

Questions	Answers
Questions answered by Eustream	
Questions answered by FGSZ	
Why was 1st Open Season unsuccessful?	Eustream evaluated the feed-back from the market as sufficient, the construction of the SK-HU Interconnector as economically viable and the 1st binding phase as successful. On the Hungarian side the market interest was evaluated as non-sufficient for the construction of the Hungarian part of the pipeline, since the the official rule that sum of bids submitted by Applicants had to reach the criterion of 70% booking for 20 years has not been fulfilled.
What changed on view of FGSZ at economic viability of the project with respect to 1st and 2nd Open Season? With NO 70% criterion for long term booked capacity and same tariffs, is the CAPEX reduced, do you receive more support via EEPR?	FGSZ' view has not changed. However, both TSOs trust that the more flexible conditions may bring in more bookings. The CAPEX and EEPR support is unchanged, too. Please note that this time there is no fixed percentage criteria for decision making, however, TSOs still could come to the conclusion not to build the pipeline.
Can shipper book Entry Vecses and exit NBP (balancing point), similar to Domestic point of eustream? If not since when FGSZ plans to introduce?	MGP, the Hungarian notional trading point is in use since 1st July 2010. Shippers can book entry at physical network point (e.g. Vecses) and exit MGP.
Is necessary to pay specific fee for both directions ? i.e. to pay from SK>HU and pay again for HU>SK?	The SK-HU Interconnector is designed as bi-directional. Access to the transmission system of Eustream is entry-exit based. For the SK>HU direction, you need to book exit point Velké Zlievce. For the HU>SK direction you need to book entry point Velké Zlievce. Example: booking Entry point Baumgarten in a decoupled entry exit system does not automatically mean booking of the Exit point Baumgarten.
How will be resolved different capacity allocation on eustream and FGSZ side (if happens)?	Both TSOs would use the same capacity allocation method. For more information, please see OS Rules of Eustream (Article 5). Furthermore, allocation will be done in a co-ordinated way.
What will be the allocation regime at Velke Zlievce/Vecses, e.g. OBA in MJ/cm etc.	The allocation regime at Velke Zlievce and/or Vecses would be finalised and fixed in the Operational Agreement between individual TSOs before the Commercial operation date. The preferred method is OBA, when nominated quantity equals to allocated quantity and steering differences are handled by the TSOs through the use of a balancing account.
Assuming that a shipper books capacity in SK -> HU direction, through which procedure will the relevant capacity at the entry point in the Hungarian system (Vecsés) be offered?	Normal capacity booking procedure regulated by the prevailing Network Code will have to be followed.
Does the above mentioned shipper have a sort of "priority" in booking entry capacity in the Hungarian system in respect of its capacity on the Interconnector?	The single function of the entry/exit point Vecsés will be to facilitate shippers to book capacity equivalent to their capacity demand on the SK-HU Interconnector. Capacity booking for this point and for the Interconnector has to be consistent.
In order to book capacity on the Hungarian system, must the shipper have a shipper commercial license to operate in Hungary?	Yes, this license is granted by the Hungarian Energy Office (HEO) in compliance with the prevailing laws and regulation, unless the shipper wish to book capacity for transit purpose only. In the latter case no HEO license is to be held.
Can the shipper transfer its (eventual) rights on the entry capacity in the Hungarian system to another shipper, even if the latter has not participated in the Open Season?	Yes, this right can be transferred to another shipper. However, such a transfer would not change the primary capacity owners' obligations towards FGSZ.
If not, will the shipper be forced to sell its gas before entering in Hungary, to buyers that can bring the gas into Hungary? There is no other way to sell this gas?	Please see the answer above.
Eustream, on the contrary, seems to link the Interconnector directly to the national grid: once I've booked entry capacity at Baumgarten, is it correct to add only, as transportation cost, the exit capacity at Velké Zlievce?	Yes, that is right. Eustream runs a de-coupled entry-exit system. For entering and exiting the system customers can choose from the following entry/exit points: Velké Kapušany, Baumgarten, Lanžhot, Domestic point and Velké Zlievce.
In case shipper is willing to book different volumes for different years (i.e. for 5 years x GJ/g, for 7 years y GJ/g), is it possible to fill the form with several requests, even if overlapped?	Yes, it is possible to fill the form (Binding bid) with several requested lots with the different volumes and different lot duration. Nonetheless, please note that any bid for a daily transmission capacity exceeding 130 lots in one moment of time shall be considered as invalid.
Termination of the contract clauses are different between carriers, Eustream allows 365 days from the foreseen Commercial Operation Date instead of FGSZ which fixes the term for claims from shippers at September 2014. Is there any way to align the two conditions?	Both TSOs made significant effort to harmonize their respective systems as much as possible in order to provide shippers a smooth process. However there are certain differences between the respective contractual systems/conditions, but in justified cases TSOs will continue to harmonize.
To use the HU -> Slovakia Interconnector would we have to book also an exit at the Hungarian domestic point?	Yes. If you wish to book capacity for the direction Hungary -> Slovakia, beside booking the capacity of the Hungarian section of the SK-HU Interconnector (Vecsés-Balassagyarmat) you will also have to book capacity at the exit point of the Hungarian domestic transmission grid, being Vecsés and an entry point (let it be either import or storage).
In the same way, when the flow is Slovakia -> HU do we have to book an entry into FGSZ system? Which one, import entry point?	Yes. In this case the entry point of the domestic transmission grid will be Vecsés (that happens to be the exit point of the Hungarian section of the SK-HU Interconnector), whilst an exit point of our domestic system is also to be contracted.
The "fee for transmitted volume" and the "fee for capacities" must be paid for both directions?	Yes. Both capacity and volume fees are due to FGSZ Ltd. for both directions. The volume fee is payable against the natural gas volume measured at the respective exit point. The exit point could be either Vecsés in case of deliveries Hungary -> Slovakia, or any other exit points in case of deliveries Slovakia -> Hungary.
The "actual specific international interconnection fee" is another fee, additional to the previous ones, to be paid? If yes, how much is it?	Beside the above detailed capacity and volume fees there is a so called specific fee charged for using the capacity of the Hungarian section of the SK-HU Interconnector. Accordingly, assuming e.g. that natural gas is to be delivered in the direction Slovakia -> Hungary the following fees are to be settled: specific fee +entry capacity fee+exit capacity fee+volume fee. If deliveries are completed in the direction Hungary -> Slovakia, the entry capacity fee + the exit capacity fee + the specific fee + the volume fee are to be paid.
Could you please explain when is the starting day for the capacity that we book on the Hungarian part? On one side it is said that is on 1 st of January 2014, on the other side that the FGSZ's gas year starts on 1 July.	The Target Commercial Operation Date is 1 January 2014. Should bidders wish to contract capacity from this date till 1 July 2014 when the actual gas year will start, monthly capacity booking terms are offered.
At the end of point 7 of the Contract it is written: " The sum of the bank guarantee": *The total sum of the projected three highest monthly volume fees". This sentence seems to be unfinished. Could you please explain the meaning?	"The sum of the bank guarantee": The actual sum of the bank guarantee will be written here. The next "sentence" is not a sentence itself, it's an explanation what fees must be covered by this sum.
Could you please send us an example of calculation of the bank guarantee to be issued for the period between the signing of the transmission contract and the start operation date (for example for 1 lot for a period of 10 years)?	The max. initial specific fee (185.30 HUF/MJ/d/y) is to be multiplied by one lot (3,400,000 MJ/d) and the annual capacity fee is the result of 630,020,000 HUF. In case of the booking period is 5 or more years, the annual fee is to be multiplied by 5. See second section of Article 7. of the Long term Capacity Booking, Natural Gas Transmission and System Operation Contract (LTCA).

Regarding the bank guarantee starting from the operation of the interconnector, shall we issue a guarantee as indicated in point 7 of the Contract and not as point 12.4.1 of the general terms (" the sum of the 1/12 part of the annual capacity fee and the system operation fee payable under the Contract adding also the amount of the highest estimated volume fee during the winter months and the highest estimated monthly odorizing fee")? Please give an example of calculation, if different from the previous point.	Please note that the last paragraph of the Article 2. of the LTCA clearly states that in case of any discrepancies the provision of the said Contract shall prevail.
Registration and creditworthiness: should we have to perform once again the registration and creditworthiness process?	If the shipper declares that there are no changes neither in his previous registration nor in his creditworthiness terms provided in the Open Season Binding phase 1, there is no need to perform/submit the said documents once again.
Tariffs: can you confirm me that the only tariff to be paid for the transit through the Interconnector is the specific fee? Volume, entry and exit fees shall be paid in case of usage of the Hungarian national grid, right?	Yes, it is correct and confirmed.
Do we need to fill out the registration form and send the annual report as this was also done for the previous open season process?	If the shipper declares that there are no changes neither in his previous registration nor in his creditworthiness terms provided in the Open Season Binding phase 1, there is no need to perform the said documents once again.
Will the information day be held on 8 November 2010 as anticipated? Is it necessary to register prior to the meeting?	Information day has been held 15th November 2010 in Bratislava.
Do we need to fill out the registration form and send the annual report as this was also done for the previous open season process?	If the shipper declares that there are no changes neither in his previous registration nor in his creditworthiness terms provided in the Open Season Binding phase 1, there is no need to perform the said documents once again.
What does the "border crossing capacity fee" exactly mean for the interconnector in the new OS as written on page 12 of FGSZ's information paper?	It's the specific fee to be paid for any "border crossing capacity" of the SK-HU Interconnector.
Is it construed the same way like in the first OS as a pipeline before the Hungarian domestic transport system?	Yes, there is no change in this respect.
Is there still an entry Vecsés into the Hungarian system or is it the interconnector now part of the existing domestic system (with licensing obligation in Hungary for shippers)? How can applicants picture the new situation themselves?	The Interconnector is still not part of the existing domestic system. A license to be granted by the HEO is essential provided capacity booking is made on the domestic system as well. If the latter is not required to be used, just the capacity of the Interconnector is to be booked, no license is required to do so.
Is there a right to exit from the procedure (without any penalty or payment obligation) if the demanded capacity cannot be allocated to the bidder (e.g. the overall demand for the first year is over 100%)?	Any bid submitted by an Applicant shall be an irrevocable, binding bid. As a consequence, Applicant has no right to exit from the procedure even if only a part of the demanded capacity would be allocated to him.
Regarding FGSZ's tariffs in the Interconnector, is it correct to assume that the only tariff to be paid is the one for cross border transportation (specific fee, 185.30/HUF/MJ/h/year) and that all the other tariffs (entry/exit/volume fees) will be paid only for capacity in the Hungarian system?	Yes, it's absolutely right. However, it is worth to underline that the interconnector can not be used without corresponding capacities booked on the Hungarian system. The latter can be booked either by the the same Shipper or by his business partner. In this case FGSZ's title transfer service shall be used as well.
Can FGSZ compare procedure of SK-HU pipeline with Croatian Interconnector?	The Croatian Interconnector has been build under different regime, but the methodology of Interconnectors between Hungary/Romania and Hungary/Serbia are comparable with SK-HU Interconnector.
What is the direction of flows in transmission system of eustream and what is the impact on flows from Baumgarten?	The main flow is from east to west, which is the physical flow. Nonetheless, eustream offers commercial flows from Baumgarten and from Lanžhot, which are widely used by shippers as a link between hubs and storages. In case of crisis the reverse flow functionalities are in place in order to guarantee security.
Is the level of prices for 2014 known for eustream?	The prices for 2014 are known and valid for contracts, concluded within the Open Season. The prices for 2014 for companies, wishing to conclude short-term contract after finalization of the pipeline and not willing to take part in the Open Season are to be decided only then.
How does the TTF work in FGSZ system?	The TTF is currently free of charge in Hungary, but proposal is for charging the fee. The level of the fee shall be decided by price decree shortly. There will be different level of fees for TTF at Physical points compared to Notional point. Contract can be concluded as imbalanced, but every day flow must be balanced.
Is the trading at virtual trading point possible without transmission contract?	Yes, it is possible.
Could you more elaborate on methodology of setting tariffs and assessment of economical viability?	Eustream explained the benchmark as a tariff methodology in Slovakia, underlining that eustream bears smaller part in SK-KU investment. Of course standard economical discounted cash flow analysis has been a prerequisite for setting tariffs. Both operators pointed out the fact that risk exposure of TSOs cannot be unlimited, therefore economical justification of the project and certain level of market interest is an important part of decision making when taking the FID decision.