

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	Předpokládaná smluvní kapacita ve vstupních a výstupních bodech a související předpoklady
		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/dlouhodobá-rovnováha-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 2019: 1,726 mil. CZK. Planned value of target revenue (cross-system) in 2019: 2,779 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 with extended effect until 31.12.2020 ("Zásady cenové regulace pro období 2016 až 2018 s prodlouženou účinností do 31.12.2020") published by Energy Regulatory Office for the IV. regulatory period. http://www.ero.cz/documents/10540/3550177/Zasady-cenove-regulace-IV-RO-prodlouzene-do-2020.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 2019: 7,467,983 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 2019: 7.94%. Further information provides chapter 9.1.2. of Principles of price regulation for period since 2016 to 2018 with extended effect until 31.12.2020 ("Zásady cenové regulace pro období 2016 až 2018 s prodlouženou účinností do 31.12.2020") published by Energy Regulatory Office for the IV. regulatory period. http://www.ero.cz/documents/10540/3550177/Zasady-cenove-regulace-IV-RO-prodlouzene-do-2020.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 2019: 913,768 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.

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.	Methodology to determine the initial value of the assets	<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.eru.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 with extended effect until 31.12.2020 ("Zásady cenové regulace pro období 2016 až 2018 s prodlouženou účinností do 31.12.2020") published by Energy Regulatory Office for the IV. regulatory period. http://www.eru.cz/documents/10540/3550177/Zasady-cenove-regulace-IV-RO-prodlouzene-do-2020.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>
		Methodology to re-evaluate the assets	<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 with extended effect until 31.12.2020 ("Zásady cenové regulace pro období 2016 až 2018 s prodlouženou účinností do 31.12.2020") published by Energy Regulatory Office for the IV. regulatory period. http://www.eru.cz/documents/10540/3550177/Zasady-cenove-regulace-IV-RO-prodlouzene-do-2020.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>
		Explanation of the evolution of the value of assets	<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 with extended effect until 31.12.2020 ("Zásady cenové regulace pro období 2016 až 2018 s prodlouženou účinností do 31.12.2020") published by Energy Regulatory Office for the IV. regulatory period. http://www.eru.cz/documents/10540/3550177/Zasady-cenove-regulace-IV-RO-prodlouzene-do-2020.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>
		Depreciation periods and amounts per asset type	<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.eru.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 2019: Pipelines: 423,733 thou. CZK Compressor stations: 16,920 thou. CZK Transfer stations: 91,222 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>
		Operational expenditures	<p>The initial cost base is adjusted annually by escalation factor and general efficiency factor. The value of allowed costs in 2019: 515,902 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>

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.	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 with extended effect until 31.12.2020 ("Zásady cenové regulace pro období 2016 až 2018 s prodlouženou účinností do 31.12.2020") published by Energy Regulatory Office for the IV. regulatory period. http://www.ero.cz/documents/10540/3550177/Zasady-cenove-regulace-IV-RO-prodlouzene-do-2020.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 2019: 102.414% Further details are available in chapter 6.2. of Principles of price regulation for period since 2016 to 2018 with extended effect until 31.12.2020 ("Zásady cenové regulace pro období 2016 až 2018 s prodlouženou účinností do 31.12.2020") published by Energy Regulatory Office for the IV. regulatory period. http://www.ero.cz/documents/10540/3550177/Zasady-cenove-regulace-IV-RO-prodlouzene-do-2020.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 2019: 4,505 mil. CZK
		Capacity-commodity split	Capacity-commodity split in 2019: 97% capacity 3% commodity
		Entry-exit split	Entry-exit split in 2019: 14% entry 86% 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	<p>The actually obtained revenue in 2017: 1,672,164 thou. CZK</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, the regulatory account is not used for setting target revenue.</p>
		The under- or over-recovery of the allowed revenue	<p>There was the under-recovery (37,114 thou. CZK) in 2017 in the Czech Republic.</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, the regulatory account is not used for setting target revenue.</p>
		The part of under- or over-recovery attributed to the regulatory account	<p>100% of the value of under-recovery was attributed to the regulatory account.</p> <p>As the tariffs of cross-system transmission services are based on the international benchmark, the regulatory account is not used for setting target revenue.</p>
		The reconciliation period and the incentive mechanisms implemented	The reconciliation of under-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).	<p>NAP</p> <p>The commodity based tariffs (Article 4(3)) are part of the final consultation on the reference price methodology pursuant to the Article 26(1).</p>
		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.	<p>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. 6/2018 of the 20 November 2018 on the regulated prices related to gas supply. http://www.ero.cz/documents/10540/4946219/ERV-CR-6-2018.pdf (only in Czech, the English version will follow).</p>

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.	There are no differences in the transmission tariffs between 2018 and 2019 except for tariffs for delivery points between transmission and distribution systems and tariffs for delivery points of directly connected customers. The increase of these tariffs was mainly caused by under-recovery of the previous year.
		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.	The year 2020 is the last year of the IV. regulatory period and at the same time the year 2020 is the first year of the application of TAR NC in the Czech Republic. The differences in the transmission tariffs between 2019 and 2020 will be influenced mainly by the new methodology of setting tariffs. The proposal of the new methodology (compare to the actual methodology) comprises the distance as the key driver and also there is no equalization at IPs. More information regarding the proposal of the new methodology is available at the following link: http://www.eru.cz/documents/10540/4855406/Consultation-document_TAR-NC+-+ENG+-+2018-10-25.pdf
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 the reference price methodology pursuant to Article 26(1).

Table 1

Daily booked transmission capacity at entry and exit points and quantity of gas flow plan for year 2019	Name of the point	Daily booked transmission capacity	Planned quantity of gas flow
		MWh/day	MWh/year
Entry point	x	x	x
IP	Lanžhot	143,640.95	nap
IP	Waidhaus	9,364.22	nap
IP	Hora sv. Kateřiny	21,917.38	nap
IP	Hora sv. Kateřiny - Olbernhau	317,276.28	nap
IP	Brandov Opal	185,775.02	nap
IP	Mokřý Háj	0.00	nap
Sum of IPs	x	677,973.85	nap
UGC	Innogy	81,508.85	nap
UGC	MND	9,365.38	nap
UGC	Moravia	1,807.47	nap
Sum of UGCs	x	92,681.70	nap
Domestic		0.00	nap
Exit points	x	x	x
IP	Lanžhot	380,109.75	51,968,000.00
IP	Waidhaus	12,465.75	4,550,000.00
IP	Hora sv. Kateřiny	0.00	0.00
IP	Hora sv. Kateřiny - Olbernhau	0.00	0.00
IP	Brandov STEGAL	110,359.21	0.00
IP	Český Těšín	18,138.44	5,958,477.13
Sum of IPs	x	521,073.15	62,476,477.13
UGC	Innogy	80,979.87	22,852,623.80
UGC	MND	10,322.49	3,331,307.51
UGC	Moravia	6,482.63	2,059,074.55
Sum of UGCs	x	97,784.99	28,243,005.87
Domestic	x	585,295.29	86,589,474.74