

NC TAR	Description	Link	Further information
<b>Information to be published before the tariff period</b>			
Art. 30 (1)(a)	Information on parameters used in the applied reference price methodology related to the technical characteristics of the transmission system.	<a href="http://extranet.net4gas.cz/capacity_ee.aspx">http://extranet.net4gas.cz/capacity_ee.aspx</a>	Technical capacity at entry and exit points and associated assumptions.
		See table 1 below	Forecasted contracted capacity at entry and exit points and associated assumptions.
		See table 1 below	The quantity and the direction of the gas flow for entry and exit points and associated assumptions.
		<a href="https://www.ote-cr.cz/cs/statistika/plynarenska-soustava-cr.png">https://www.ote-cr.cz/cs/statistika/plynarenska-soustava-cr.png</a>	The structural representation of the transmission network with an appropriate level of detail.
		<a href="https://www.net4gas.cz/en/transmission-system/">https://www.net4gas.cz/en/transmission-system/</a>	Additional technical information about the transmission network.
Art. 30 (1)(b)(i)	Information on the allowed and/or target revenue.		The planned value of allowed revenue (intra-system) in 2023: 2,170 mil. CZK (without revenue from commodity-based tariffs). The planned value of target revenue (cross-system) in 2023: 5,157 mil. CZK (without revenue from commodity-based tariffs).
Art. 30 (1)(b)(ii)	Information related to changes in the revenue.		The increase in allowed revenues between 2022 and 2023 is mainly due to the value of the allowed depreciations (planned value and correction of depreciations).  There is no significant change in the level of target revenues between 2022 and 2023.
Art. 30 (1)(b)(iii)	Information related to the following parameters: types of assets, cost of capital, capital and operational expenditures, incentive mechanisms and efficiency targets, inflation indices.	Types of assets included in the regulated asset base and their aggregated value	The regulated asset base that is used for setting allowed revenue includes these types of assets: pipelines, compressor stations, transfer stations and other (auxiliary) assets. Planned value of the regulated asset base in 2023: 14,041 mil. CZK.
		Costs of capital and its calculation methodology	The regulated asset base that is used for setting target revenue includes these types of assets: pipelines, compressor stations, transfer stations and other (auxiliary) assets. Planned value of the regulated asset base in 2023: 33,013 mil. CZK.  The value of nominal WACC (before tax) that is used for setting allowed revenue in the V. regulatory period (2021 - 2025) : 6.43%. Further information provides chapter 16.1.2. of Price Control Principles for the 2021 - 2025 Regulatory Period in the Electricity and Gas Industries and for the Market Operator's Activities in the Electricity and Gas Industries, and for Mandatory Buyers (hereinafter "Price Control Principles") - <a href="https://www.eru.cz/en/price-control-principles-2021-2025-regulatory-period-electricity-and-gas-industries-and-market">https://www.eru.cz/en/price-control-principles-2021-2025-regulatory-period-electricity-and-gas-industries-and-market</a>  The value of nominal WACC (before tax) that is used for setting target revenue: 8.32% (including risk premium). Further information provide chapters 9.3.3. and 9.3.6. of "Decision under Article 27 (4) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas" available at: <a href="https://www.eru.cz/en/decision-under-article-27-4-tar-nc">https://www.eru.cz/en/decision-under-article-27-4-tar-nc</a> .
		Capital expenditures	The planned value of capitalised expenditure (on investments) that is used for setting the allowed revenue in 2023: 720 mil. CZK.  The planned value of capitalised expenditure (on investments) that is used for setting the target revenue in 2023: 343 mil. CZK.
		Methodology to determine the initial value of the assets	The initial value of the regulated asset base for setting the allowed revenue was derived from the nominal value of historical investments. The RAB is annually updated by the difference between capitalised expenditure (on investments) and depreciation. According to the § 5 of the Notice No. 262/2015 Coll., on the Regulatory reporting, as amended (available in Czech only), the capitalised expenditures for setting the RAB are expressed in gross book value.  The initial value of the regulated asset base for setting the target revenue equals the net book value of the assets necessary for providing the cross system transmission services.
Art. 30 (1)(b)(iii)	Information related to the following parameters: types of assets, cost of capital, capital and operational expenditures, incentive mechanisms and efficiency targets, inflation indices.	Methodology to re-evaluate the assets	The value of RAB that is used for setting the allowed revenue is not annually re-evaluated. The allowed profit equals RAB multiplied by nominal WACC.  The value of RAB that is used for setting the target revenue is not annually re-evaluated. The profit equals RAB multiplied by nominal WACC (including risk premium).
		Explanation of the evolution of the value of assets	The formula for annual adjustment of RAB that is used for setting allowed revenue is described in chapter 16.3. of Price Control Principles published by Energy Regulatory Office. <a href="https://www.eru.cz/en/price-control-principles-2021-2025-regulatory-period-electricity-and-gas-industries-and-market">https://www.eru.cz/en/price-control-principles-2021-2025-regulatory-period-electricity-and-gas-industries-and-market</a>

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			<p>The adjustment of RAB value that is used for setting the target revenue is in line with accounting rules. Meaning that from RAB value is subtracted the value of depreciation and added the value of new investments.</p> <p>Individual depreciation rates and minimum depreciations periods are disclosed in Appendix 10 of the Notice No. 262/2015 Coll., on the Regulatory reporting, as amended (available in Czech only).</p> <p>The planned values of depreciation of individual assets using for calculation of the allowed revenue in 2023: Pipelines: 539 mil. CZK Compressor stations: 188 mil. CZK Transfer stations: 27 mil. CZK</p> <p>The planned values of depreciation using for calculation of the target revenue in 2023: 1,536 mil. CZK.</p> <p>The eligible costs base for each of the regulated years of the fifth regulatory period is calculated as the arithmetic mean of the adjusted values of actual costs for the last three known years.</p> <p>The values of companies' actual economically justified costs is adjusted by the escalation factor to the time value of the year preceding the regulated year, and by the efficiency factor.</p> <p>The difference between eligible and actual costs in the years of the fifth regulatory period is subject to profit/loss sharing.</p> <p>The value of allowed costs in 2023: 502 mil. CZK</p> <p>The value of operational expenditures used for setting the target revenue for 2023: 874 mil. CZK.</p> <p>The general efficiency factor of 0.2% is annually applied to the eligible cost base. Further details are available in chapter 4.2.2. of Price Control Principles published by Energy Regulatory Office. <a href="https://www.eru.cz/en/price-control-principles-2021-2025-regulatory-period-electricity-and-gas-industries-and-market">https://www.eru.cz/en/price-control-principles-2021-2025-regulatory-period-electricity-and-gas-industries-and-market</a></p> <p>There is also applied a profit/loss sharing in the regulation. 50% of savings is kept to the regulated company, 50% of savings is benefit for customers (further details in chapter 4.1.1. of Price Control Principles).</p> <p>No incentive mechanisms and efficiency targets are used when setting the target revenue.</p> <p>The escalation factor is annually applied to the initial value of allowed costs. The value of escalation factor in 2023: 104.268% Further details are available in chapter 4.2.1. of Price Control Principles published by Energy Regulatory Office. <a href="https://www.eru.cz/en/price-control-principles-2021-2025-regulatory-period-electricity-and-gas-industries-and-market">https://www.eru.cz/en/price-control-principles-2021-2025-regulatory-period-electricity-and-gas-industries-and-market</a></p> <p>No inflation indices are used when setting the target revenue.</p>
Art. 30 (1)(b)(iv,v)	Information on the transmission services revenue including capacity-commodity split, entry-exit split and intra-system/ cross-system split.	<p>The transmission services revenue</p> <p>Capacity-commodity split</p> <p>Entry-exit split</p> <p>Intra-system/cross-system split</p>	<p>The planned value of transmission revenue in 2023: 8,560 mil. CZK</p> <p>Capacity-commodity split in 2023: 86% capacity 14% commodity</p> <p>Entry-exit split in 2023: 15% entry 85% exit</p> <p>Intra-system/cross-system split in 2023: 27% intra-system 73% cross-system</p>
Art. 30 (1)(b)(vi)	Information related to the previous tariff period regarding the reconciliation of the regulatory account.	<p>The actually obtained revenue</p> <p>The under- or over-recovery of the allowed revenue</p> <p>The part of under- or over-recovery attributed to the regulatory account</p> <p>The reconciliation period and the incentive mechanisms implemented</p>	<p>The actually obtained revenue for providing intra system transmission services in 2021: 1,642 mil. CZK</p> <p>The cross system gas transmission falls under the price cap regime therefore the regulatory account is not applicable.</p> <p>There was the over-recovery (24 mil. CZK) in 2021 in the Czech Republic.</p> <p>100% of the value of over-recovery was attributed to the regulatory account.</p> <p>The reconciliation of over-recovery is in the next tariff period without implementation of any incentive mechanism.</p>
Art. 30 (1)(b)(vii)	Information on the intended use of the auction premium.		The auction premium is intended to reduce physical congestion.

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Art. 30 (1)(c)	Information on transmission and non-transmission tariffs accompanied by the relevant information related to their derivation.	Commodity-based transmission tariffs referred to in Article 4(3).	Commodity-based transmission tariffs are calculated on the basis of forecasted flows and distances. Commodity-based transmission tariffs are set at all exit points. Tariffs for 2023: IP: 0.0058 * gas price (OTE) DSO and DCC: 1.76 CZK/MWh UGS: 0.74 CZK/MWh  Further information is published in chapter 17 of ""Decision under Article 27 (4) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas" available at: <a href="https://www.eru.cz/en/decision-under-article-27-4-tar-nc">https://www.eru.cz/en/decision-under-article-27-4-tar-nc</a> .
		Non-transmission tariffs for non-transmission services referred to in Article 4(4)	N/A
		The reference prices and other prices applicable at points other than those referred to in Article 29.	The reference prices and other prices applicable at points other than those referred to in Article 29 are published in Energy Regulatory Office Price Decision No. 14/2022 of 14 November 2022.  Available at: <a href="https://www.eru.cz/en/energy-regulation-gazette-142022">https://www.eru.cz/en/energy-regulation-gazette-142022</a>
Art. 30 (2)(a)	Information on transmission tariff changes and trends.	Explanation of the difference in the level of transmission tariffs for the same type of service applicable for the prevailing period and for the period for which the information is published.	The differences in the level of transmission tariffs in 2022 and 2023 are given by the Decision under Article 27 (4) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas" which sets the yearly changes in the tariffs by defined escalation index. The decision is available at: <a href="https://www.eru.cz/en/decision-under-article-27-4-tar-nc">https://www.eru.cz/en/decision-under-article-27-4-tar-nc</a> . The yearly changes in the tariffs for domestic point are also influenced by the application of a discount of 100% on booked firm transmission capacity for virtual points of storage facilities.
		Explanation of the estimated difference in the level of transmission tariffs for the same type of transmission service applicable for the tariff period for which the information is published and for each tariff period within the remainder of the regulatory period.	Decision under Article 27 (4) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (available at <a href="https://www.eru.cz/en/decision-under-article-27-4-tar-nc">https://www.eru.cz/en/decision-under-article-27-4-tar-nc</a> ) contains a methodology for setting transmission tariffs, the main principle is neutrality of the net present value of revenues for the period (2020-2025) and the use of average reserved capacities at entry and exit points for the period. This principle was chosen to ensure price stability, with transport tariffs increase only by the selected inflation index.
Art. 30 (2)(b)	Information about the used tariff model and an explanation how to calculate the transmission tariffs applicable for the prevailing tariff period		The simplified model is published on the Energy Regulatory Office website ( <a href="https://www.eru.cz/zverejneni-informaci-uvadenych-v-clanku-30-tar-nc-pro-rok-2020">https://www.eru.cz/zverejneni-informaci-uvadenych-v-clanku-30-tar-nc-pro-rok-2020</a> ).

**Table 1**

Plan for year 2023	Daily booked transmission capacity	Planned quantity of gas flow
	MWh/day	MWh/year
<b>Entry points</b>	<b>x</b>	<b>x</b>
IP - Lanžhot	22,500	nap
IP - VIP Waidhaus	18,774	nap
IP - VIP Brandov	1,477,626	nap
<b>Sum of IPs</b>	<b>1,518,900</b>	<b>nap</b>
<b>UGSs</b>	<b>118,251</b>	<b>nap</b>
<b>Domestic point</b>	<b>0</b>	<b>nap</b>
<b>Exit points</b>	<b>x</b>	<b>x</b>
IP - Lanžhot	1,121,742	*
IP - VIP Waidhaus	5,000	*
IP - VIP Brandov	0	*
IP - Český Těšín	11,126	*
<b>Sum of IPs</b>	<b>1,137,868</b>	<b>*</b>
<b>UGSs</b>	<b>103,242</b>	<b>29,927,102</b>
<b>Domestic point</b>	<b>532,703</b>	<b>80,738,755</b>

\*due to the extraordinary situation on the gas market values cannot be predicted