the firm daily transmission capacity for yearly contracts is adjusted at the beginning of the gas year *i* pursuant to the following escalation formula:

$$C_{A,i,s} = C_{A,i-1,s} \times \frac{(0{,}45 \times 100 + 0{,}40 \times PPI_{i-1} + 0{,}15 \times (100 + dMI_{i-1}))}{100}$$

where

C_{A,i,s}   is a price of the firm daily transmission capacity for yearly contracts in the gas year *i* for the contract *s*,

PPI_i[2]   is an index of prices of industrial producers in the calendar year *i*,

dMI_i[3]   is an accrual of the average gross monthly wages in industry in the calendar year *i*.

3.2. The price of the firm daily transmission capacity for monthly contracts is adjusted at the beginning of the gas year *i* pursuant to the following escalation formula:

$$C_{M,i} = C_{A,i-1} \times \frac{(0{,}45 \times 100 + 0{,}40 \times PPI_{i-1} + 0{,}15 \times (100 + dMI_{i-1}))}{100} \times \left(0{,}2 + \frac{1}{12} \times m\right)$$

where

C_{A,i}   is a price of the firm daily transmission capacity for yearly contract in the gas year *i*,

PPI_i   is an index of prices of industrial producers in the calendar year *i*,

dMI_i   is an accrual of the average gross monthly wages in industry in the calendar year *i*.

4. Prices for interruptible daily transmission capacity[4]

4.1. The maximum price of the interruptible daily transmission capacity is identical to the price of the firm daily transmission capacity depending on the type of the concluded contract (yearly, monthly or daily).

4.2. For each interruption of the interruptible capacity, the Transporter reduces the price by the value determined pursuant to the following formula:

$$S = C_k \times K_P \times \frac{1}{n}$$

where

S   is a discount provided for each interruption,

C_k   is a price of the firm daily transmission capacity determined for the relevant contract,

K_p   is a volume of the interrupted interruptible capacity,

---

[2] http://www.czso.cz/csu/redakce.nsf/i/ipc_cr; Economy; Prices, Inflation; Producers Prices; Time Series Index of the producer´s prices - time series - Tab. 2 Indices of prices of industrial producers divided into AGGREGATE up to SKP3 – sheet IS annual (yearly) – level 1 – Aggregate. Where the index value is lower than 100, the value of 100 shall be used or the purposes of the calculation.

[3] http://www.czso.cz/csu/csu.nsf/kalendar/2009-pmz: Wages (quartal) – www.czso.cz; Labour Market and Earnings; Labour and Earnings;Brand New Figures in News Releases; 2004; 4th quarter of 2004

Q4 of the year *i,* Tab. 2 Number of employees and average gross monthly wages in the CR in individual industries – average monthly wages per natural persons – accrual against last year in % for OKEČ - sections C+D+E (industry on aggregate)

[4] Prices are indicated for capacity values at 20°C.

n	is a number of days of the term of the contract.

5. Prices of other transit services

5.1. The **"wheeling"** service at the Border Point Lanžhot or Border Point Waidhaus

5.1.1. The price of the service negotiated for a term of 12 months C_{AW} is **4,000.00 CZK/1000 m^3**.

5.1.2. The price of the daily quantity negotiated for a period of at least one month and more months is determined pursuant to the following formula:

$$C_{MW} = C_{AW} \times \frac{m}{12}$$

where
C_{AW}   is a price of the daily quantity under Point 5.1.1,
m   is a number of months that the relevant contract refers to.

5.1.3. The monthly payment for the "wheeling" service is determined as 1/12 or 1/m of the negotiated daily quantity in 1000 m^3 negotiated in the relevant contract and the price C_{AW} or C_{MW}.

5.1.4. If the total price of the "wheeling" service for one user is lower than CZK 1,000.00, the transmission system operator does not provide the service to such user.

5.1.5. If the monthly payment for the "wheeling" service is lower than CZK 10,000.00, the transmission system operator has the right to submit to such user the first advance invoice for a total amount for this service.

5.2. The **"capacity shift"** service – replacement of booked capacity on one route with capacity on another route:

5.2.1. The price on the initial route does not change. The monthly payment for the transmission on the initial route only is reduced by reason of decreasing the transmission capacity booked on the new route.

5.2.2. The monthly payment for the transmission on a new route C_{MCS} is **1.25 x MAX(C_{RO};C_{RN})**

where
C_{RO}   is a monthly price of the transmission on the initial route calculated on the basis of the term of the contract expressed in CZK/1000 m^3,
C_{RN}   is a monthly price of the transmission on a new route calculated on the basis of the term of the contract for the newly requested transmission capacity expressed in CZK/1000 m^3.

5.2.3. The monthly price of the transmission for the purposes of Point 5.2.2 calculated in accordance with the term of the contract for the newly requested transmission capacity as follows:

5.2.3.1. For contracts having the term of below 12 months, the monthly price is calculated as a product of 1/m and the price of the firm daily transmission capacity for monthly contracts C_{MXX} indicated at Point 2.2.2

5.2.3.2. For contracts having the term of 12 and more months, the monthly price is calculated as a product of 1/m and the price of the firm daily transmission capacity for yearly contracts $C_{AXX,I}$ indicated at Point 2.1.2.

5.2.3.3. The provisions of Article 3 shall apply accordingly.

5.2.4. The monthly payment for the "capacity shift" service on a new route is determined as a product of the newly requested volumes in 1000 m³ negotiated in the relevant contract and the price C_{MCS}.

6. Prices for services related to the transit system balancing

6.1. In the event the daily transmission capacity negotiated in the contract (contracts) is exceeded by more than 1 per cent, the transmission system operator charges the payment P_p for the excess of the firm or interruptible daily transmission capacity determined pursuant to the following formula:

$$P_p = (K_r - K_s) \times 2 \times C_A$$

where

K_r is the daily transmission capacity actually used by the Shipper at the relevant exit point in 1000 m³,

K_s is a sum of all firm or interruptible daily transmission capacity volumes in 1000 m³ negotiated in the contract (contracts) by the Shipper,

C_A is a price of the firm daily capacity for yearly contracts pursuant to Point 1.1.

whereas it applies that
if the Shipper repeatedly exceeds, within one gas months, the firm or interruptible daily transmission capacity negotiated in the contract (contracts) and related to the relevant exit point, the payment for the excess of the firm or interruptible daily capacity is charged for the relevant month only once in the amount determined pursuant to the formula for the calculation of P_p where the highest actually used daily transmission capacity of the Shipper at the relevant exit point in the relevant months is substituted for K_r.

6.2. The fixed price of the out-of-tolerance imbalance C_b is **202.00 CZK/MWh**

whereas it applies that
the payment for the out-of-tolerance imbalance P_b is determined pursuant to the following formula:

$$P_b = C_b \times \left(\left| V_s - V_y \right| - B_t \right)$$

where

V_s is a sum of actual gas volumes of the relevant Shipper at all entry points of the transit system in MWh for the relevant Gas Day,

V_y is a sum of actual gas volumes of the relevant Shipper at all exit points of the transmission system in MWH for the relevant Gas Day,

$$B_t \quad \text{is a balance tolerance in MWh determined pursuant to Point 6.2.1.}$$

6.2.1. The balance tolerance B_t in MWh is determined pursuant to the following formula:

$$B_t = 0,02 \times K_s$$

where

K_s is a sum of all firm or interruptible daily transmission capacity volumes in 1000 m^3 negotiated in the contracts between the relevant Shipper and Transporter.

6.3. The fixed price of the missing balancing gas is a **1.6** multiple of the fixed monthly price of balancing gas C_{pv} in CZK/MWh. The fixed price of the excess balancing gas is a **0.4** multiple of the fixed monthly price of balancing gas C_{pv} in CZK/MWh.. The payment for the excess balancing gas is settled by the Transporter. The fixed monthly price of balancing gas C_{pv} in CZK/MWh is determined pursuant to the following formula:

$$C_{pv} = (2,5 + 0,36 \times R_{brent}) \times ER_p$$

where

Rbrent   is a quotation of the ICE Brent Index type expressed in USD/bbl and calculated as the unweighted average of monthly values for the last nine calendar months whereas the last reference calendar month is the calendar months before the month in which the deviation occurred. The data from Intercontinental Exchange are considered to be the decisive monthly values. The values of ICE Brent Index are publicly available on https://www.theice.com/marketdata/reportcenter/reports.htm

ER_p is an arithmetic average of ČNB fixings of the CZK/USD exchange rates as at all working days of the calendar month before the month in which the deviation was occurred, published by the ČNB on http://www.cnb.cz/cs/financni_trhy/devizovy_trh/kurzy_devizoveho_trh u/prumerne_mena.jsp?mena=USD.

7. Direction for fuel gas in compressor stations

7.1. The Shipper covers the fuel gas consumption in compressor stations pursuant to the following direction:

$$FG_t = k_n \times V_t$$

where

FG_t is the volume of natural gas to cover the consumption in compressor stations in the period of time *t,*

k_n is a direction coefficient depending on the product type and route selected,

V_t is a sum of actual gas volumes of the relevant Shipper at all exit points of the transmission system in MWh in the period of time *t*.

7.2. The coefficient k_n

    7.2.1. for the service under Point 1.1 equals 0.0077,

    7.2.2. for the "shorthaul" service equals 0.0000,

    7.2.3. for the "counterflow" service equals 0.0000 except for the transmission on the route Hora Sv. Kateřiny - Sayda – Lanžhot, where k_n equals 0.0011,

    7.2.4. for the "capacity coupling" service equals 0.0077,

    7.2.5. for the "wheeling" service equal 0.0000.

8. Costs for Emission Allowances

8.1. The Shipper covers the cost of Emission Allowances pursuant to the following direction:

$$EN_t = FG_t * k * (P - P_B) * ER_P$$

where

EN_t are costs for Emission Allowances in CZK in the period of time t,

FG_t is the volume of natural gas to cover the consumption in compressor stations in the period of time t, pursuant to Point 7.1.,

k is a ("burning") coefficient 0,18196,

P is an arithmetic average of prices of Emission Allowances in EUR for one (1) ton of carbon dioxide as at all working days of the calendar month in which the transport was occurred, published in part "Statistics" in downloads; in column "BlueNext Spot"; under the Closing prices BlueNext Spot EUA"; in the excel file the column "Daily Closing Price" by product "BNS EUA" on web page http://www.bluenext.eu/,

P_B is the base price – of Emission Allowances in EUR for one (1) ton of carbon dioxide – 15,0,

ER_p is an arithmetic average of ČNB fixings of the CZK/EUR exchange rates as at all working days of the calendar month in which the transport was occurred, published by the ČNB on http://www.cnb.cz/cs/financni_trhy/devizovy_trh/kurzy_devizoveho_trhu/prumerne_mena.jsp?mena=EUR.

8.2. When calculating the cost of Emission Allowances, only the final calculation is rounded to two valid decimal places.

8.3. The payment of cost of Emission Allowances is accounted monthly in the tax document pursuant to Point 19.7. in the Code of the Transmission System Operator for Transit over the Territory of the Czech Republic.

9. Closing provisions

9.1. This Transit Pricelist is valid from 17.9.2010 and effective as from 1.10.2010.

9.2. The Transit Pricelist is related only to the contracts concluded after 1 July 2006 because of the excluding of every misdoubts.

9.3. Prices indicated herein are deemed to be prices exclusive of any taxes and fees unless provided otherwise.

9.4. Upon switching from winter time to summer time, the value of the negotiated capacity equals 23/24 of the value of the capacity negotiated in the contract. Upon switching from summer time to winter time, the value of the negotiated capacity equals 25/24 of the value of the capacity negotiated in the contract.

9.5. When calculating the values, all parts of calculations are rounded to two valid decimal places and the final result to integral number.