



**Netting of the daily  
payments and load profiles  
settlement – Gas**

**1st March 2011**

## **NETTING – credit and debit set-off**

Netting will be applied on the following settlement:

- Daily payments of short-term market
- Clearing of load profiles (TDD)

Other settlements (monthly or final monthly settlement of imbalance) will not be involved so far. The invoices remain unchanged.

Start of netting – 1st March 2011

Contractual arrangement – Business terms

Changes in registration – setting the main bank account for CZK settlement (in case there are more CZK accounts)

## Daily payments – as of now

january	Sat	1	
	Sun	2	
	Mon	3	→ D+1 direct debit for 1st day
	Tue	4	
	Wed	5	
	Thu	6	
	Fri	7	← D+5 payment for 1st day
	Sat	8	
	Sun	9	
	Mon	10	
	Tue	11	
.	.		
.	.		
.	.		
Thu	27		
Fri	28		
Sat	29		
Sun	30		
Mon	31		
february	Tue	1	→ D+1 direct debit for 31st day
	Wed	2	
	Thu	3	
	Fri	4	
	Sat	5	
	Sun	6	
	Mon	7	← D+5 payment for 31st day
	Tue	8	
	Wed	9	
	Thu	10	
	Fri	11	
	Sat	12	
	Sun	13	
	Mon	14	
Tue	15	15th calendar day - invoicing of January +direct debit for January invoice on the day of invoicing	
Wed	16		
Thu	17		
Fri	18		
Sat	19		
Sun	20		
Mon	21	← payment for invoice of January on the 4th business day after invoicing	

### Daily payment orders

D+1 business days – OTE direct debit

D+5 business days – OTE payment

Code	Type of trade
DD+	Forenoon gas day-ahead market - sale
DD-	Forenoon gas day-ahead market - purchase
DO+	Afternoon gas day-ahead market - sale
DO-	Afternoon gas day-ahead market - purchase
VP+	Gas intra-day market - sale
VP-	Gas intra-day market - purchase
DP2	Imbalance for financial settlement *(separate)

## Daily payments with netting applied

On D+1 after the day of physical delivery the mutual credits and debits will be set-off for the particular day of physical delivery and currency (separate in CZK and EUR)

Imbalance (code DP2) will not be netted, it will be settled separately (the price for financial settlement of imbalance is available only after 6,00 p.m. on D+1)

The terms for clearing of the netted amounts remain the same:

- D+1 business days – OTE direct debit
- D+5 business days – OTE payment

In order to check and account the netted amount into individual advance payments on D+1 there will be a modified report available from portal CS OTE – Daily payment report.

The report can be downloaded for the whole month to keep with the invoices after the monthly settlement.

## Report from portal CS OTE – Daily payment report

The screenshot displays the OTE portal interface. At the top, there is a navigation bar with tabs for Registration, DM, IM, Nomination, GDS, Risk Manag., Claim, Reports, and System. The 'Reports' tab is active. The main content area is titled 'Financial reports' and shows a list of 13 items. The 'Daily report for bank (credit-debit/confirmation)' is highlighted in orange. A filter dropdown is open, showing options like Risk security, Market transaction, Batches, Events, Participant setting, and Financial reports. The 'Financial reports' option is selected. The footer contains contact information, copyright notice for ©2008 OTE, a.s., and the OTE logo.

Report name
Billing Report - gas
Billing Report OTE - gas
Final monthly settlement (gas) – billing report SZ
Final monthly settlement (gas) – billing report OTE
Billing report - summary - gas
Billing report OTE - summary - gas
Final monthly settlement (gas) – summary - billing report SZ
Final monthly settlement (gas) – summary - billing report OTE
Clearing of Load Profiles (TDD) Differences - gas
Clearing of Load Profiles (TDD) Differences OTE - gas
Daily bank batch - gas
Daily balance for day-ahead market and deviations - gas
Daily report for bank (credit-debit/confirmation)



## Report from portal CS OTE – Daily payment report

### Confirmation of daily payments OTE - credit and debit set-off

Period 01.03.2011 to 02.03.2011

5.3.2011

Company XYZ, a. s.

Id SZ XXX

EAN

ID

VAT

Settlement:		Daily									
Type of payment:		+ Credit / - Debit								+ Credit / - Debit	
Delivery day	Trade	Excha nge	Amount before VAT	Amount with VAT	VAT	Volume (MWh)	Curren cy	Due date	Payment	Reference No.	
01.03.2011	DD+		285 705,00	342 846,00	57 141,00	272,100	CZK		342 846,00		
01.03.2011	VP+		26 982,50	32 379,00	5 396,50	25,100	CZK		32 379,00		
01.03.2011	VP-		-495 225,00	-594 270,00	-99 045,00	440,200	CZK		-594 270,00		
<b>01.03.2011</b>		<b>Total after set-off</b>					<b>CZK</b>	<b>paid - 02.03.2011</b>	<b>-219 045,00</b>	<b>XXXXYYYY</b>	
<b>01.03.2011</b>		<b>Total after set-off</b>					<b>EUR</b>	<b>paid - 02.03.2011</b>	<b>0,00</b>	<b>XTXYYYYY</b>	
02.03.2011	DP2		519 048,00	622 857,60	103 809,60	519,048	CZK	<b>09.03.2011</b>	<b>622 857,60</b>		<b>585xxxxxx</b>
02.03.2011	VP+		403 770,00	484 524,00	80 754,00	375,600	CZK		484 524,00		
02.03.2011	DD-	24,785	-13 115,00	-15 738,00	-2 623,00	305,000	EUR		-15 738,00		
02.03.2011	VP-		-64 785,00	-77 742,00	-12 957,00	61,700	CZK		-77 742,00		
<b>02.03.2011</b>		<b>Total after set-off</b>					<b>CZK</b>	<b>09.03.2011</b>	<b>406 782,00</b>	<b>ZZZYYYYY</b>	
<b>02.03.2011</b>		<b>Total after set-off</b>					<b>EUR</b>	<b>03.03.2011</b>	<b>-15 738,00</b>	<b>ZUZYYYYY</b>	

## Example of accounting of the netted payments

Date	Type of trade	Amount	Curr.	Account		Text
				MD	D	
02.03.2011	DD+	342 846,00	CZK	395	324	payment DD+ for day 01.03.2011
02.03.2011	VP+	32 379,00	CZK	395	324	payment VP+ for day 01.03.2011
02.03.2011	VP-	594 270,00	CZK	314	395	payment VP- for day 01.03.2011
<b>02.03.2011</b>	<b>OTE-CZK</b>	<b>219 045,00</b>	<b>CZK</b>	<b>395</b>	<b>221</b>	payment OTE-CZK for day 01.03.2011

## Utilization of trading limit

Utilization of trading limit will remain the same. The report „Utilization detail“ will display individual payments before netting.

## Clearing of Load profiles

(after 3 months – 12th business day of the 4th month)

**Only suppliers of end consumers with C measurements**

On the day of the load profiles settlement the set-off of receivables and liabilities will be made.

The terms for clearing of the netted amount remain the same:

- day of the invoicing – OTE direct debit
- 4th business day after invoicing – OTE payment

In order to check and account the netted amount into individual invoices on the day of invoicing there will be available a new summary report from portal CS OTE – Load profile settlement.

# Report from portal CS OTE – Load profile

The screenshot displays the OTE portal interface. At the top, there is a navigation menu with tabs for Registration, DM, IM, Nomination, CDS, Risk Manag., Claim, Reports, and System. The 'Reports' tab is active. The header shows '18 logged users' and 'Logged: Ing., Michal Ivánek - OTE, a.s.' with a timestamp of '21.12.2010 11:31:18'. The main content area is titled 'Financial reports' and shows a list of 13 items. The 'Clearing of Load Profiles (TDD) Differences - gas' report is highlighted. A 'Filter' sidebar is open, showing options for Date from, Date to, Export type (Excel, PDF, XML, RTF), and Partic. ID (1 - OTE). The footer contains contact information, copyright notice for OTE, a.s., and the OTE logo.



## Report from portal CS OTE – Load profile

### Clearing of load profiles (TDD) - ABC, a.s. (summary) - gas

Period: 01.11.2010 00:00:00 30.11.2010 23:59:59 16.3.2011

Name: ABC, a.s. Id SZ XXX EIC ID VAT

Period	Volume	Amount before tax	Gas tax	VAT %	VAT	Total with tax	Contract	Currency
<u>Total 2009</u>	29,464	16 320,23		20%			Sale	Kč
<u>Total 2010</u>	182,650	58 415,05		20%	14 947,06	89 682,34	Sale	Kč

### Clearing of load profiles (TDD) OTE (summary) - gas

Název ABC, a.s. Id SZ XXX EIC ID VAT

Period	Volume	Amount before tax	Gas tax	VAT %	VAT	Total with tax	Contract	Currency
<u>Total 2009</u>	5,040	-4 353,50		20%			Purchase	Kč
<u>Total 2010</u>	89,372	-43 776,65		20%	-9 626,03	-57 756,18	Purchase	Kč

Total after set-off

+ CREDIT / - DEBIT

Total with tax  
31 926,16

Currency  
Kč

Reference No.  
XXXXXXXXXX

## Example of accounting of the netted invoices

Date	Type of trade	Amount	Curr.	Account		Text
				MD	D	
16.03.2011	TDD	89 682,34	CZK	395	311	Invoice TDD-11/10
16.03.2011	TDD	57 756,18	CZK	321	395	Invoice TDD-11/10
<b>16.03.2011</b>	<b>OTE-TDD</b>	<b>31 926,16</b>	<b>CZK</b>	<b>221</b>	<b>395</b>	<b>netting OTE-TDD - 11/10</b>

### Utilization of trading limit

Utilization of trading limit will remain the same. The report „Utilization detail“ will display individual payments before netting.

## Reasons for netting implementation

- Cash flow optimization
- Reduction of items cleared through bank accounts – lower cost on bank fees

In case of questions, please refer to: [\*\*mivanek@ote-cr.cz\*\*](mailto:mivanek@ote-cr.cz)