



**Energetický regulační úřad**  
Masarykovo nám. 5, 586 01 Jihlava

Ref. No.: 04926-1/2025-ERU

Jihlava, 00 May 2025

**Price Decision No 2/2025**

**laying down regulated prices related to gas supply**

Under Section 18e of Act No 526/1990 on Prices, as amended ('the Price Act'), taken together with 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'], being the competent administrative authority, hereby issues, under Section 3(3) of the Price Act, its

**PART ONE: 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 a separate piece of legislation<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 a separate piece of legislation<sup>2</sup>.

**(1.3)** Where gas is used in cases when the obligation to pay a tax arises under a separate piece of legislation<sup>3</sup>, the relevant gas price may be increased by the relevant tax.

**(1.4)** The conversion of the volumetric quantity of supplied gas to supplied energy contained in the gas is subject to a separate regulation<sup>4</sup>.

**(1.5)** Upon transition from winter time to summer time, the value of agreed capacity shall be 23/24 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 25/24 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(1) of Act No 526/1990 on prices, as amended

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

<sup>3</sup> Act No 353/2003 on Excise Duties, as amended, or Act No 261/2007, on the Stabilisation of Public Budgets, as amended

<sup>4</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

## PART TWO: Prices for the gas transmission service for the transmission network's interconnection [= cross border] points

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

(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/day]	
	for entry interconnection point	for exit interconnection point
Brandov VIP <sup>5</sup>	2,317.88	7,000.00
Český Těšín	498.57	5,500.00
Lanžhot	1,722.94	3,600.00
Waidhaus VIP <sup>5</sup>	2,792.56	7,000.00

(2.2) For yearly standard firm transmission 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

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

$AP$  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

<sup>5</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

unbundled transmission capacity, it is the auction premium in CZK/MWh/d 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 zero.

(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), and

**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>vyd</sub>** in CZK/MWh/d, is calculated for daily standard firm transmission capacity using the formula

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

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 [= BRP'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 [= BRP] 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

$$KO_{SZ} = VA \times 0.5 \times \frac{(0.9 \times RKSZ - NPSZ)}{(RK_n - NP_n)},$$

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 [= BRP'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' [= BRPs'] 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 [= BRP's] or foreign participant's nomination of firm transmission at the respective interconnection point in MWh,

***NPn*** is all cleared entities' [= BRPs'] 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 [= BRP] or foreign participant.

### **Effect**

This Price Decision comes into effect on 1 January 2026.

### **Justification**

#### **Price controls competence**

Under Section 18e of the Act on Prices and Section 17(11) of the Energy Act, the Energy Regulatory Office regulates prices in energy industries, where under Section 3(3) of the Act on Prices, the competent price controls authority specifies the goods that are subject to price control, the applied method and conditions of price control, and the administrative prices and the rules and procedures for setting such prices and changes thereof in its price decisions having the form of measures of a general nature.

#### **Subject matter of price controls**

In this Price Decision, the Energy Regulatory Office lays down the prices of the related services in the gas industry, specifically the gas transmission service prices for the interconnection points of the transmission network, which are applicable to booked transmission capacity. Article 29 of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas ('NC TAR') taken together with Article 32 NC TAR and Article 11 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 ('NC CAM') require the national energy authority to publish these prices by 7 June 2025.

#### **The binding principles for regulating the gas transmission service prices for the interconnection points of the transmission network**

In respect of determining the prices laid down in this Price Decision, the Energy Regulatory Office follows the rules set out in the Methodology for Price Regulation in the Regulatory Period 2026-2030 in the Electricity and Gas Industries, for the Market Operator's Activities in the Electricity and Gas Industries, for the Electricity Data Centre, for Mandatory Buyers, and for Suppliers of Last Resort ('Price Control Methodology'). The rules set out in the Price Control Methodology determine the method for calculating the gas transmission system operator's allowed revenue for 2026.

NC TAR also requires the national regulatory authority to carry out, in line with that national regulatory authority's decision, the steps specified in Article 5(1), Article 26(1), Article 27(1), Article 29 and Article 30 NC TAR.

In respect of determining the prices laid down in this Price Decision, the Energy Regulatory Office also follows the Decision under Article 27(4) NC TAR, the publication of which in the

*Energy Regulatory Gazette* was preceded by a consultation by the rules set out in Articles 26 and 27 NC TAR. The Decision under Article 27(4) NC TAR contains a description of the methodology for determining reference prices for the various points of the transmission network.

In price controls, the Energy Regulatory Office also takes steps specified in Section 19a of the Energy Act, which lays down, among other things, that the prices of the related services in the gas industry (i.e. also the prices for the gas transmission service) shall be determined so as to cover the economically justifiable costs of ensuring the reliable, safe and efficient performance of the licensed activity, depreciation and reasonable profit ensuring return on investment in facilities serving for the performance of the licensed activity, and eligible costs of increasing energy efficiency in transmission network rollout and operation. This Section also authorises the Energy Regulatory Office to decide on a different pricing method, based on the market principle, in the case of international gas transmission.

### **Regulating the gas transmission service prices for the interconnection points of the transmission network**

Based on the above regulatory framework, the Energy Regulatory Office has determined allowed revenue for the gas transmission system operator. In compliance with Section 19a(1) of the Energy Act, this allowed revenue covers the economically justifiable costs of ensuring the reliable, safe and efficient performance of the licensed activity, depreciation and reasonable profit ensuring return on investment in facilities serving for the performance of the licensed activity, and eligible costs of increasing energy efficiency in transmission network rollout and operation.

Within the meaning of and following the procedure in NC TAR, the Energy Regulatory Office then allocated this revenue to the regulated prices at the various entry and exit points of the transmission network. The Energy Regulatory Office's procedure is set out in the Decision under Article 27(4) NC TAR.

### **Allocation of allowed revenue to the regulated prices at the various entry and exit points of the transmission network**

The Decision under Article 27(4) NC TAR sets out the required parameters for pricing gas transmission via the interconnection points of the Czech transmission network.

An important parameter influencing the prices at entry interconnection points for gas transmission to the Czech Republic is the entry-exit revenue split. The Energy Regulatory Office determined the split at 15% to 85% in its Decision under Article 27(4) NC TAR.

The Decision under Article 27(4) NC TAR also includes the option to apply Article 6(4) NC TAR, which lays down the option of using benchmarking, whereby reference prices at a given entry or exit point are adjusted so that the resulting values meet the competitive level of reference prices. Based on information available from the decisions released and the consultations held in the surrounding countries, the Energy Regulatory Office evaluated the competitiveness of the Czech transmission route compared with the surrounding alternatives and decided, in compliance with Section 19a of the Energy Act, Article 6(4) NC TAR and the Decision under Article 27(4) NC TAR, to use benchmarking for pricing gas transmission via exit interconnection points; for 2026, it adjusted the prices at the exit interconnection points to the values shown in Part Two of the Price Decision. Without applying Article 6(4)(a) NC TAR, the costs of gas transmission across the Czech Republic would be up to 16% higher than the costs of transmission by alternative routes (using the surrounding transmission networks), making gas transmission across the Czech Republic uncompetitive. The benchmarking is contained in the Decision under Article 27(4) NC TAR.

To complete the picture it should be noted that pricing gas transmission via the interconnection points of the Czech transmission network is not influenced by Article 18(4) of Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets for renewable gas, natural gas and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009 (recast), which introduces, with effect from 5 August 2025, a discount of 100% on the capacity-based tariff at the interconnection points between Member States for renewable gas and 75% for low-carbon gas. Since the derogation criteria of Article 18(5)(a) of this Regulation are met, the Energy Regulatory Office does not apply the discounts for 2026.

### **The gas transmission service prices for the interconnection points of the transmission network**

The prices laid down in the Price Decision are for yearly transmission capacity products.

The Price Decision also reflects the pricing procedure for shorter capacity products (quarterly, monthly, day-ahead and within-day) defined in NC CAM. Multipliers, the values of which are, under Article 28 NC TAR, a mandatory part of the Decision under Article 27(4) NC TAR (and which were part of the consultation under Article 26 NC TAR) have been applied for price calculation. The multiplier values listed in the Price Decision match the values published in the Decision under Article 27(4) NC TAR.

### **Transparency and predictability of price controls**

Under Section 19a(1) of the Energy Act, the Energy Regulatory Office shall proceed in a transparent and predictable manner in regulating the prices of the related services in the gas industry. It should therefore be noted at this point that the Price Control Methodology was consulted in compliance with Section 17e of the Energy Act and published on 27 February 2025. Also, a consultation by the rules set out in Articles 26 and 27 NC TAR preceded the publication of the Decision under Article 27(4) NC TAR in the *Energy Regulatory Gazette*.

And although under Section 3(4) of the Act on Prices draft price decisions are not published and no exceptions or responses to such drafts are invited and, moreover, there is no public consultation on draft price decisions, under Section 17e(2)(a) of the Energy Act the Energy Regulatory Office is obliged to consult draft price decisions in performing its competences.

### **Repealing of Price Decision 1/2024 of 31 May 2024**

This Price Decision is based on the assumption that as of the effective date hereof (1 January 2026), ERO's Price Decision 1/2024 of 31 May 2024 on regulated prices related to gas supply is repealed.

Despite the above, this Price Decision does not contain a repealing clause. The reason is as follows: Under the transitory provision of Act No 265/2024 Amending Act No 526/1990 on Prices, as Amended, and Other Related Laws, as of 1 January 2025 price decisions\* (in Czech: *cenové rozhodnutí*) on administrative prices under Section 5 of Act No 526/1990, as in force before the effective date of Act No 265/2024, which had been issued before the effective date of Act No 265/2024, shall be regarded as price decisions (in Czech: *cenový výměr* [eds.: this linguistic change has no impact on the English version]) under Act No 526/1990 as in force as of the effective date of Act No 265/2024, and such price decisions\* shall, unless repealed earlier, become ineffective on 31 December 2025 under another transitory provision relating to Act No 526/1990. Thus, a repealing provision is redundant in this particular case.

## **Advice**

Under Section 173(2) of the Rules of Administrative Procedure, no remedy against this measure of a general nature is admissible.

Jan Šefránek

Chairman, Board of the Energy Regulatory Office

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In the case of differences between the two language versions the Czech version shall prevail.