

INDICATIVE NATURAL GAS PRICES FOR THE SECOND QUARTER OF 2019

Energy Regulatory Office (“**ERO**”) published on its website **the indicative natural gas prices for the second quarter of 2019** (hereinafter only as “**2Q/2019**”).

In case of indicative natural gas prices these prices are not binding, nevertheless recommended by ERO. ERO has already introduced the publication of indicative natural gas prices by the end of 2016, by which it reacted to the rate of decrease of natural gas prices in traders offers, which was slower than expected with regard to the development of natural gas prices on world markets. As ERO mentions on its [website](#), „After introduction of indicative prices the market [natural gas market] repeatedly and significantly cheapened. Indicative prices settled permanently as an index in some comparators; consumer organizations and others inform about them. Thus no doubt about their positive reception by the professional and consumer public.“. For 2Q/2019 ERO laid down the price of the gas supply service as follows:

Nature of consumption	Indicative prices (CZK/MWh)
Cooking (consumption of 0 – 1,89 MWh)	1011 CZK/MWh
Water heating (consumption of 1,89 – 7,56 MWh)	861 CZK/MWh
Heating (consumption of 7,56 MWh and more)	811 CZK/MWh

Source: www.ero.cz

In comparison with the first quarter of 2019, there is a slight drop in the recommended commodity-natural gas prices.

For the sake of completeness, it should be mentioned that in case of indicative price it is about recommended price of an unregulated gas component, therefore the part of a total natural gas price which is laid down by an agreement between the trader and the customer. It is necessary to add the regulated component (laid down by ERO and by law) and taxes to the unregulated component to get total natural gas price.

In case of any question we will be glad at your disposal.

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