

## **Energy Regulatory Office Price Decision No. 1/2024 of 31 May 2024 on regulated prices related to gas supply**

Under Section 2c of Act No 265/1991 on the Competences of the Czech Republic's Authorities in the Area of Prices, as amended, and Section 17(6)(d) of Act No 458/2000 on the Conditions for Business and State Administration in the Energy Industries and Amending Certain Laws ("the Energy Act"), as amended, the Energy Regulatory Office ['ERO'] hereby issues its Price Decision on regulated prices related to gas supply.

**Content**

PART ONE: General provisions ..... 3  
PART TWO: Prices for gas transmission services ..... 4  
PART THREE: Final provisions ..... 8

## **PART ONE: General provisions**

### **(1) Conditions for applying the prices and the calculation of the payments**

**(1.1)** The prices set out in this Price Decision mean ‘fixed prices’ under the law governing the application, regulation and price control <sup>1</sup>, unless specified otherwise in the following.

**(1.2)** The prices set out in this Price Decision do not include the value added tax under the law governing value added tax<sup>2</sup>.

**(1.3)** Where gas is used in cases when the obligation to pay a tax/duty arises under Act No 353/2003 on Excise Duties, as amended, or Act No 261/2007, on the Stabilisation of Public Budgets, as amended, the relevant gas price may be increased by the relevant tax/duty.

**(1.4)** The conversion of the volumetric quantity of supplied gas to supplied energy contained in the gas is subject to the public notice governing the gas metering<sup>3</sup>.

**(1.5)** Upon transition from winter time to summer time, the value of agreed capacity shall be <sup>23</sup>/<sub>24</sub> of the value of the capacity agreed in the contract. Upon transition from summer time to winter time, the value of agreed capacity shall be <sup>25</sup>/<sub>24</sub> of the value of the capacity agreed in the contract.

**(1.6)** In calculating payments and prices, only the resulting payment and the resulting price shall be rounded to two valid decimal places.

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<sup>1</sup> Section 5(3) of Act No 526/1990 on prices,

<sup>2</sup> Act No 235/2004 on Value Added Tax, as amended

<sup>3</sup> Schedule 1 to public notice no. 108/2011 on gas metering and on the method of calculating damages for unauthorised gas off-take, unauthorised gas supply, unauthorised gas storage, unauthorised gas transmission or unauthorised gas distribution, as amended

## PART TWO: Prices for gas transmission services

The following prices and conditions shall apply to the gas transmission service provided by the transmission system operator.

### (2) Prices for the gas transmission service for the interconnection points of the gas transmission system

(2.1) The annual price for booked firm transmission capacity,  $C_r$  in CZK/MWh/d, for the interconnection points and virtual interconnection points of the transmission system

Name of the interconnection point	Annual price for booked firm transmission capacity $C_r$ [CZK/MWh/d]	
	for entry interconnection point	for exit interconnection point
Brandov VIP <sup>4</sup>	1,158.94	6,500.00
Český Těšín	225.53	6,500.00
Lanžhot	744.21	6,500.00
Waidhaus VIP <sup>4</sup>	1,327.27	6,500.00

(2.2) The floating payable price for booked standard firm transmission capacity  $C_s$  applies at the time when the transmission capacity can be used. If standard firm transmission capacity at the relevant interconnection point is allocated to a gas market participant in an auction for a period shorter than 10 consecutive years, the reserve price for standard firm transmission capacity for these consecutive years is a floating payable price for booked standard firm transmission capacity. For yearly standard firm capacity, quarterly standard firm transmission capacity and monthly standard firm transmission capacity, the floating payable price for booked standard firm transmission capacity,  $C_s$  in CZK/MWh/d, is calculated as

$$C_s = C_r \times F_c + AP,$$

where

$F_c$  is the factor of the duration of booked standard firm transmission capacity, calculated using the following formula for yearly standard firm transmission capacity:

$$F_c = 1,$$

and for quarterly standard firm transmission capacity it is calculated using the formula

$$F_c = \frac{D}{PD_r} \times 1.1,$$

where

$D$  is the number of gas days of the duration of the capacity product,

$PD_r$  is the number of days of the relevant calendar year,

and for monthly standard firm transmission capacity it is calculated using the formula

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<sup>4</sup> Virtual interconnection point under the requirements of Article 19(9) of Commission Regulation (EU) 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. As of 1 November 2018, new transmission capacity can only be offered at established functional virtual interconnection points.

$$F_c = \frac{D}{PD_r} \times 1.25,$$

**AP** is, for auctions of standard bundled transmission capacity, the proportion of the auction premium in CZK/MWh/d attributable to the transmission system operator, achieved in auctions on an auction booking platform; for auctions of standard unbundled transmission capacity, it is the auction premium determined in an auction on an auction booking platform.

**(2.3)** The reserve price for yearly standard firm transmission capacity, quarterly standard firm transmission capacity and monthly standard firm transmission capacity shall be determined in accordance with point (2.2), provided that for the purpose of determining the reserve price, **AP** equals 0.

**(2.4)** The large price step, **VCK<sub>a</sub>** between bidding rounds of auctions of standard transmission capacity for yearly standard transmission capacity, quarterly standard transmission capacity and monthly standard transmission capacity, in CZK/MWh/d, is calculated as

$$VCK_a = 0.05 \times C_r \times F_c,$$

where

**C<sub>r</sub>** is the price for booked firm transmission capacity in CZK/MWh/d under point (2.1);

**F<sub>c</sub>** is the factor of the duration of booked standard firm transmission capacity under point (2.2).

The resulting value of **VCK<sub>a</sub>** shall be rounded to four decimal places.

**(2.5)** The small price step, **MCK<sub>a</sub>**, between bidding rounds of an auction of standard transmission capacity for yearly standard transmission capacity, quarterly standard transmission capacity and monthly standard transmission capacity, in CZK/MWh/d, is calculated as

$$MCK_a = 0.2 \times VCK_a,$$

where

**VCK<sub>a</sub>** is the value of the large price step calculated under point (2.4).

The resulting value of **MCK<sub>a</sub>** shall be rounded to four decimal places.

**(2.6)** For daily standard firm transmission capacity, **C<sub>d</sub>** in CZK/MWh/d, the price for booked standard firm transmission capacity shall be determined on the basis of the result of the auction of daily standard firm transmission capacity on an auction booking platform, provided that the reserve price for booked standard firm transmission capacity, **C<sub>vvd</sub>** in CZK/MWh/d, is calculated for daily standard firm transmission capacity using the formula

$$C_{vvd} = \frac{1}{PD_r} \times 1.5 \times C_r,$$

where

**PD<sub>r</sub>** is the number of days of the relevant calendar year.

**(2.7)** For within-day standard firm transmission capacity, **C<sub>vd</sub>** in CZK/MWh/d, the price for booked standard firm transmission capacity shall be determined on the basis of the result of the auction of within-day standard firm capacity on an auction booking platform, provided that the reserve price for booked standard firm transmission capacity, **C<sub>vyvd</sub>** in CZK/MWh/d, is calculated for within-day standard firm transmission capacity using the formula

$$C_{vyvd} = \frac{1}{PD_r} \times 1.7 \times C_r,$$

while the part of the gas day for which within-day standard firm transmission capacity has been booked is regarded as a day.

**(2.8)** For yearly standard interruptible transmission capacity, quarterly standard interruptible transmission capacity and monthly standard interruptible transmission capacity, the price for booked standard interruptible transmission capacity,  $C_{sp}$  in CZK/MWh/d, shall be determined as  $C_s$  in CZK/MWh/d in point (2.2).

**(2.9)** For daily standard interruptible transmission capacity,  $C_{dp}$  in CZK/MWh/d, the price for booked standard interruptible transmission capacity shall be determined as  $C_{vyd}$  in CZK/MWh/d in point (2.6).

**(2.10)** For within-day standard interruptible transmission capacity,  $C_{vdp}$  in CZK/MWh/d, the price for booked standard interruptible transmission capacity shall be determined as  $C_{vyvd}$  in CZK/MWh/d in point (2.7).

**(2.11)** The compensation for a reduction in transmission nomination or renomination due to an interruption in interruptible transmission capacity,  $C_{sl}$  in CZK/MWh/d, if the transmission system operator reduced transmission nomination or renomination on gas day  $D$ , is calculated as

$$C_{sl} = C_{vyd} \times 3.$$

The transmission system operator shall pay the compensation for reductions in transmission nomination and renomination to the gas market participant that has booked interruptible transmission capacity, for the part of the gas market participant's transmission nomination or renomination reduced by the transmission system operator. In the event of the transmission system operator reducing transmission nomination or renomination repeatedly, the highest achieved value of the reduction shall be used.

**(2.12)** The compensation,  $KO_{sz}$  in CZK, for a limitation in the cleared entity's or foreign participant's renominations on a gas day on which renominations were limited at an interconnection point of the transmission system is CZK 0 for every interconnection point at which renomination was limited if the cleared entity or foreign participant nominated 90% or more of the booked firm transmission capacity at the respective interconnection point, which it had booked by 9 a.m. on the calendar day preceding the gas day on which transmission renomination was limited. If the cleared entity or foreign participant nominated less than 90% of the booked firm transmission capacity at the respective point, which it had booked by 9 a.m. on the calendar day preceding the gas day on which transmission renomination was limited, compensation  $KO_{sz}$  is calculated as

$$KO_{sz} = VA \times 0.5 \times \frac{(0.9 \times RKSZ - NPSZ)}{(RKn - NPn)},$$

where

**VA** is the transmission system operator's revenue from daily and within-day transmission capacity booking at the respective interconnection point in CZK for the respective gas day on which renominations were limited,

**RKSZ** is the cleared entity's or foreign participant's booked firm transmission capacity at the respective interconnection point in MWh/d, which it had booked by 9 a.m. on the calendar day preceding the gas day on which transmission renomination was limited,

***RKn*** is all cleared entities' and foreign participants' booked firm transmission capacity at the respective interconnection point in MWh/d, which they had booked by 9 a.m. on the calendar day preceding the gas day on which transmission renomination was limited,

***NPSZ*** is the cleared entity's or foreign participant's nomination of firm transmission at the respective interconnection point in MWh,

***NPn*** is all cleared entities' and foreign participants' nomination of firm transmission at the respective border point in MWh.

The compensation for ***KO<sub>SZ</sub>*** shall be paid by the transmission system operator to the cleared entity or foreign participant.

## **PART THREE: Final provisions**

### **(3) Repealing provisions**

Energy Regulatory Office Price Decision No. 01/2023 of 2 June 2023 on regulated prices related to gas supply is repealed.

### **(4) Effect**

The Price Decision comes into effect on 1 January 2025.

Energy Regulatory Office Board Chairman  
Stanislav Trávníček

In case of divergence between the language versions, the Czech version shall prevail.