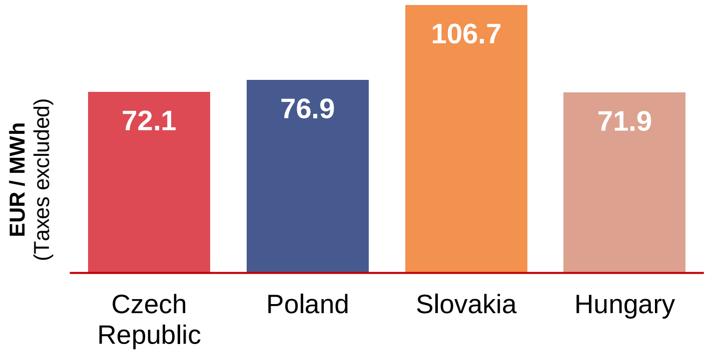
20. Utilities

ELECTRICITY

On 1 January 2006, the Czech electricity market was fully liberalised; households as the last customer segment became eligible customers and won the right to select their supplier. It is typical of the Czech open electricity market that there is no longer any regulation of activities in which competition is not feasible. Only activities of a monopoly nature continue to be regulated. That same day saw the completion of the restructuring of major players on the electricity market, which had been commenced in 2003 – the merging of distribution companies, outsourcing of certain services and splitting-off of assets related to these services into separate companies. Since 1 January 2006, three major entities have been operating in the Czech Republic: the ČEZ Group (formerly Středočeská energetická, a.s. – STE, Západočeská energetika, a.s. – ZČE, Severočeská energetika, a.s. – SČE, Východočeská energetika, a.s. – VČE and Severomoravská energetika, a.s. – SME); the E.ON Group (formerly Jihomoravská energetika, a.s. – JME and Jihočeská energetika, a.s. – JČE); and the PRE Holding Group.

Electricity prices for industry – comparison S2 2016



Band IC (Consumption 501 – 2,000 MWh)
Source: Eurostat, August 2017

Average quarterly prices for the consumption bands and supplies to industry

Standard consumption bands	Annual consumption (MWh)	Price in EUR / MWh (net of VAT and other taxes)	
		1Q 2017	2Q 2017
IA	< 20	162.58	162.60
IB	21 – 500	110.93	111.13
IC	501 – 2,000	67.75	68.11
ID	2,001 – 20,000	61.67	60.67
IE	20,001 – 70,000	60.27	59.21
IF	70,001 – 150,000	63.78	62.84
Total		**76.97**	**76.38**

Note: Average exchange rate: 1 EUR = **26.683** CZK (average for 2017, Czech National Bank 2017)
Source: Czech Statistical Office, September 2017

Reliability – distribution system operators

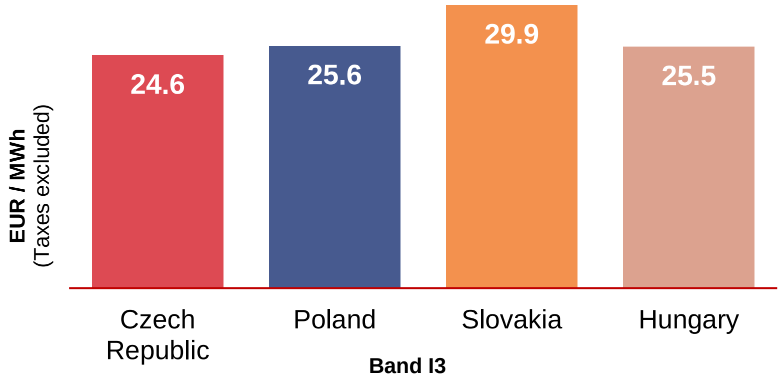
Year	Criteria assessed	ČEZ	EON	PRE	Czech Republic
2016	SAIFI	2.87	1.6	0.33	2.21
	SAIDI	309.64	252.14	32.52	258.29
	CAIDI	107.86	157.56	99.34	116.96

Note: SAIFI – system average interruption frequency index – average number of electricity outages per end customer per year [outages/year/customer]
Note: SAIDI – system average interruption duration index – average summary duration of electricity outage in minutes per end customer per year [minutes/year/customer]
Note: CAIDI - Customer Average Interruption Duration Index – average duration of one (“typical”) electricity outage in minutes per end customer per year [minutes/year/customer]
Source: Czech Energy Regulatory Office, May 2017

NATURAL GAS

The liberalisation of the Czech gas market, started in 2005, was completed at the end of 2006. Under the Energy Act, on 1 January 2007 all natural gas customers got the chance to choose their supplier. The process of unbundling in the Czech Republic was commenced on 1 January 2006, when RWE Transgas, a.s. split into RWE Transgas, a.s., which stores and trades in gas, and its subsidiary RWE Transgas Net, s.r.o., which transports gas. The unbundling of the distribution system operator (DSO with more than 90,000 customers) was completed at the end of 2006 in accordance with the Energy Act.

Gas prices for industry – comparison S2 2016



Band I3
(Consumption 10,000 – 100,000 GJ = 2,779 – 27,783 MWh)
Source: Eurostat, August 2017

The Czech Republic buys most of its natural gas from Russia and Norway and therefore the Czech Republic is not 100 percent dependent on supplies from Russia, as is the case with many other states of Central and Eastern Europe. Long-term contract on natural gas supply were signed with natural gas producers in Russia and Norway in the second half of the previous decade. Several underground gas storage facilities are at present available to secure winter gas supplies to Czech consumers or to bridge a supply outage, should it occur. As to the level of gas reserves, the Czech Republic is among the countries with the highest gas supply security in the EU. It is also important that the capacity of the storage facilities continues to increase, currently covering 35.4% of the total annual consumption.

Average quarterly prices for the consumption bands and supplies to industry

Standard consumption bands	Annual consumption (MWh)	Price in EUR / MWh (net of VAT and other taxes)	
		1Q 2017	2Q 2017
I1	< 278	32.23	33.15
I2	279 – 2,778	25.63	25.52
I3	2,779 – 27,783	22.81	22.59
I4	27,784 – 277,831	21.61	20.88
I5	277,832 – 1,111,323	21.63	22.14
Total		**24.57**	**24.58**

Note: Rough conversion rate: 1 MWh = 1000 kWh; 10.55 kWh = 1 cubic metre
Average exchange rate: 1 EUR = **26.683** CZK (average for 2017, Czech National Bank 2017)
Source: Czech Statistical Office, September 2017

Water/sewerage charges in 2017 (eur/cubic metre)

Prague	3.16	Usti nad Labem	3.64	Brno	2.82
Central Bohemia	3.17*	Liberec	3.89	Olomouc	3.87
South Bohemia	3.14*	Hradec Kralove	3.52*	Zlin	3.28
Plzen	3.19	Pardubice	3.12	Moravia-Silesia	2.72
Ostrava	2.83	Kromeriz	2.77		

Note: Exchange rate: 1 EUR = **26.683 CZK,** year average according to Czech National bank, * = preliminary
Source: www.pravdaovode.cz, 2017