

TAR NC	Description	Link	Further information
Information to be published before the tariff period			
Art. 30 (1)(a)	Information on parameters used in the applied reference price methodology related to the technical characteristics of the transmission system.	http://extranet.net4gas.cz/capacity_ee.aspx	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
		http://www.ote-cr.cz/statistika/dlouhodoba-rovnovaha-plyn/mapy-ke-stazeni/files/ddr_g_mapy_ke_stazeni/tranzitni-soustava-cr.png	The structural representation of the transmission network with an appropriate level of detail
		https://www.net4gas.cz/en/transmission-system/	Additional technical information about the transmission network
Art. 30 (1)(b)(i)	Information on the allowed and/or target revenue.		Planned value of allowed revenue (intra-system) in 2018: 1,459 mil. CZK. Planned value of target revenue (cross-system) in 2018: 2,859 mil. CZK.* * including long term contracts
Art. 30 (1)(b)(ii)	Information related to changes in the revenue.		Information related to changes in the revenue from one year to the next year (formula for yearly setting of allowed revenues including the correction factors) is described in chapter 9.3. of Principles of price regulation for period since 2016 to 2018 ("Zásady cenové regulace pro období 2016 až 2018") published by Energy Regulatory Office for the IV. regulatory period. https://www.eru.cz/documents/10540/462862/Zasady-cenove-regulace-IV-RO.pdf . Annual change in target revenue results from change of entry and exit tariffs on IPs. The tariffs of cross-system transmission services are set by Energy Regulatory Office and are based on international benchmark. The target revenue is also influenced by development of contracted capacity.
Art. 30 (1)(b)(iii)	Information related 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 regulated asset base in 2018: 6,918,874 thou. CZK. As the tariffs of cross-system transmission services are based on the international benchmark, RAB is not used for setting target revenue.
		Costs of capital and its calculation methodology	The value of nominal WACC that is used for setting allowed revenue (before tax) in 2018: 7.94%. Further information provides chapter 9.1.2. of Principles of price regulation for period since 2016 to 2018 ("Zásady cenové regulace pro období 2016 až 2018") published by Energy Regulatory Office for the IV. regulatory period. https://www.eru.cz/documents/10540/462862/Zasady-cenove-regulace-IV-RO.pdf . As the tariffs of cross-system transmission services are based on the international benchmark, WACC is not used for setting target revenue.
		Capital expenditures	The planned value of capitalised expenditure (on investments) that is used for setting allowed revenue in 2018: 388,955 thou. CZK As the tariffs of cross-system transmission services are based on the international benchmark, capitalised expenditure (on investments) is not used for setting target revenue.

		<p>Methodology to determine the initial value of the assets</p>	<p>The initial value of regulated asset base was derived from 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. 262/20015 Coll. of 14 October 2015, on the Regulatory reporting, as amended by Notice No. 50/2017 Coll. (https://www.ero.cz/-/vyhlaska-c-262-2015-sb-o-regulacnim-vykaznictvi?inheritRedirect=true), the capitalised expenditures for setting the RAB are expressed in gross book value.</p> <p>Further details are available in chapter 6.1.4. of Principles of price regulation for period since 2016 to 2018 ("Zásady cenové regulace pro období 2016 až 2018") published by Energy Regulatory Office for the IV. regulatory period. https://www.ero.cz/documents/10540/462862/Zasady-cenove-regulace-IV-RO.pdf.</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, RAB is not used for setting target revenue.</p>
		<p>Methodology to re-evaluate the assets</p>	<p>The value of RAB that is used for setting the allowed revenue is not re-evaluated. The allowed profit equals RAB multiplied by nominal WACC.</p> <p>Further details are available in chapter 6.1.4. and 6.1.5. of Principles of price regulation for period since 2016 to 2018 ("Zásady cenové regulace pro období 2016 až 2018") published by Energy Regulatory Office for the IV. regulatory period. https://www.ero.cz/documents/10540/462862/Zasady-cenove-regulace-IV-RO.pdf.</p> <p>As the benchmarking is used for setting tariffs of cross-system transmission regulated asset base is not used for setting target revenue.</p>
		<p>Explanation of the evolution of the value of assets</p>	<p>The formula for annual adjustment of RAB that is used for setting allowed revenue is described in chapter 9.3. of Principles of price regulation for period since 2016 to 2018 ("Zásady cenové regulace pro období 2016 až 2018") published by Energy Regulatory Office for the IV. regulatory period. https://www.ero.cz/documents/10540/462862/Zasady-cenove-regulace-IV-RO.pdf.</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, RAB is not used for setting target revenue.</p>
		<p>Depreciation periods and amounts per asset type</p>	<p>Individual depreciation rates and minimum depreciations periods are disclosed in Appendix 10 of the Notice No. 262/20015 Coll. of 14 October 2015, on the Regulatory reporting, as amended by Notice No. 50/2017 Coll. (https://www.ero.cz/-/vyhlaska-c-262-2015-sb-o-regulacnim-vykaznictvi?inheritRedirect=true).</p> <p>The planned values of depreciation of individual assets that are used for calculation of allowed revenue in 2018: Pipelines: 439,420 thou. CZK Compressor stations: 14,067 thou. CZK Transfer stations: 93,650 thou. CZK</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, values of depreciation are not used for setting target revenue.</p>
		<p>Operational expenditures</p>	<p>The initial cost base is adjusted annually by escalation factor and general efficiency factor. The value of allowed costs in 2018: 508,883 thou. CZK</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, the initial cost base is not used for setting target revenue.</p>

		Incentive mechanisms and efficiency targets	<p>The general efficiency factor of 1.01% is annually applied to the initial cost base. Further details are available in chapter 6.2. of Principles of price regulation for period since 2016 to 2018 ("Zásady cenové regulace pro období 2016 až 2018") published by Energy Regulatory Office for the IV. regulatory period. https://www.ero.cz/documents/10540/462862/Zasady-cenove-regulace-IV-RO.pdf.</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, the initial cost base is not used for setting target revenue.</p>
		Inflation indices	<p>The escalation factor is annually applied to the initial value of allowed costs. The value of escalation factor in 2018: 101,153% Further details are available in chapter 6.2. of Principles of price regulation for period since 2016 to 2018 ("Zásady cenové regulace pro období 2016 až 2018") published by Energy Regulatory Office for the IV. regulatory period. https://www.ero.cz/documents/10540/462862/Zasady-cenove-regulace-IV-RO.pdf.</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, the initial cost base is not used for setting 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.	The transmission services revenue	The planned value of transmission revenue in 2018: 4,318 mil. CZK
		Capacity-commodity split	Capacity-commodity split in 2018: 97% capacity 3% commodity
		Entry-exit split	Entry-exit split in 2018: 19% entry 81% exit
		Intra-system/cross-system split	Cost allocation assessment pursuant the Article 5 of TAR NC will be part of the final consultation on the reference price methodology pursuant to the Article 26 (1).
Art. 30 (1)(b)(vi)	Information related to the previous tariff period regarding the reconciliation of the regulatory account.	The actually obtained revenue	The actually obtained revenue in 2016: 2,022,422 thou. CZK
		The under- or over-recovery of the allowed revenue	As the tariffs of cross-system transmission services are based on the international benchmark, the regulatory account is not used for setting target revenue. There was the over-recovery (170,829 thou. CZK) in 2016 in the Czech Republic.
		The part of under- or over-recovery attributed to the regulatory account	As the tariffs of cross-system transmission services are based on the international benchmark, the regulatory account is not used for setting target revenue. 100% of the value of over-recovery was attributed to the regulatory account.
		The reconciliation period and the incentive mechanisms implemented	As the tariffs of cross-system transmission services are based on the international benchmark, the regulatory account is not used for setting target revenue. The reconciliation of over-recovery is in the next tariff period without implementation of any incentive mechanism.
Art. 30 (1)(b)(vii)	Information on the intended use of the auction premium.		The auction premium is intended to reduce physical congestion.
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).	NAP The commodity based tariffs (Article 4(3)) are part of the final consultation on the reference price methodology pursuant to the Article 26(1).
		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. 5/2017 of the 21 November 2017 on the regulated prices related to gas supply (https://www.ero.cz/documents/10540/3688092/CR_5-2017_ENG.pdf).

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 multipliers used for determination of short term capacity product prices were adjusted for the next tariff period (year 2018). Purpose of this change is to support of use of short term contracts. This adjusting of multipliers is in accordance with gas traders' behavior trends. The increase of the fixed annual prices for booked capacity ensures the stability of the transmission system operator's revenue.
		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.	N/A The year 2018 is the last year of the IV. regulatory period.
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.		NAP The tariff model will be part of the final consultation on reference price methodology pursuant to Article 26(1).

Table 1

Daily booked firm transmission capacity at entry and exit points and quantity of gas flow plan for year 2018	Name of the point	Daily booked firm transmission capacity	Planned quantity of gas flow
		MWh/day	MWh/year
Entry point	x	x	x
IP	Lanžhot	194 852,458	nap
IP	Waidhaus	48 652,984	nap
IP	Hora sv. Kateřiny	68 165,437	nap
IP	Hora sv. Kateřiny - Olbernhau	321 067,079	nap
IP	Brandov Opal	367 811,093	nap
IP	Mokřý Háj	0,000	nap
Sum of IPs	x	1 000 549,051	nap
UGC	RWE	86 615,463	nap
UGC	MND	11 364,631	nap
UGC	Moravia	3 027,942	nap
Sum of UGCs	x	101 008,036	nap
Domestic		0,000	nap
Exit points	x	x	x
IP	Lanžhot	392 174,000	83 736 226,80
IP	Waidhaus	0,000	0
IP	Hora sv. Kateřiny	0,000	0
IP	Hora sv. Kateřiny - Olbernhau	0,000	0
IP	Brandov STEGAL	110 359,000	0
IP	Český Těšín	18 138,000	0
Sum of IPs	x	520 671,000	83 736 226,80
UGC	RWE	70 095,031	25 653 563,99
UGC	MND	10 580,501	3 889 143,32
UGC	Moravia	4 076,994	1 488 102,77
Sum of UGCs	x	84 752,526	31 030 810,08
Domestic	x	543 424,581	86 698 020,22