



## Trading Region Upgrade (TRU) - Pilot project 2018/2019 Announcement of the 1<sup>st</sup> TRU quarterly auction

DISCLAIMER: The following announcement summarizes the key points related to the 1<sup>st</sup> TRU quarterly auction during the pilot phase 2018/2019. However, please note that this announcement is not in itself a binding document. Please consult the legally binding documents before participating in the quarterly auction (e.g. in the case of the Czech Republic: Framework Agreement, Czech Network Code Section F, Article 20, Price Decision).

### 1. Quarterly TRU service runtime and quantity

Within the scope of the 1-year pilot phase, the TRU service has been offered first as a yearly service with a quantity of 112,686 kWh/h out of which 90,000 kWh/h has been sold in the direction from the Czech Republic to Austria.

Gas Connect Austria (GCA) and NET4GAS (N4G) decided to offer the remaining TRU service quantity as a quarterly service. In the 1<sup>st</sup> TRU quarterly auction the following products/runtimes and quantities will be offered:

Product	Runtime	Offered TRU quantity CZ → AT <i>in kWh/h/runtime</i>	Offered TRU quantity AT → CZ <i>in kWh/h/runtime</i>
Quarter 1	01.10.2018 / 06:00 CE(S)T – 01.01.2019 / 06:00 CE(S)T	22,686	112,686
Quarter 2	01.01.2019 / 06:00 CE(S)T – 01.04.2019 / 06:00 CE(S)T	22,686	112,686
Quarter 3	01.04.2019 / 06:00 CE(S)T – 01.07.2019 / 06:00 CE(S)T	22,686	112,686
Quarter 4	01.07.2019 / 06:00 CE(S)T – 01.10.2019 / 06:00 CE(S)T	22,686	112,686



## 2. Sales process for the TRU quarterly service

The selling of TRU quarterly service will be carried out on the basis of a bidding and allocation procedure. The direction is dependent on the seller, i.e. the direction from the Czech Republic to Austria is sold by N4G and the direction from Austria to the Czech Republic is sold by GCA.

### 2.1. Bidding procedure for 1<sup>st</sup> TRU quarterly auction

For the bidding the Transmission System Operators (TSOs) will open a **bidding window from 06 August 2018, 09:00 CE(S)T until 20 August 2018, 17:00 CE(S)T** and interested customers shall have the chance to bid via a bidding form (bid form for 1<sup>st</sup> TRU quarterly auction).

Completed signed [bid form for the 1<sup>st</sup> TRU quarterly auction for the direction from the Czech Republic to Austria](#) shall be sent to:

**NET4GAS, s.r.o.**  
Na Hřebenech II 1718/8  
140 21 Praha 4  
Czech Republic

**Attention:**  
Mr. David Urban  
Department: Commercial Operations

Completed signed [bid form for the 1<sup>st</sup> TRU quarterly auction for the direction from Austria to the Czech Republic](#) shall be sent to:

**Gas Connect Austria GmbH**  
Floridsdorfer Hauptstraße 1  
1210 Vienna  
Austria

**Attention:**  
Mr. Aleksandar Savic  
Department: Sales Transmission & Distribution



## 2.2. Allocation procedure

After the bidding window has been closed and all valid bids are collected, the **Uniform price auction algorithm** will be used as allocation procedure (i.e. prevailing procedure as for Day-Ahead auctions on the auction platforms).

The main characteristics are:

- There is only one bidding round, i.e. bidding window.
- Bidder can submit up to 10 bids per auction/quarter.
- All bids per auction are ranked in a descending order according to their bid price, i.e. reserve price + surcharge
- The lowest bid price of all awarded bids within one auction is considered as the clearing price, i.e. same price for all successful bidders
- „Fill-or-kill“ option subject to minimum amount condition. If allocated TRU is less than the requested minimum amount of TRU the bid shall be considered unsuccessful.
- Pro-rata allocation is used in case of equally-ranked bids within one auction.
- Reserve price is the regulated tariff including time factors if applicable.

## 3. Service Price and Fee

### 3.1. TRU service price from the Czech Republic to Austria

The **quarterly service price for CZ TRU** in 2018/2019 gas year has two parts:

- a) Fixed quarterly price (reserve price) amounts to 1,049.97 CZK/MWh/day/quarter and
- b) Variable price – depending on volume nominated and amounting to  $0.003 \times C_{NCG}$  CZK/MWh *whereas  $C_{NCG}$  is the planned purchase price of gas for the next gas day that is determined as the value of the "End-of-Day Price" on the European Energy Exchange AG for the following gas day D+1 for the product Day 1 MW for the NCG zone on the current gas day D; the price in EUR / MWh is converted to CZK / MWh by the daily exchange rate of EUR / CZK announced by the CNB on the current gas day D.*

Full description of CZ TRU prices is available in Sections 1.1.1.2. and 1.1.2. of the [Price Decision no. 5/2017](#) published for 2018 and the [Price Decision no. 1/2018](#) published for 2019.

The monthly service fee for the direction from the Czech Republic to Austria is the result of the third part of the fixed quarterly price times the allocated amount of the TRU service (fixed part of the fee) and the variable price times the nominated transmission volume into the neighboring market (variable part of the fee).



### 3.2. TRU service price from Austria to the Czech Republic

Following table shows the reserve prices for each service runtime offered at the 1<sup>st</sup> TRU quarterly auction:

Service	Runtime	Reserve price in EUR/kWh/h/runtime
Quarter 1	01.10.2018 / 06:00 CE(S)T – 01.01.2019 / 06:00 CE(S)T	1.92
Quarter 2	01.01.2019 / 06:00 CE(S)T – 01.04.2019 / 06:00 CE(S)T	1.88
Quarter 3	01.04.2019 / 06:00 CE(S)T – 01.07.2019 / 06:00 CE(S)T	1.90
Quarter 4	01.07.2019 / 06:00 CE(S)T – 01.10.2019 / 06:00 CE(S)T	1.92

The reserve price for each TRU quarterly service is calculated based on the approved TRU yearly tariff from Austria to the Czech Republic in the amount of 7.27 EUR/kWh/h/a according to the Austrian Gas System Charges Ordinance (“Gas-Systemnutzungsentgelte-Verordnung”) including time factors as amended from time to time.<sup>1</sup>

### 4. Other Conditions

More detailed information on the TRU service are available in the **TRU Service Information Sheet** (issued before the start of the yearly auction) available on the websites of both TSOs.

All relevant terms and conditions for the TRU quarterly service from Austria to the Czech Republic are included in the TRU “Offer conditions & bid form for 1<sup>st</sup> TRU quarterly auction”, which is published on the website [www.gasconnect.at](http://www.gasconnect.at).

All relevant supplemental terms and conditions for the TRU quarterly service from the Czech Republic to Austria are included in Section F, Article 20 of the N4G [Network Code](#).

<sup>1</sup> For details refer to Article 6 of GCA's Trading Region Upgrade Service – “Offer condition & bid form for the 1st TRU quarterly auction”