Annex “C“

Part A

Prices for usage of the regional railway operated by Advanced World Transport a.s., for train rides and conditions for their application

Prices for usage of the regional railway Milotice nad Opavou – Vrbno pod Pradědem for a train ride is calculated both for passenger and freight trains according to the following formula:

$$C = S_1 \times L + (Q/1000) \times S_2 \times L \qquad [CZK]$$

Whereas

S_1 = 6.63 CZK/train/km
S_2 = 0.00 CZK/1000 gross t/km
L – distance of the train ride in rounded up to whole kilometres
Q – gross weight of train in tonnes ascertained for a freight train as a sum of weight of rail vehicles in the train and weight of the cargo rounded up to whole tonnes

The price for usage of the regional railway Miletice nad Opavou – Vrbno pod Praděddem for a train ride calculated according to the formula above is without VAT.

Part B

Prices for usage of the regional railway operated by PDV Railway, a.s., for train rides and conditions for their application

Pursuant to the Directive of the European Parliament and the Council 2001/14/EC from 26 February 2001, PDV RAILWAY a.s. as operator of regional railways Sokolov – Kraslice and Trutnov – Svoboda nad Úpou sets these rules and a framework for setting prices for railway infrastructure usage for train rides on regional railways mentioned above while operating rail transport.

The price for railway infrastructure usage does not include its allocation prices. The allocator on regional railways operated by the company PDV RAILWAY a.s. is the Správa železniční dopravní cesty, state organization.

The price for railway infrastructure usage for train rides is set based on costs spent for rail operation (operation control), see Order No 501/2005 Coll. on delimitating infrastructure manager’s costs related to operating and ensuring operability, modernization and development of railway infrastructure.

Prices for railway infrastructure usage for train rides are equal for all railway undertakings and the same type of service.

I. Maximum prices for railway infrastructure usage for train rides

Maximum prices for railway infrastructure usage for train rides on regional railways operated by the company PDV RAILWAY a.s.

A. *Maximum prices for railway infrastructure usage for train rides on regional railways operated by the company PDV RAILWAY a.s. for a freight train*

- $C_{freight1}$ = 35,00 CZK/train/km
- $C_{freightí2}$ = 36,00 CZK/1,000 gross t/km

B. *Maximum prices for railway infrastructure usage for train rides on regional railways operated by the company PDV RAILWAY a.s. for a passenger train and a for a locomotive train*

- $C_{pasenger1} = C_{locomotive1}$ = 5,55 CZK/train/km
- $C_{pasenger2} = C_{locomotive2}$ = 30,25 CZK/train/km

C. *Maximum prices for railway infrastructure usage for train rides on regional railways operated by the company PDV RAILWAY a.s. for 1 train is calculated according to the formula*

$$\mathbf{Cmax = L \times C_{freight1} + L \times C_{freight2} \times Q/1\,000 + L \times C_{passenger1} + L \times C_{passenger2} \times Q/1\,000 + L \times C_{locomotive1} + L \times C_{locomotive2} \times Q/1\,000 \quad [CZK]}$$

Whereas:

C_{max} = maximum price for railway infrastructure usage with one train for the infrastructure agreed upon

$C_{freight1}$ = part of the maximum price component for railway infrastructure usage by one freight train for the infrastructure agreed upon related to a part of costs for rail operation (operation control) and recalculated to a price for 1 train/km as a price share for a part of costs rail operation (operation control)

$C_{freighti2}$ = part of the maximum price component for railway infrastructure usage by one freight train for the infrastructure agreed upon related to a part of costs for rail operation (operation control) and recalculated to a price of 1000 gross t/km for the respective type of train given as a price share for a part of costs rail operation (operation control) for one thousand gross tonne/kilometres

$C_{passenger1} = C_{locomotive1}$ = part of the maximum price component for railway infrastructure usage by one passenger train or by one locomotive train for the infrastructure agreed upon related to a part of costs for rail operation (operation control) and recalculated to a price for 1 train/km as a price share for a part of costs rail operation (operation control)

$C_{passenger2} = C_{locomotive2}$ = part of the maximum price component for railway infrastructure usage by one passenger train or by one locomotive train for the infrastructure agreed upon related to a part of costs for rail operation (operation control) and recalculated to a price of 1000 gross t/km for the respective type of train given as a price share for a part of costs rail operation (operation control) for one thousand gross tonne/kilometres

L = length of line ridden by a train in kilometres rounded up to whole kilometres

Q = gross weight of the train in tonnes, ascertained for a freight train as a sum of weight of rail vehicles in the train and weight of the cargo rounded up to whole tonnes

II. Designated conditions for railway infrastructure usage price calculation for train rides on regional railways operated by the company PDV RAILWAY a.s.

The maximum price for railway infrastructure usage for train rides does not include costs for railway infrastructure capacity allocation and reservation.

The maximum price for railway infrastructure usage for train rides is applied for train rides of separate hauling vehicles, namely both for rides of loaded or occupied vehicles and for rides of empty or unoccupied vehicles.

The price for railway infrastructure usage for train rides is calculated by means of a formula as shown in paragraph I.C. The price for railway infrastructure usage for a ride of each train is set by train type (freight, passenger, locomotive), by length of line ridden, and possibly by gross weight.

The maximum price is set as follows:

1. for trains carrying exclusively objects and animals, both loaded and empty according to Part I.A for a freight train
   For purposes of setting a price of its ride on the regional railway, a freight train is every train that is not a passenger train and at the same time is not a locomotive train. Beside trains designed for carrying loaded or empty freight wagons it is also every train:
   a) with special hauling vehicles marshalled,
   b) freight train carrying passengers;

2. for trains carrying exclusively passengers where transport of objects and animals is realized as a complementary service for passengers, both occupied and unoccupied train-set) according to Part I.B for a passenger train,
   For purposes of setting a price of its ride on the regional railway, a passenger train is a train:
   a) which was for the whole duration of the journey from the starting station to the destination station a train carrying exclusively passengers where transport of objects and animals is realized as a complementary service for passengers,
   b) train-set
      - between the destination station of a passenger train after the exit of passengers and the starting station of the following passenger train before the boarding of the passengers
      - from the destination station of a passenger train after the exit of passengers to the site of train-set operation treatment or standstill,
      - from the site of train-set operation treatment or standstill to the starting station of a passenger train before the boarding of passengers.;

   The departure and destination stations are set by the train timetable..
   For train-set trains pursuant Art. II. paragraph 2.b) the following provisions apply as well:
      - the condition of train composition exclusively with vehicles designed for carrying passengers must be observed,
      - the train must not contain any vehicles not being part of the follow-up departing or ending passenger train (exchange of an active hauling vehicle for another is allowed),

3. For trains consisting exclusively of hauling vehicles according to Part I.B for a locomotive train;
   For purposes of setting a price of its ride on the regional railway, a locomotive train is a train consisting exclusively of rail hauling vehicles.

For setting the maximum price for railway infrastructure usage for train rides, the type of train and length of line ridden on which the transport is carried out is decisive. For trains carrying exclusively objects and animals, both loaded and empty, the train weight is decisive as well.

The mode of accounting performances carried out on the regional railway which are introduced in the calculation formula as well as arrangement of prices' invoicing for railway infrastructure usage is specified in the contract on operating rail transport on the railway infrastructure concluded between PDV RAILWAY a.s. and each RU before his entry on the railway infrastructure.

The maximum price for railway infrastructure usage for train rides is applied both for public and non-public transport and is set as VAT excluded.

III. Price for use of reserve capacity for performances related to ensuring operability of the railway infrastructure

No price is set for allocating reserve capacity and use of the railway infrastructure as such on nationwide and regional railways for rides directly ensuring carrying out diagnostics, measuring and maintenance of the railway infrastructure within actions paid from funds for ensuring operability of the railway infrastructure.

Part C
Prices for use of nationwide and regional railways operated by Správa železniční dopravní cesty, state organization and conditions for their application

I. General information and conditions for setting prices for railway infrastructure usage for train rides

I.1. All parameters of the price setting system for railway infrastructure usage for train rides must be in accordance with principles of material price regulation as set in the Assessment of the Czech Ministry of Finance currently in force.

I.2. The price for railway infrastructure usage for train rides comprises within the material regulation extent calculated costs related to:

- the train ride on line and station tracks within the extent of allocated railway infrastructure capacity including costs for ensuring these rides by operated safety equipment and for enabling use of equipment for traction electrical power drawn by hauling vehicles with electrical traction (costs for consumption of traction electrical power do not have any impact on on the price amount for railway usage for a train ride),
- organization of rail transport including operative control,
- telecommunication of the IM's employees with the RU's train crew,
- accepting and providing information by the IM to RUs while ensuring the train ride,

- publishing decrees, instructions and instruments for RUs' activity according to the contract on operating rail transport (only electronic form, not printed).

I.3. For purposes of setting a price for railway infrastructure usage, a train ride is also a ride of a single rail vehicle including a special hauling vehicle if it is organized as a train ride according to transport regulations.

I.4. Parameters and application conditions of the price setting system for railway infrastructure usage for train rides are binding for the Infrastructure Manager (hereinafter SŽDC) and for all rail transport operators on the rail network owned by the Czech Republic (hereinafter RUs).

I.5. In the context of this Annex “C“ prices are perceived as VAT excluded.

II. Price model

II.1 The resulting price for infrastructure usage by a train ride for a specific train on a line of a given category is calculated based on the following price model:

$$\mathbf{C = L \times Z \times K \times P_x \times S_1 \times S_2 \times S_3 \times S_4}$$

whereas:

C = price for infrastructure usage by a train ride
L = train ride length (see Article II.2)
Z = basic price (see Article II.3)
K = line category coefficient (see Article II.4)
P_x = Product factor (P_1 - P_5 – see Article II.5)
S_1 - S_2 = specific factors (see Article II.6)

II.2 **Train ride length (train/km)** is registered for purposes of calculating the resulting price for infrastructure usage by a train ride in tenths of kilometre, the source of data being the KANGO network. For verification, RUs may use the application DYPOD available on the Infrastructure Operation Portal. (http://provoz.szdc.cz/dypod). For the calculation, the real length of ride is being used separately for each combination of line category, product factor and specific factors (values relating to a specific subtrain – for explanation of this term see Article IV.3).

II.3 **By basic price** is understood price for one train/km, founded on analysis of costs spent in the previous period. The basic price is equal both for passenger and for freight trains and during the Network Statement's validity equals 21.50 CZK/train/km.

II.4 **The line category coefficient** is a combination of factors influencing quality of services provided to the RU on the given line section during the timetable validity, partially taking into account the demand of capacity allocation in the given section, costs spent for maintenance of the line in a given category during the previous statistics period, or possibly the will of the IM to promote maintaining or increasing the extent of ordered capacity on lines in a given category. Categorization of lines is the result of their current technical state, technical equipment and taking capacity allocation demand on lines of the TEN-T network and other lines into account. The following table shows the coefficient value for each line category.

Line category	Coefficient value
1	1,15
2	1,12
3	1,00
4	0,88
5	0,71

Line categories shown in the table and corresponding coefficient values serve exclusively for price calculation for infrastructure usage by a train ride and there is no direct dependency on line categorization pursuant to map documents M01, M02 and M03. Classification of lines into categories 1 - 5 for purposes of price calculation for infrastructure usage by a train ride is shown in Table B in Annex “B“ of this Network Statement.

II.5 **The Product factor** is a factor taking into account market segmentation with different price levels. The reasons for price differentiation on the product factor level are direct costs spent for a given service (market segment) or promotion of a given market segment while using additional funding from the state budget. The price model includes the following product factors:

P_1 – Passenger transport
P_2 – Freight transport - unspecified
P_3 – Freight transport within the cartage and distribution system of separate loads
P_4 – Combined freight transport
P_5 – Freight transport – non-standard trains

Conditions for including a train into a certain market segment and for using a corresponding product factor are specified in Chapter III.

Individual product factors have the following values:

Product factor	Product factor value
P_1	1.00
P_2	1.00
P_3	0.30
P_4	0.65
P_5	2.00

II.6 **A specific factor** is a factor having for purpose a more effective use of infrastructure capacity and taking the impact of a given train ride on the amount of rail operation cost into account. Each train has attributed corresponding values of all specific factors.. Conditions for attributing specific factors’ values to separate trains are specified in Chapter III. The price models contain the following specific factors.

II.6.1 **S_1 – The wear-out rate of lines depending on the train’s weight**

This specific factor reflects different wear-out of the line by train rides with different weight. By train weight is understood the sum of weights of all vehicles in the train including the weight of passengers or goods. The information source for the weight of each vehicle is the register of vehicles REVOZ. If data of a rail vehicle were not incorporated into REVOZ yet,

the weight of an empty vehicle and goods or transported passengers is set from other corresponding sources (technical passports, consignment notes, maximum seated places multiplied by the coefficient 0.08 etc.) rounding up to whole tonnes. Specific factor values are set for given extents of total train weight.

Weight interval (t)	Value S_1	Weight interval (t)	Value S_1
Up to 49	0.42	1,000 – 1,199	2.77
50 - 99	0.49	1,200 – 1,399	3.36
100 - 199	0.59	1,400 – 1,599	3.88
200 - 299	0.76	1,600 – 1,799	4.36
300 - 399	0.94	1,800 – 1,999	4.89
400 - 499	1.14	2,000 – 2,199	5.37
500 - 599	1.34	2,200 – 2,399	5.92
600 - 699	1.50	2,400 – 2,599	6.39
700 - 799	1.76	2,600 – 2,799	6.88
800 - 899	2.03	2,800 – 2,999	7.30
900 - 999	2.31	over 3,000	8.35

II.6.2 **S_2 – Equipping an active hauling vehicle in the train with traffic control equipment ETCS Level 2 and higher**

Due to the fact that introducing traffic control equipment is being supported to a maximum extent, trains with active hauling vehicles equipped with this device will have advantageous prices also for rides in line sections without the stationary part of the ETCS system. Given the current state of vehicles' register, price advantages do not apply to control vehicles. The advantage's extent in the price model takes into account that in accordance with Directive 2012/34/EU, owners of vehicles equipped with ETCS get additional support from the state budget. Specific factor S_2 values can be found hereunder. A more advantageous value is attributed to any train with at least one active hauling vehicle equipped with ETCS, Level 2 and higher and does not change with a number of such equipped vehicles. For correct S2 attribution, equipping a hauling vehicle with ETCS Level 2 or higher must be shown in IS REVOZ.

Equipment of hauling vehicle with ETCS Level 2 and higher	Specific factor S_2 value
Unequipped hauling vehicle	1.00
Equipped hauling vehicle	0.95

III. Operation and technical conditions with influence on price calculation

III.1 The mode of accounting of realized performance inserted into the price model for calculating price for infrastructure usage by a train ride abides with provisions of SŽDC Instruction Is 10.

III.2. The price for infrastructure usage by a train ride is always set based on its actual composition, ascertained from data sources fixed by a mode pursuant to Art. III.1 or by a train control carried out by SŽDC.

III.3. For calculation of resulting prices for infrastructure usage by a train ride, the real path ridden by the train is decisive.

III.4 For purposes of setting price for infrastructure usage by a train ride, a passenger train is a train that was composed exclusively from vehicles designed for transport of persons, luggage and bicycles in the line section for which the price is being calculated. Passenger trains are also all train-sets consisting exclusively of vehicles designed for transport of persons, luggage and bicycles. Train-sets are not separate hauling vehicles running as a train with the exception of EMUs and DMUs and units (locomotive trains). All trains not satisfying conditions for attribution to passenger transport are considered for purposes of attribution of the relevant product factor will be considered as freight trains. The initial source of information for attributing the type of transport is the type composition of the train as set in the SŽDC Regulation D1, Art. 2206 - 2212. For purposes of product factor attribution, service trains are considered as freight trains. The RU is responsible for correctly declaring a train type when submitting the parameter in the application for infrastructure capacity allocation. For freight trains which should be attributed the product factor P_3, or P_4, conditions specified in Art. III.5. apply. For freight trains for a product factor P_5, conditions specified in Art. III.6. apply.

III.5 **Conditions for calculating the final price for infrastructure usage by a train ride with the application of product factors P_3 and P_4**

For purposes of promoting development of selected market segments in railway freight transport SŽDC declares different price for infrastructure usage by a train ride, available on observing set non-discriminatory conditions to all RUs on the railway infrastructure owned by the Czech Republic and operated by SŽDC. For trains which abide with conditions mentioned above, the final price will be calculated with use of product factors P_3 and P_4. Any train can have attributed only one product factor, mutual combination is excluded.

III.5.1 ¨Conditions for converting the basic price for infrastructure usage by a train ride by a product factor P_3 – freight transport within the cartage and distribution system of separate wagon loads

- The product factor P_3 will be used for the following types of freight trains from the yearly timetable or its regular changes which are part of the cartage and distribution system for separate wagon loads:
  a) regular manipulation and sidings trains,
  b) selected regular domestic freight trains for transport of individual wagon loads between formation yards on the infrastructure operated by SŽDC where the train is re-worked
  c) selected regular international freight trains for transport of individual wagon loads between formation yards where the train is re-worked and one or more of these is situated abroad.

- The application of product factor P_3 is not allowed for trains consisting exclusively from hauling vehicles. The application of product factor P_3 is conditioned by composing the train in v IS COMPOST.

- The RU must request the application of product factor P_3 for specific trains. Before the validity of the yearly timetable 2018 or its changes, the RU will submit to the Department of Contractual Relations of SŽDC a list of regular trains of the yearly timetable which are according to the train formation plan a part of the cartage and distribution system of individual wagon loads and for which he requests the application of product factor P_3. The list must be confirmed by an extract from the train formation plan demonstrating the connection of a given train to the cartage and distribution system. Numbers of trains which are contained in the list must not be used for trains the composition and purpose of which excludes the application of product factor P_3.

III.5.2 Conditions for converting the basic price for infrastructure usage by a train ride by the product factor P_4 – combined freight transport

- Product factor P_4 will be used for freight trains transporting exclusively hauling vehicles and hauled vehicles for combined transport units (loaded by these units or empty).
- The application of product factor P_4 is not allowed for trains consisting exclusively from hauling vehicles. The application of product factor P_4 is conditioned by composing the train in IS COMPOST.
- The RU must request the application of product factor P_4 for a specific train. The request can be submitted by one of the following ways:
    a) The RU submits before the validity start of the yearly timetable 2018 or its changes to the Department of Contractual Relations of SŽDC a list of regular trains of the annual timetable designed for combined transport and which it will claim the application of product factor P_4 for. The number of trains in the list must not be used for trains the composition and purpose of which excludes the application of product factor P_4.
    b) while ordering a train ad hoc, which should be attributed the application of product factor P_4, the RU must mark the product factor P_4 in the information system ISOŘ KADR on the tab “Parameters of train path,section Further data/Product factor”.

III.6 Application of product factor P_5 freight transport – non-standard trains

- For purposes of setting the price for infrastructure usage by a train ride, trains are considered as non-standard if they are registered for tests of rail vehicles at higher speeds than the maximum allowed speed on the respective line section or with axle load higher that set for the respective line section or if the test requires special transport measures. For purposes of setting the price for infrastructure usage by a train ride, trains with non-standard parameters (e.g. with speeds higher than the maximum allowed speed on the respective line section or with axle load higher that set for the respective line section) or cases when the train ride requires special transport measures or non-standard activities (exceptional new measuring or control of the line, guarding railway crossings etc.) are also considered as non-standard. The calculation of the price for a non-standard train ride shall be carried out by applying the product factor P_5 freight transport – non-standard trains.

IV. Processing information in the computing system IS KAPO and checking up invoiced performance and prices for infrastructure usage by a train ride

IV.1 Calculation of prices for infrastructure usage by a train ride is carried out by means of the SŽDC computing system IS KAPO. The calculation is made pursuant to the valid price model for all trains that were running during the followed accounting period. The basic documents are data on the ordered train path and parameters of really running trains. These documents are imported into IS KAPO from operation information systems (more details can be found in SŽDC Instruction Is 10). The elaborator (RU) is responsible for correctly inserting data into the SŽDC computing system including the requirement for applying product factors P_3 and P_4.

A run of rail vehicles designated as shunting is not being registered and paid for within the system IS KAPO.

IV.2 The basic object for allocating prices for infrastructure usage by a train ride is a IS KAPO invoice train, consisting of one or more subtrains (see Art. IV.3) This object bears the following information:

- company – name of the RU
- date – day of train arrival to the destination point or to the point of its putting out of service (see SŽDC Regulation D7),
- allocated path of the data timetable (TR),
- train – train number
- from station – name of starting point,
- real departure time,
- to station – name of destination point or to the point of its putting out of service real arrival time,
- distance run (train/km),
- price of infrastructure usage by a train ride

IV.3 A subtrain is an object of output information from IS KAPO which enables to assess the correctness of the calculation of the price for infrastructure usage by a train ride for the invoice train. A subtrain comes into being with every new combination of the train number, the line category coefficient, the product factor and one or more specific factors. A subtrain is the only object for which a specific price for infrastructure usage by a train ride can be calculated in the given price model; the price of an invoice train is the sum of prices for respective subtrains.

IV.4 Checking up invoiced performance and prices for infrastructure usage by a train ride between SŽDC and the RU is carried out based on IS KAPO outputs, i.e. either based on the work delivery note or by means of an online application that allows subsequent control for editing individual data both by servicing IS KAPO and by the RU. The periodicity of data check-up in the work delivery note within a calendar month results from an agreement between the IS KAPO service personnel and an authorized employee of the RU and corresponds to the amount of checked-up data (volume of realized performance). Regardless of the number of work delivery notes for a partial amount of time of a calendar month, the work delivery note with all data of IS KAPO subtrains and invoice trains which ran for the given RU within the whole calendar month is always used for the final check-u. The check-up procedure including binding time limits and regulations for storing documents is regulated by SŽDC Instruction Is 10 the cogency of which for the RU is contained in provisions of the concluded contract on operating rail transport.

IV.5 The final IS KAPO output upon mutual check-up of invoiced performance and prices pursuant to Art. IV.4 is a monthly summary overview of invoiced performance and prices with a structure according to individual product factors together with information on the total amount of train/kilometres run within the given product factor and the final price for infrastructure usage by rides of these trains. The monthly summary overview is sent to the RU together with the invoice for the given calendar period.

Part D
Sanctions for unused allocated capacity of nation-wide and regional railway infrastructure and regional railway infrastructure operated by the Správa železniční dopravní cesty, state organization

I. General information and conditions on setting sanctions for unused or cancelled allocated capacity

I.1. Reasons based on which SŽDC charges the RU with sanctions for unused or cancelled allocated capacity can be found in in Chapter 6.4.1 and 6.4.2 of this Network Statement.

I.2. SŽDC follows in its information systems the extent of unused or cancelled capacity of each applicant to which capacity has been allocated. If it finds out that the RU did not use or the applicant cancelled the allocated capacity for reasons shown in Art I.1 it sends him to check the report of the unused capacity of IS KAPO containing details on individual paths, including quantifying the amount of the corresponding sanctions, which he intends to invoice. Any objections, supported by factual reasons, can be applied by the RU within 5 working days from receipt of the report.

II. Billing sanctions for unused or cancelled allocated capacity

SŽDC bills a sanction to the applicants for unused or cancelled allocated infrastructure capacity quarterly. A summary overview on unused or cancelled allocated infrastructure capacity is joined to the invoice in annex.

III. Calculation of the sanction

The sanction amount for unused or cancelled allocated capacity is calculated by the multiplication of the path length in km (for 1 decimal) and the sanction rate in CZK/km for each transport mode and category of the rail network pursuant to Art. IV. The resulting sanction for unused allocated capacity is a sum of partial sanctions calculated for parts of the path on line sections with different categorization.

IV. Sanction rates for unused or cancelled allocated capacity

Rate	Attribution	CZK/1 train/km
N_1	Passenger and freight transport, rail network category 1	7.00
N_2	Passenger and freight transport, rail network category 2	7.00
N_3	Passenger and freight transport, rail network category 3	7.00
N_4	Passenger and freight transport, rail network category 4	6.49
N_5	Passenger and freight transport, rail network category 5	5.00