



# **OPERATIONAL ORDER**

**of eustream, a.s. as a transmission system operator**

**laying down commercial conditions  
for access to the transmission network and gas transmission  
and for connection to the transmission network.**

**Valid from 02 July 2021**

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## 1. PREAMBLE

The company eustream, a.s., having its registered office at Votrubova 11/A, 821 09 Bratislava, Slovak Republic, registered in the Commercial Register of the Bratislava I District Court, Section: Sa, file No. 3480/B, IČO (Identification Number): 35 910 712, is authorized to carry out the transmission of natural gas ("**Transmission System Operator**" or "**the TSO**");

In accordance with Section 15(6) and Section 45(4) of Act No. 250/2012 Coll. on regulation in network industries (the „Regulation Act“) and the Decree of the Regulatory Office of Network Industries No. 24/2013 Coll. laying down rules for the operation of internal market in electricity and rules for the operation of internal market in gas (the "**Market Rules**"), the TSO shall submit and, after the approval by the Regulatory Office of Network Industries ("**RONI**"), publish an Operational Order of the transmission system operator, which shall lay down the commercial conditions for access to the transmission network and gas transmission and of connection to the transmission system (the "**Operational Order**") and which, pursuant to Section 13(4) of the Regulation Act, shall be binding for all market participants;

the Operational Order, as defined in Section 19(7) of Act No. 251/2012 Coll. on the energy industry and amending certain laws (the "**Energy Act**") in conjunction with Section 49(6), letters (e) and (g) lays down the commercial conditions for access to the transmission network and gas transmission and for connection to the transmission network.

## 2. DEFINITIONS

For the purposes of this Operational Order, the following definitions shall apply:

- a) **Daily Imbalance Quantity** means the difference between the allocated Gas Quantities supplied and off-taken by a User at the end of a Gas day, for which the User is responsible, adjusted by the Quantity of gas provided for operational needs in kind.
- b) **Additional Services** means the services pursuant to Article 5 of the Operational Order.
- c) **Gas Quantity** means the energy value of gas expressed in kWh or MWh.
- d) **Over-nomination** means the entitlement of Network Users to request interruptible capacity at any time within a day by submitting a nomination which increases the total of their nominations to a level higher than their allocated capacity.
- e) **Regulation on Capacity Allocation** means Commission Regulation (EU) No 2017/459 of 16 March 2017 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and repealing Commission Regulation (EU) No 984/2013.
- f) **Regulation on Congestion Management principles** means Commission Decision of 24 August 2012 on amending Annex I to Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks.
- g) **Regulation on Gas Balancing** means Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a network code on gas balancing of transmission networks.
- h) **Regulation on Interoperability rules** means Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange.
- i) **Gas day** means a time period of 24 hours, starting at 6.00 hours CET; on the day of transition to Central European Summer Time, the gas day shall be a time period of 23 hours and on the day of transition to Central European (Winter) Time, the gas day shall be a time period of 25 hours.

- j) **Business day** means a day in a week, except for statutory days off and rest days and holidays (public holidays in the Slovak Republic).
- k) **Preliminary Daily Imbalance Quantity** means the difference between Gas Quantities supplied and off-taken by a User based on the last confirmed nomination or re-nomination of that User, adjusted by the Gas Quantity provided for operational purposes in kind.
- l) **Interconnected Distribution Network** means a gas distribution network on a defined territory directly connected to the transmission system of the TSO.
- m) **Interconnected Transmission Network** means a gas transmission network, which is directly connected to the transmission network of the TSO.
- n) **Interconnected Network** means an Interconnected Distribution Network, Interconnected Transmission Network and Interconnected Storage Facility.
- o) **Interconnected Storage Facility** means an underground storage facility in the defined territory, which is directly connected to the transmission network of the TSO.
- p) **Interconnection Agreement** means an agreement between the TSO and the operator of an Interconnected System regulating their mutual relationships.
- q) **Operational Order** means this Operational Order laying down commercial conditions for access to the transmission system and gas transmission and connection to the transmission system.
- r) **Reference gas price** in the TSO system means the price of natural gas expressed as CEGHIX index. The CEGHIX Index is the price index of the trading venue CEGH Gas Exchange of Wiener Börse and is publicly available on the website of the trading venue (<http://www.cegh.at/>).
- s) **Allocation regime** means the rules for allocating Gas Quantities to individual Users at an entry point to and/or exit point from the transmission network and/or at a Virtual Trading Point.
- t) **Party** means either the TSO or a User.
- u) **Technical Conditions** means the document issued by the TSO pursuant to the applicable legal regulations, which lays down the technical conditions for access to the transmission network, connection to the transmission network and the rules of operation of the transmission network.
- v) **User** means a Network User and/or a Service User.
- w) **Network User** means a market participant, who entered into a Contract with the TSO.
- x) **Service User** means a market participant, who entered into a contract for Additional Services with the TSO.
- y) **User Pair** means the pair of alphanumeric codes specifying in a detail the process for delivery and off-take of gas. The first part of the User Pair identifies the market participant delivering gas and the second part identifies the market participant overtaking delivery of the gas.
- z) **Virtual Trading Point or VTP** means a virtual point within the transmission network of the TSO between the entry and exit points, where it is possible to transfer the title to gas through the Title Transfer service and to use other Additional Services.
- aa) **Contract** or **Contract on Access to Transmission Network and Gas Transmission** means a contract pursuant to Articles 4.1 and 4.2 of the Operational Order (including an individual Contract).
- bb) **Request** means a binding request by a Network User for access to the transmission network and for gas transmission, submitted in writing or in an electronic form using the relevant web-based booking platform.

The other terms used in this Operational Order shall be construed in accordance with the Energy Act, the Regulation Act, the Market Rules and the applicable Commission Regulations. Any reference to time shall be the reference to time then valid in the Slovak Republic pursuant to the generally binding legal regulations.

### 3. ACCESS TO THE TRANSMISSION NETWORK

#### 3.1. Entry points, exit points, VTP

3.1.1. The transmission network of the TSO has the following entry points:

- a) Lanžhot – entry point from the transmission network of gas facilities on the territory of the Czech Republic, Baumgarten – entry point from the transmission network of gas facilities on the territory of Austria,
- c) Veľké Kapušany – entry point from the transmission network of gas facilities on the territory of Ukraine,
- d) Budince – entry point from the transmission network of gas facilities on the territory of Ukraine,
- e) Veľké Zlievce – entry point from the transmission network of gas facilities on the territory of Hungary,
- f) domestic point – entry point from distribution networks and storage facilities on the territory of the Slovak Republic.

3.1.2. The transmission network of the TSO has the following exit points:

- a) Lanžhot – exit point to the transmission network of gas facilities on the territory of the Czech Republic,
- b) Baumgarten – exit point to the transmission network of gas facilities on the territory of Austria,
- c) Veľké Kapušany – exit point to the transmission network of gas facilities on the territory of Ukraine,
- d) Budince – exit point to the transmission network of gas facilities on the territory of Ukraine,
- e) Veľké Zlievce – exit point to the transmission network of gas facilities on the territory of Hungary,
- f) domestic point – exit point to distribution networks and storage facilities on the territory of the Slovak Republic.

3.1.3. Entry points and exit points Lanžhot, Baumgarten and Veľké Zlievce are interconnection points pursuant to the Capacity Allocation Regulation (hereinafter collectively referred to as “**EU Interconnection Points**”).

3.1.4. Entry points and exit points Veľké Kapušany and Budince are separate and mutually independent entry points from and exit points to third countries (hereinafter collectively referred to as “**Interconnection Points to/from Third Countries**”).

3.1.5. Entry point domestic point and exit point domestic point are not EU Interconnection Points within the meaning of the Capacity Allocation Regulation. For the avoidance of any doubts, transmission pursuant to this Operational order shall be deemed to include transmission from a domestic entry point to a domestic exit point.

3.1.6. VTP is a special point within the transmission network.

3.1.7. Gas transmission from the transmission network to Interconnected Networks or gas transmission into the transmission network from Interconnected Networks takes place through physical entry and exit points defined in the Technical Conditions.

3.1.8. The TSO takes over the responsibility for gas after overtaking delivery of the gas at an entry point.

3.1.9. The User takes over the responsibility for gas after its offtake at an exit point.

### **3.2. Publication of available capacities**

3.2.1. The TSO shall, on its website, publish information about available transmission capacity in accordance with the applicable regulations and Commission Regulations.

### **3.3. Capacity allocation**

3.3.1. Access to the transmission network is provided by means of capacity allocation at the respective entry point or the respective exit point, and by the entry into a Contract on access to the transmission network and gas transmission.

3.3.2. Capacity at EU Interconnection Points is allocated in auctions in accordance with the Capacity Allocation Regulation.

3.3.3. Capacity at Interconnection Points to/from Third Countries and the domestic point is allocated based on an Request for access to the transmission network and gas transmission, based on the first-come-first-served principle.

### **3.4. System for capacity allocation at EU Interconnection Points**

3.4.1. Capacity allocation at EU interconnection points shall be governed by the principles and procedures set out in the Capacity Allocation Regulation.

3.4.2. The TSO allocates bundled and unbundled capacity at EU Interconnection Points using web booking platforms. The TSO shall publish, on its website, information about the particular web booking platform used for capacity allocation at a particular entry or exit point. Auctions are held according to the conditions laid down by the relevant web booking platform.

3.4.3. Available transmission capacity for standard capacity products shall be offered by the TSO in an auction held on the relevant web booking platform in accordance with the Capacity Allocation Regulation. The conditions of participation in an auction defined by the TSO are the following:

- entry into a Framework Agreement between the TSO and a Network User and subsequent admission of the Network User by the Transmission System Operator to the platform
- depositing a financial guarantee in accordance with the requirements defined in Article 7.6.

3.4.4. After the end of an auction, the administrator of the web booking platform shall send the results to the Network Users, who participated in the auction.

3.4.5. After the publication of auction results, the TSO reserves the right to inspect, whether or not the requirements on a financial guarantee pursuant to Article 7.6 are met and whether or not the resulting price is in accordance with the applicable price decision. If necessary, the TSO shall ask the Network User to increase the amount of a financial guarantee and the Network User shall be obliged to increase the amount of a financial guarantee to the required level, or the TSO shall adjust the price in the confirmation of capacity allocation so that it complies with the valid price decision.

The TSO shall, after the publication of auctions results, send in an electronic form a capacity allocation confirmation containing data about the quantity and period of capacity allocation, the relevant entry/exit point and the price and auction surcharge, if any. Only the capacity allocation confirmation sent by the Transmission System Operator shall be binding. Upon sending the capacity allocation confirmation by the TSO, an individual Contract is entered into in accordance with the Framework Contract.

3.4.6. Standard capacity product auctions are held at the following intervals:

- a) Yearly capacity auctions - once a year,
- b) Quarterly capacity auctions - once a quarter,
- c) Monthly capacity auctions - once a month,
- d) Day ahead capacity auctions (applying to a next day) - once a day,
- e) Within-day capacity auctions shall be held every hour during gas day.

3.4.7. The TSO shall make available and offer technical capacity for individual standard capacity products in accordance with Articles 6 to 8 of the Capacity Allocation Regulation.

3.4.8. If the web-based booking platform does not allow the TSO to offer transmission capacity in auctions, the TSO shall be authorised to allocate capacity for the relevant standard capacity products based on the "first come first served" principle; Transmission capacity Requests must comply with the requirements on a Request pursuant to Article 3.5.1.2 until the reasons preventing the offering of capacity through the web booking platform cease to exist. The TSO shall inform the market participants of a change of the system for capacity allocation. The TSO shall not be liable to Network Users for any damages, which might be incurred by them as a result of the unavailability of the web booking platform or as a result of any act or omission by the operator of the web booking platform.

### **3.5. Capacity allocation system at Interconnection points to/from third countries and the domestic point**

3.5.1. Request for access to the transmission network and gas transmission.

3.5.1.1. A party applying for access to the transmission network and gas transmission over the TSO's transmission network (the "**Applicant**") at Interconnection Points to / from Third Countries and at the domestic entry / exit point shall submit an Request for access to the transmission network and gas transmission. The Request is a binding proposal by the Applicant to the Transmission System Operator to enter into a Contract.

3.5.1.2. The Request shall in particular contain:

- a) identification data of an Applicant;
- b) entry point(s) to the transmission network;
- c) exit point(s) from the transmission network,
- d) period and quantity of the required daily capacity at the relevant entry point,
- e) period and quantity of the required daily capacity at the relevant exit point,
- f) additional documents proving the Applicant's ability to meet the financial obligations to the Transmission System Operator arising out of the Contract, including the proposed form of a financial guarantee pursuant to Article 7.6 of the Operational Order, documents necessary for the entry into and performance of the Contract, such as excerpt from the Commercial Register, availability of adequate IT systems or other means enabling continuous communication with

the TSO dispatching centre and of a system for continuous operational communication throughout the duration of the Contract, as well as any other documents required by the TSO, if any.

- 3.5.1.3. The TSO shall publish the form of a Request on its website. The minimum required daily capacity is twenty-four (24) MWh / a day. The TSO shall have the right to reject an Request, if the required daily capacity for individual entry points to or exit points from the transmission network is below the minimum required daily capacity.
- 3.5.1.4. For Contracts, where the term of a provision of gas transmission is one (1) year or longer, the Applicant shall deliver the Request to the TSO's address no later than fifteen (15) Business days before the required commencement of gas transmission. For Contracts, where the term of a provision of gas transmission is shorter than one (1) year, the Applicant shall deliver the Request to the TSO's address no later than ten (10) Business days before the required commencement of gas transmission. The Request must be in writing and must be complete, i.e. it must state all required data completely and accurately and all required documents must be attached thereto. The documents, which are required to be attached to the Request, form an integral part of the Applicant's Request. Subject to an agreement with the TSO, the time periods set out in the present Article may be shortened. The Applicant shall submit the documents required by the TSO as a part of its Request as copies. At the TSO's request, the Applicant shall present the original document for the purpose of comparison with the submitted copy. The Applicant shall present the requested original document without undue delay and in any case within four (4) calendar days of the receipt of the request for presentation of the original document. In case any discrepancies between the copy and the original document are established, the relevant document shall be deemed submitted on the day of presentation of the original.
- 3.5.1.5. If the period between the required gas transmission commencement and termination date is equal to or longer than one (1) year, the TSO shall not be obliged to evaluate the Request, if it is submitted earlier than three (3) years before the required commencement of gas transmission. Where the Request relates to a short-term Contract, the Applicant is not entitled to submit the Request more than one (1) year before the required commencement of gas transmission, except for identical recurring transmission capacity in the same period over a number of years, and except for a short-term Contract being an immediate identical continuation of an annual or long-term Contract.
- 3.5.1.6. An Request shall be deemed duly delivered on the date, on which the Applicant delivers the complete Request as defined in Articles 3.5.1.1 to 3.5.1.5 of the Operational Order. Such Request shall constitute a binding proposal by the Applicant to enter into a Contract.
- 3.5.2. Evaluation of Request and entry into a Contract
- 3.5.2.1. The TSO shall evaluate the Requests in the order, in which they were received in time (applying the "first come first served" principle). The TSO shall, after receiving an Request, evaluate the information contained therein and the documents submitted. If an incorrectly completed or incomplete Request was submitted, the TSO shall request, without undue delay, the missing or correct information or documents and set a period not exceeding 10 Business days (unless the TSO and the Applicant agree otherwise) to the Applicant to correct or complete the Request. When allocating

transmission capacity, the TSO shall take into account the time of receiving the complete Request.

- 3.5.2.2. If there are no grounds for rejecting transmission capacity allocation under Article 3.8 of the Operational Order, the TSO shall, within ten (10) calendar days after receiving a complete Request, allocate to the Applicant the required transmission capacity in the form of a capacity allocation confirmation for the required entry and/or exit points and inform the Applicant of the dates and conditions for providing the financial guarantee in accordance with Article 7.6 of the Operational Order, depending on the chosen form of a financial guarantee, as specified in the Request.
- 3.5.2.3. After capacity allocation, the TSO and the Network User shall enter into a Contract in accordance with Article 4.1.1.

### 3.6. Congestion management at EU Interconnection Points

- 3.6.1. Capacity increase consequently to oversubscription and a buy-back scheme, the TSO shall make available, at entry EU Interconnection Points to and exit EU Interconnection points from the transmission network, additional transmission capacity defined as an addition to the technical capacity ("**Additional Capacity**"). The quantity and duration of subscription of the offered Additional Capacity shall be determined by the TSO, taking into account statistical scenarios for the likely quantity of physically unused capacity at the relevant entry/exit point, considering also a risk profile for offering Additional Capacity which does not lead to excessive buyback obligation. Additional Capacity is sold together with the firm transmission capacity, before allocating Surrendered Capacity and Withdrawn Capacity. The tariffs for gas transmission in accordance with the RONI's price decision for firm capacity shall apply to the Additional Capacity.
- 3.6.2. In case of physical congestion of the transmission network caused by oversubscription, which lasts even after interruption of transmission to Network Users with allocated interruptible capacity, the TSO shall apply a market-based buy-back procedure, until physical congestion of the transmission network is eliminated. When a buy-back procedure is applied, all relevant Network Users with firm capacity at the relevant entry/exit point in the relevant direction can offer capacity, up to the quantity of their nomination. Capacity shall be bought back in the order starting from the lowest price offered, and the buy-back price shall, as a maximum, equal to the price of firm capacity of the relevant Network User, from whom capacity is bought back. After capacity is bought back by the Transmission System Operator from a Network User, that Network User shall be obliged to reduce its nomination for transmission at the relevant entry/exit point by the quantity of the capacity bought back; otherwise, the TSO shall have the right to modify the Network User's nomination. If the TSO is not able to buy back the required capacity, capacity allocated to all Users will be reduced on a pro rata basis depending on their nominations for the relevant point and in the relevant direction; such reduction of capacities shall not constitute a breach of the Contract in respect of the relevant capacities by the TSO and the TSO shall incur no liability whatsoever towards the Network Users. In case the TSO carried out the process of capacity reduction, the TSO shall reject a re-nomination by a Network User, which would lead to the process being restarted. Users, whose nominations were reduced, shall pay a proportionally reduced tariff.

### 3.6.3. Surrender of contracted capacity

The TSO shall accept from a Network User the application for surrender of firm capacity ("**Surrendered Capacity**") subject to the terms set forth below in this Article 3.6.3. This applies to Contracts for capacity products with duration of longer than one (1) day.

Surrendered capacity shall be allocated only after the allocation of all remaining firm available capacity by the TSO, including Additional Capacity and prior to allocation of Withdrawn Capacity. After the allocation of offered Surrendered Capacity, the TSO shall immediately notify the original Network User. The original Network User shall fully retain the rights and obligations under the Contract until the allocation of the Surrendered Capacity or a part thereof to a new Network User. After its allocation to the new Network User, the original Network User shall lose its contracted capacity in the quantity and duration of the Surrendered Capacity allocated to the new Network User and shall fully retain all rights and obligations under the original Contract, reduced by the quantity of Surrendered Capacity that was allocated to the new Network User.

In case of partial surrender of firm capacity, the tariffs for gas transmission charged to the original Network User shall be amended in such a way that they are fully in line with the RONI's price decision applicable to the original Contract of the original User (considering the valid tariff escalation method).

Surrender of Surrendered Capacity requires the consent of the TSO. The TSO shall not unreasonably reject such consent. The new Network User shall be obliged to provide a financial guarantee pursuant to Article 7.6 of the Operational Order; the time limits specified therein shall be applied accordingly.

To enable surrender of capacity, the TSO shall make available an online tool to Network Users, through which the Network Users may submit requests for surrender of contracted capacity. The TSO shall confirm the receipt of the request for surrender of capacity. The original Network User shall have the right to withdraw the request until the moment, when the Surrendered Capacity is offered for sale in an auction on the web booking platform. When allocating Surrendered Capacities of several Network Users, the capacity of that Network User, who was the first to submit the request for surrender of capacity, shall be allocated first.

#### 3.6.4. Long-term "use-it-or-lose-it" mechanism

The TSO shall, subject to the hereunder mentioned conditions, partially or fully withdraw systematically underutilized contracted capacity on an entry/exit point by a Network user where that Network User fails to offer its unused capacity for surrender and where other Network Users request firm capacity, Additional Capacity or Surrendered Capacity, which, however is not available, even after the application of Articles 3.6.1 and 3.6.3 ("**Withdrawn Capacity**") and shall offer it for sale in an auction on the web booking platform.

Contracted capacity is considered to be systematically underutilized in particular if the Network User uses less than eighty (80) % in average of its contracted capacity both from 1 April until 30 September and from 1 October until 31 March with an effective Contract duration of more than one year.

If the above conditions are met and another Network User asks for firm capacity, Additional Capacity or Surrendered Capacity and none of them is left in the required quantity and duration, the TSO shall ask the Network User with underutilized capacity for justification. If no proper justification is provided by the Network User to the Transmission System Operator, the TSO shall request the RONI for approval of capacity withdrawal from that Network User, by submitting a justified proposal of the quantity and duration of capacity withdrawal, terms of withdrawal and justification of the situation. In any case, the proposed quantity and duration of capacity withdrawal shall not exceed the capacity required by the market, which could not be allocated in the form of firm capacity, Additional Capacity or Surrendered Capacity. If the RONI approves the proposal, the TSO shall offer this capacity to other gas market participants.

Allocation of Withdrawn Capacity to a new Network User requires the consent of the TSO. After the allocation of Withdrawn Capacity, gas transmission tariffs shall apply to the original Network User with Withdrawn Capacity so as to be fully in line with the RONI's price decision governing the original Contract of the original Network User with Withdrawn Capacity (considering the valid tariff escalation method). The new Network User, to whom Withdrawn Capacity is sold, shall be obliged to provide a financial guarantee pursuant to Article 7.6 of the Operational Order; the time limits specified therein shall apply accordingly.

The Withdrawn Capacity shall only be sold after all remaining available firm capacity is allocated by the TSO and all Additional Capacity and Surrendered Capacity is sold out. The original Network User with Withdrawn Capacity shall retain its rights and obligations under the Contract until the Withdrawn Capacity is sold to a new Network User. After its sale to the new Network User, the original Network User shall lose its contracted capacity in the quantity and for the duration of the Withdrawn Capacity, which was allocated to the new Network User, and shall fully retain all rights and obligations under the original Contract, reduced by the quantity of the Withdrawn Capacity that was allocated to the new Network User. Capacity withdrawal pursuant to this Article shall not be considered a breach of Contract and the TSO shall, for this reason, have no liability whatsoever towards the Network User.

- 3.6.5. Transmission network congestion management principles referred to in Articles 3.6.1 to 3.6.4 are aimed to address contractual and physical congestion and make available capacities to those Network Users, who are interested in such capacities under the circumstances of transmission network congestion; the application of these procedures should not be to the detriment of the TSO. In case of properly justified concerns by the TSO that the application of these principles might cause damage to the TSO, the TSO shall suspend the application of transmission system congestion management principles under Articles 3.6.1 to 3.6.4, and shall immediately inform the Network Users and RONI thereof and shall then, together with RONI, seek an appropriate solution to the situation.

### **3.7. Congestion management at Interconnection Points to / from third countries and domestic point**

- 3.7.1. Where the level of firm transmission capacity demand by Applicants exceeds, at a given time, the available transmission capacity at the relevant entry point to or exit point from the transmission network, congestion of the transmission network is deemed to exist and this situation is referred to as shortage of available firm transmission capacity.
- 3.7.2. If no or insufficient firm transmission capacity is available, the TSO shall inform the Applicant of the shortage of required firm capacity and offer to him a Contract with the maximum possible firm capacity and/or interruptible capacity, if available.

### **3.8. Denial of access to the transmission network**

- 3.8.1. The TSO shall, for the following reasons, have the right to reject access to the transmission network:
- a) a decision was issued by a competent authority granting temporary exemption from the obligation to provide access to the network;
  - b) lack of transmission network capacity;
  - c) access to the network would prevent performance of general economic interest obligations, or

- d) failure to comply with the conditions for access to the transmission network and gas transmission, as defined in the Operational Code and/or the Technical Conditions.

## 4. TRANSMISSION SERVICES

### 4.1. Contract on access to the transmission network and gas transmission at Interconnection Points to/from Third Countries and at the domestic point

- 4.1.1. After delivering the capacity allocation confirmation in line with paragraph 3.5.2.3 a draft Contract between the TSO and a Network User (with this Operational Order forming an integral part thereof) shall be delivered to the Applicant. If no Contract with the TSO is entered into by the Applicant within thirty (30) calendar days of capacity allocation and in any case not later than three (3) days before the scheduled start of transmission, the Transmission System Operator shall have the right to cancel the capacity allocation. In such a case, the TSO shall be entitled to compensation of all damages incurred by the TSO in this respect, including damages incurred as a result of blocking transmission capacity in the period from the delivery of capacity allocation confirmation to the Applicant until the notice of cancellation of capacity allocation. For the purposes of the present Article, the date of the Contract shall be deemed the date, on which a duly signed counterpart of the Contract was delivered to the TSO.
- 4.1.2. If the Network User does not provide to the TSO the financial guarantee agreed in the Contract within the period of time, in the form and/or in the amount in accordance with Article 7.6 of the Operational Order, the TSO shall have the right to withdraw from the Contract; the Contract shall be extinguished in the moment of delivery of the notice of withdrawal from the Contract to the Network User. In such a case, the TSO shall be entitled to compensation of all damages incurred by the TSO in this respect, including damages incurred as a result of blocking transmission capacity in the period from the delivery of capacity allocation confirmation to the Applicant until the notice of withdrawal from the Contract by the Transmission System Operator.

### 4.2. Framework contract on access to the transmission network and gas transmission

- 4.2.1. The entry into a Framework Agreement is a prerequisite for access to auctions held for the allocation of capacities at EU Interconnection Points .
- 4.2.2. The TSO and a Network User may enter into a Framework Contract for booking of capacity at Interconnection Points to / from Third Countries and at the domestic entry/ exit point.
- 4.2.3. The Framework Contract shall be concluded in advance before capacity allocation, i.e. without specifying the period and quantity of transmission capacity or the relevant entry point and/or exit point.
- 4.2.4. When entering into the Framework Contract, the Network User shall agree on the form of the financial guarantee. The provisions of Article 7.6 of the Operational Order shall apply accordingly to the form of financial guarantee.

- 4.2.5. Conclusion of the Framework Contract shall be deemed a conclusion of a Contract pursuant to the Operational Order, without specifying the period and quantity of transmission capacity or the relevant entry point and/or exit point. The period and quantity of transmission capacity and the relevant entry and/or exit points will subsequently be specified in the relevant individual Contract.
- 4.2.6. The individual Contract shall be entered into based on an Request by the Network User and capacity allocation confirmation by the TSO and shall form an integral part of the Framework Contract.
- 4.2.7. The procedure for submitting the Request, the form of Request and the process for allocation of capacities at EU Interconnection Points or, as the case may be, at Interconnection Points to/from Third Countries or at the domestic entry point/exit point will be specified in the Framework Contract.
- 4.2.8. For the purpose of booking transmission capacity at Interconnection Points to/from Third Countries and at the domestic entry point/exit point, the Network User may ask for capacity allocation:
- one (1) day before the start of the required transmission capacity in case of a day ahead capacity for the following Gas Day,
  - one (1) month at the earliest and not later than one (1) Business Day before the commencement of the required capacity in case of capacities with a duration of one day or several days;
  - six (6) months at the earliest and not later than one (1) Business Day before the commencement of the required capacity in case of monthly or annual capacities.
- 4.2.9. Booking by an electronic system of transmission capacity at Interconnection Points to/from Third Countries and at the domestic entry point/exit point with a duration of more than one (1) day shall be possible until 14:00 hours of the last Business Day preceding the commencement of the required transmission capacity (D day). Booking of transmission capacity for the next Gas Day shall be possible until 17:00 hours of the calendar day (D-1) preceding the date of gas transmission (D day).
- 4.2.10. For the purpose of booking transmission capacity at EU Interconnection Points, the Network User shall proceed in accordance with the valid auction calendar.
- 4.2.11. After the entry into the Framework Contract, the TSO shall monitor the amount of the financial guarantee provided and, if an individual Contract is to be entered into based on an Request, which, taken together with the other individual Contracts of that Network User would result into the amount of a financial guarantee dropping below the minimum amount pursuant to Article 7.6 of the Operational Order, the TSO shall request the Network User to increase the amount of a financial guarantee. If the Network User does not increase the amount of a financial guarantee, the TSO shall not be obliged to allocate to the Network User the full required capacity or to enter into an individual Contract.
- 4.2.12. Individual Contracts with appropriate durations may be entered into based on the Framework Contract, provided that the Framework Contract remains valid throughout the duration of the individual Contract.

### **4.3. Firm transmission capacity**

- 4.3.1. The TSO shall, based on the Framework Contract and through the web booking platform, offer firm transmission capacity at EU Interconnection Points as:
- yearly standard capacity product;
  - quarterly standard capacity product;
  - monthly standard capacity product;
  - daily standard capacity product;
  - within-day standard capacity product.
- 4.3.2. Yearly standard capacity product shall be the capacity, which may be applied for, in a given quantity, by a Network User from the TSO for all Gas Days in a particular gas year (starting on the 1st of October).
- 4.3.3. Quarterly standard capacity product shall be the capacity, which may be applied for, in a given quantity, by a Network User from the TSO for all Gas Days in a particular quarter of a gas year (starting on the 1st of October, 1st of January, 1st of April or the 1st of July respectively).
- 4.3.4. Monthly standard capacity product shall be the capacity, which may be applied for, in a given quantity, by a Network User from the TSO for all Gas Days in a particular calendar month (starting on the 1<sup>st</sup> day of each month).
- 4.3.5. Daily standard capacity product shall be the capacity, which may be applied for, in a given quantity, by a Network User from the TSO for a single (1) Gas Day.
- 4.3.6. Within-day standard capacity product shall be the capacity, which may be applied for, in a given quantity, by a Network User from the TSO within a particular Gas Day.
- 4.3.7. At EU Interconnection Points, the TSO shall offer, in cooperation with the relevant operator of Interconnected Transmission System, bundled capacity products on the basis of bundling arrangements.
- 4.3.8. Where there is more available firm capacity on one side of an EU Interconnection Point than on the other side for any period considered, the TSO may offer such capacity as an unbundled product in accordance with the auction calendar. Where there is an existing unbundled transmission contract on the other side of the interconnection point, capacity may be offered by the TSO on an unbundled basis not exceeding the quantity and duration of the existing Contract on the other side and otherwise for a maximum period of one (1) year.  
The TSO shall have the right, to apply a capacity allocation method ensuring matching of capacities on both sides.
- 4.3.9. At Interconnection Points to/from Third Countries and at the domestic point, the TSO shall offer firm transmission capacity and enter into a Contract for firm transmission capacity as:
- a long-term Contract,
  - an annual Contract,
  - a short-term Contract.
- 4.3.10. A long-term Contract is entered into for a term exceeding twelve (12) months, starting from the first day of a calendar month; the term may not equal to integer multiples of twelve (12) months. With the exception of the first twelve (12) calendar months, when capacity needs to be agreed at the same level, it is possible, upon the entry into a Contract, agree a different quantity of capacity at the respective entry point and/or exit

point, unless the TSO and the Network User agree otherwise. If transmission capacity for several consecutive years in parallel yearly standard capacity auctions is allocated to a Network User such a concluded Contract shall be deemed a long-term Contract.

- 4.3.11. An annual Contract is entered into for a period of twelve (12) consecutive months as of the first day of a month. In the Contract, the parties shall agree on a single quantity of capacity for the relevant entry point and/or exit point for the entire duration of the Contract, unless the TSO and the Network User agree otherwise.
- 4.3.12. A short-term Contract is entered into as a monthly (Article 4.3.14 of the Operational Order) or as a daily (Article 4.3.15 of the Operational Order) contract.
- 4.3.13. The TSO may offer a short-term Contract also with a duration shorter than one day, which the Network User may ask for the TSO during a particular Gas Day at the Interconnection Points to / from Third Countries.
- 4.3.14. A monthly Contract is entered into for a period of less than one (1) year, always starting on the first day of a calendar month and for a duration equal to an integer multiple of calendar months.
- 4.3.15. A daily Contract is only entered into for a period shorter than one month, starting from any day of a calendar month and for a duration equal to an integer multiple of calendar days.
- 4.3.16. By entering into a Contract for firm transmission capacity at an EU Interconnection Point and/or Interconnection Point to/from Third Countries or a domestic point, the TSO undertakes to provide gas transmission from the entry point and/or transmission to the exit point, during the entire duration of the Contract, up to the level of the agreed capacity, except in circumstances under Article 6.2 of the Operational Order.

#### **4.4. Interruptible transmission capacity**

- 4.4.1. The TSO may enter into a Contract for interruptible transmission capacity with a Network User only if interruptible transmission capacity is allocated to the Network User.
- 4.4.2. The TSO shall allocate interruptible capacity, if the market participant asked the TSO to do so and if there is no firm capacity available. The TSO may allocate unbundled interruptible capacity, if the market participant asked the TSO to do so and if there is no firm unbundled capacity available, even though firm bundled capacity is available.
- 4.4.3. By means of a Contract for interruptible transmission capacity, the TSO shall provide gas transmission from an entry point and/or to an exit point during the entire period of gas transmission up to the quantity of the agreed interruptible capacity.
- 4.4.4. Under interruptible capacity Contracts, the TSO shall have the right to fully or partially interrupt gas transmission particularly in situations, when continued use of interruptible capacity would impair transmission under firm capacity Contracts. If and to the extent possible, the TSO shall estimate the likelihood of interruption of gas transmission for interruptible capacity Contracts and the duration of such interruption and shall inform the Network Users thereof. The TSO shall inform the Network User of the interruption of gas transmission without undue delay after becoming aware of the condition leading to the interruption. The TSO shall also inform the Network User of the restoration of

gas transmission immediately after the circumstances causing the interruption in transmission cease to exist.

- 4.4.5. The TSO shall interrupt gas transmission for Network Users with interruptible capacity Contracts based on the contractual timestamp of the respective interruptible capacity Contract; in doing so, the TSO shall first interrupt gas transmission under those Contracts, which were entered into as the last ones. If it is necessary to interrupt transmission under Contracts ordered at the same time, the nominations of the respective Network Users shall be reduced pro rata to the quantity of the original nomination. After completing the process of interruption, the TSO shall have the right to reject a re-nomination by a User, which would trigger the need for restarting the interruption process.
- 4.4.6. The TSO offers interruptible transmission capacity at EU Interconnection Points as daily capacity products and/or within-day capacity products.
- 4.4.7. At EU Interconnection Points, the TSO may, in addition to daily and within-day capacity products, offer interruptible transmission capacity as a yearly interruptible capacity product, a quarterly interruptible capacity product and a monthly interruptible capacity product.
- 4.4.8. Interruptible within-day capacity shall only be allocated at EU Interconnection Points when there is no firm within-day capacity available; allocation shall take place by means of an Over-Nomination procedure. A User may ask for interruptible within-day capacity in the form of Over-Nomination, if it has already been allocated capacity at the relevant point and in the given direction.
- 4.4.9. At EU Interconnection Points, interruptible capacity auctions shall be conducted in accordance with the same design principles and timescales as applied for firm capacity.
- 4.4.10. The TSO shall offer interruptible capacity at Interconnection Points to / from Third Countries and the domestic point and enter into interruptible capacity Contracts in the form of long-term, annual and short-term Contracts as defined in Articles 4.3.10 to 4.3.12.
- 4.4.11. A Contract relating to Interconnection Points from/to Third Countries and the domestic point may include a combination of firm and interruptible capacity.

#### **4.5. Transmission capacity conversion service**

- 4.5.1. The TSO provides the conversion service for firm transmission capacity at EU Interconnection Points. In providing this service, the transmission capacity allocated to the Network User in the transmission capacity auction as a bundled capacity is replaced by the transmission capacity under a previously concluded Contract meeting the conditions of the Article 4.5.2. of the Operational Order.
- 4.5.2. The transmission capacity conversion service may be requested by a Network User who has concluded with the TSO the Contract on unbundled transmission capacity at the EU Interconnection Points before 1/11/2015, and only in case of insufficient offer of the unbundled transmission capacity in the direction of transmission concerned by the adjacent transmission system operator on the other side of the EU Interconnection Point.

- 4.5.3. The transmission capacity conversion service can be provided for products of annual, quarterly and monthly firm transmission capacity. The TSO has the right to confirm the conversion service only to the closest currently offered capacity product.
- 4.5.4. The network user is required to inform the TSO of his intention to request an unbundled transmission capacity conversion service for bundled transmission capacity no later than three (3) business days prior to the date of the respective auction of bundled transmission capacity, and must send this information by e-mail to: [transmission@eustream.sk](mailto:transmission@eustream.sk). The information, sent to the TSO, must contain in particular the following:
- 4.5.4.1 identification of the Network User;
  - 4.5.4.2 specification of the Contract with granted unbundled transmission capacity (date of conclusion);
  - 4.5.4.3 identification of the EU entry / exit Interconnection Point;
  - 4.5.4.4 the amount of transmission capacity and the capacity product for which the capacity conversion service is required;
  - 4.5.4.5 the term of transmission capacity auction at the EU Interconnection Point.
- 4.5.5. In the event the Network User succeeds in a transmission capacity auction, he has the right to request the TSO for the unbundled transmission capacity conversion service allocated to him in the auction (all or part of it) but up to the lower of the capacities: (i) the capacity level specified in the information sent in accordance with the Article 4.5.4 for which the capacity conversion service is to be provided; or (ii) the capacity level specified in the Contract for the unbundled capacity to which the conversion service is to be provided according to Article 4.5.4. After the respective auction, the TSO refuses the capacity conversion request of a . Network User who did not inform the TSO about the intention to convert according to Article 4.5.4
- 4.5.6. The Network User's request for a conversion service must meet requirements of the Article 4.5.4, meaning that this request is irrevocable, unconditional, must be signed by the Network User's authorized person and must be delivered in writing to the TSO office no later than three (3) business days from the end of the respective auction ("Conversion Service Request").
- 4.5.7. The TSO within three (3) business days of receipt of the Conversion Service Request confirms to the Network User, as a consequence of providing a conversion service, non-allocation of the new capacity acquired in the capacity auction at the amount specified in the Conversion Service Request in accordance with the Article 4.5.5. Unbundled transmission capacity, to which the TSO has confirmed the provision of a conversion service, shall be considered as a bundled transmission capacity at the respective amount and duration by delivery of the Confirmation of Conversion Service Provision in accordance with the Conversion Service Request.
- 4.5.8. The provision of the transmission capacity conversion service has neither effect on an already concluded Contract with allocated unbundled transmission capacity to which the conversion service has been provided, nor it creates a legal reason for its change and alteration of the terms agreed in the Contract.
- 4.5.9. Capacity released by capacity conversion becomes available transmission capacity and the TSO shall offer it in a next auction of the transmission capacity.
- 4.5.10. The Network User does not pay any payments or any other charges except for the auction premium if charged for the capacity released by the capacity conversion service.

## 5. ADDITIONAL SERVICES AND SHORTHAUL

### 5.1. Additional Services

5.1.1. The TSO offers the following Additional Services:

- a) Title Transfer service;
- b) cross-border connection of a storage facility;
- c) connection of a Storage Facility to VTP;
- d) Bi-directional capacity SK-UA.

### 5.2. Title Transfer service

5.2.1. The Title Transfer service is a service, by means of which the TSO enables the transfer of title to gas between the Service Users of the Title Transfer service within the TSO's transmission network.

5.2.2. The Title Transfer service is provided at the VTP, with the exception of point 5.2.3 of this Operational Order.

5.2.3. Where the transfer of title occurs immediately after gas transmission provided by the TSO to the Network User from an entry point to an exit point under a transmission contract, which does not enable to the Network User gas transmission from/to the VTP, the TSO shall provide the Title Transfer service also at the exit point.

5.2.4. The Title Transfer service is provided to Service Users of the Title Transfer service under a contract for the provision of the Title Transfer service (the "**Title Transfer Agreement**").

5.2.5. The TSO shall publish the form of the Title Transfer Agreement on its website.

5.2.6. Title transfer to gas taking place between the User and the TSO under a Contract for access to the balancing platform and/or the provision of balancing service shall not be considered the Title Transfer service.

5.2.7. The Title Transfer service can only be provided and the activities related to the operation of the VTP can only be carried out by the Transmission System Operator.

5.2.8. Nomination or re-nomination of the Title Transfer service shall be deemed to be a trade notification pursuant to Article 5 of the Regulation on Gas Balancing.

### 5.3. Cross-border connection of a storage facility

5.3.1. Up to the capacity set by the TSO, an Interconnected Storage Facility shall be considered to be infrastructure connected to the Baumgarten entry/exit point at the border. This connection may be used by the Interconnected Storage Facility operator, who shall undertake that the Gas Quantities flowing from the Baumgarten entry point to the physical point of connection of the Interconnected Storage Facility will be subsequently stored in the Interconnected Storage Facility with the possibility of withdrawal to the exit point of Baumgarten only.

- 5.3.2. TSO has right to determine total capacities and time periods reserved for the connection at the Baumgarten entry/exit point and maximum time validity of an agreement on cross-border connection of the gas storage facility.
- 5.3.3. Interconnected Storage Facility shall keep records of all intakes and outputs and gas stock in regards to article 5.3.1. on a separate account and it shall present the summary report including an account balance to the TSO for the last finished 12 calendar months until 15 April at the latest.
- 5.3.4. If the separate account maintained pursuant to Article 5.3.2 shows, at the end of the determined period, records of Gas Quantities, which do not meet the conditions for the provision of the service referred to in Article 5.3.1, the operator of the Interconnected Storage Facility will pay for such Gas Quantities a fee equal to the yearly price for transmission between the entry/exit point Baumgarten and the domestic entry/exit point in the relevant direction. For the purposes of determining the amount of this fee, the quantity of transmission capacity for the relevant direction shall be calculated as the relevant Gas Quantity for the period under review divided by three hundred sixty five (365).

#### **5.4. Gas storage facility connection to VTP**

- 5.4.1. Up to the capacity set by the TSO, an Interconnected Storage Facility shall be considered to be infrastructure connected in VTP. This connection may be used by the Interconnected Storage Facility operator, who shall undertake that the Gas Quantities flowing to the Interconnected Storage Facility using this connection will be subsequently stored in the Interconnected Storage Facility with the possibility of withdrawal via this connection to the VTP only.
- 5.4.2. TSO has right to determine total capacities and time periods reserved for the connection in VTP and maximum time validity of an agreement on connection of the gas storage facility in VTP. Interconnected Storage Facility shall keep records of all intakes and outputs and gas stock in regards to article 5.4.1. on a separate account and it shall present a summary report including the account balance to TSO for last finished 12 calendar months until 15 April at the latest
- 5.4.3. Handover and takeover of gas, which is meant to be stored, or which was stored in regards to Gas storage facility connection to VTP service between a Network User and the Interconnected Storage Facility operator is performed at the VTP. Handover and takeover of gas in regards to Gas storage facility connection to VTP service does not transfer title to gas.
- 5.4.4. If the separate account maintained pursuant to Article 5.4.2 shows, at the end of the determined period, records of Gas Quantities, which do not meet the conditions for the provision of the service referred to in Article 5.4.1, the operator of the Interconnected Storage Facility will pay for such Gas Quantities a fee equal to the yearly price for transmission for entry/exit point Domestic in the relevant direction. For the purposes of determining the amount of this fee, the quantity of transmission capacity for the relevant direction shall be calculated as the relevant Gas Quantity for the period under review divided by three hundred sixty five (365).

## 5.5. Bi-directional capacity SK-UA

5.5.1. The service of Bi-directional capacity SK-UA allows the Service User of Bi-directional capacity SK-UA to take advantage of a tariff discount related to the booked daily transmission capacities booked at the entry/exit points Veľké Kapušany and/or Budince simultaneously in the following combinations:

- a) entry Veľké Kapušany/exit Veľké Kapušany,
- b) entry Budince/exit Budince,
- c) entry Veľké Kapušany/exit Budince,
- d) entry Budince/exit Veľké Kapušany

and only in case if the capacities in the above-mentioned combinations:

- (i) are allocated at the same time;
- (ii) are allocated to the same customer;
- (iii) comply with all rules notified by TSO according to the Article 5.5.2.

The specific combination of capacities referred to in points a) to d) above, to which the service of Bi-directional capacity SK-UA might be applicable, shall always be determined by the TSO in the notification according to the Article 5.5.2. (where the TSO may specify only one or more combinations for which the service of Bi-directional capacity SK-UA may be used).

The discount according to the service of the Bi-directional capacity SK-UA shall apply only on the final tariff rate related to the booked daily transmission capacity and to the extent of lower capacity (in terms of the amount and duration) of simultaneously allocated capacities for the given combination of points. The discount shall be determined by the TSO in the notification referred to in the Article 5.5.2., but it shall be not more than 40%.

5.5.2. The service of Bi-directional capacity SK-UA may be provided for transmission capacities allocated under the Article 3.5. of the Operational Order meeting the conditions of the Article 5.5.1. and the following conditions set by the TSO:

- i. the period in which the transmission capacity, subject to Bi-directional capacity SK-UA service, may be booked;
- ii. the determination of specific combination of entry and exit point according to the Article 5.5.1., points a) to d), to which the Bi-directional capacity SK-UA service may be applied in a given period;
- iii. the determination of time period for the combination of points according to ii. for which the Bi-directional capacity SK-UA service may be provided;
- iv. precise determination of maximum amount of capacity that can be subject to the Bi-directional capacity SK-UA service.

The terms and conditions will be published on the TSO's website prior to the period in which the transmission capacity, subject to the Bi-directional capacity SK-UA Service, may be booked. The customer will have to inform TSO on the intention to book the transmission capacity using the service of the Bi-directional capacity SK-UA before execution of capacity booking (including exact intended transmission capacities) in accordance with the conditions published by the TSO. The TSO shall inform the customer whether the service of Bi-directional capacity SK-UA can be applied to the intended capacities and after the subsequent successful allocation of such capacities, confirm the service of Bi-directional capacity SK-UA.

For the avoidance of doubt:

1. the service of the Bi-directional capacity SK-UA shall not be provided unless the TSO has notified the terms and conditions under the Article 5.5.2. and the TSO is not obliged to notify the terms and conditions under the Article 5.5.2.;

2. the service of the Bi-directional capacity SK-UA is provided solely upon the fulfilment of the conditions established and published by the TSO, in the amount of lesser of allocated capacities (transmission capacity at the exit point Budince or Veľké Kapušany and at the entry point Budince or Veľké Kapušany);
3. the tariff relating to the booked daily transmission capacity that are subject to the discount, is determined separately for each of the capacities to which the service of the Bi-directional capacity SK-UA is applied;
4. the level of tariff discount related to the booked daily transmission capacity, to which the service of the Bi-directional capacity SK-UA is applied, shall be the same for all interested participants in this transmission capacity who apply for it during the same period, according to the Article 5.5.2. i. above, and for the same time period, according to the Article 5.5.2. iii. above;
5. other transmission capacities, which are not subject to the Bi-directional capacity SK-UA service, shall not be taken into account in the parameters  $Cen(n)(t)$  or  $ly/m/d$  when calculating final tariff rate related to the booked daily transmission capacity for capacities, which are subject to the Bi-directional capacity SK-UA service. At the same time, in calculation of the final tariff rate related to the booked daily transmission capacity for capacities, which are not subject to the Bi-directional capacity SK-UA service, the transmission capacities, subject to the Bi-directional capacity SK-UA service, shall not be taken into account in parameters  $Cen(n)(t)$  and  $ly/m/d$ ;
6. the service of the Bi-directional capacity SK-UA shall not be requested for any transmission capacities subsequently after their allocation (always prior allocation), nor for any transmission capacities already allocated to the User at the time of establishment of this service;
7. capacities, which are subject to the Bi-directional capacity SK-UA service, shall not be transferred to third parties.

## **5.6. Common provisions concerning Additional Services**

- 5.6.1. The Applicant for an Additional Service shall deliver the signed proposal to enter into a contract for the provision of the relevant Additional Service to the TSO's address no later than ten (10) Business Days before the required commencement of the provision of the Additional Service. Subject to an agreement with the TSO, this period of time may be shortened. The day of proper submission of the proposal to enter into the contract for the provision of the relevant Additional Service shall be the day, when the Applicant for the Additional Service delivers the complete proposal to enter into the contract for the provision of the relevant Additional Service in writing. The proposal to enter into the contract for the provision of the relevant Additional Service signed and delivered by the Applicant shall constitute a binding proposal to enter into the contract for the provision of the relevant Additional Service. If there are no grounds for refusal, the TSO shall, after receiving the complete proposal to enter into the contract for the provision of the relevant Additional Service confirm the proposal within five (5) Business Days, where upon the contract for the provision of the relevant Additional Service shall be deemed entered into.
- 5.6.2. The contract for the provision of the relevant Additional Service shall in particular contain:
  - a) identification data of the Applicant asking for Additional Service;
  - b) commencement date of the provision of the Additional Service and the date of termination of its provision;
  - c) in case of the Title Transfer Additional Service, the estimated maximum Quantity of gas transferred under the Title Transfer service, based on which the amount

of the required financial guarantee from the Service User of the Title Transfer service shall be determined.

- 5.6.3. The provisions of Articles 8.1 to 8.4 of the Operational Order shall apply accordingly to the nomination and allocation of the relevant Additional Service. When providing the Title Transfer Additional Service and where there is a mismatch between the nominated Gas Quantities between two Service Users of the Title Transfer service, the lower nomination priority rule shall apply.
- 5.6.4. The TSO shall have the right to demand from Service Users a financial guarantee in accordance with Article 7.6 of the Operational Order; its amount shall be determined based on the estimated utilization of the relevant Additional Service. The Service User shall provide the financial guarantee in the agreed form and amount no later than five (5) Business Days before the required start of utilization of the Additional Service. If the actual utilization of the Additional Service concerned exceeds the determined amount of a financial guarantee, the Service User shall, without undue delay, increase the amount of the financial guarantee. If the financial guarantee is not provided or adjusted as required, the TSO shall have the right to reduce the nomination for the relevant Additional Service or withdraw from the contract for the provision of the relevant Additional Service.
- 5.6.5. If the fee for the provision of the relevant Additional Service is not paid by the Service User within the time period, in the form and in the amount set out in this Operational Order, or if other fees under the contract for the provision of the relevant Additional Service are not paid, the TSO shall have the right to withdraw from that contract. The TSO shall retain the right to receive payment of the fees incurred until the moment of withdrawal from the contract, and a claim for compensation of the damage incurred.
- 5.6.6. Common provisions concerning Additional Services, referred to in points 5.6.1. to 5.6.5. of this Article, shall apply mutatis mutandis to Additional Services under the Articles 5.2., 5.3. and 5.4. of the Operational Order. All provisions of the Operational Order relevant for the capacity allocated according to the Article 3.5. of the Operational Order shall apply accordingly for Additional Service of the Bi-directional capacity SK-UA.

## **5.7. Shorthaul**

- 5.7.1. Shorthaul service is a possibility of obtaining a discount on tariffs related to the booked daily transmission capacity and on tariffs rate applicable to the amount of actually transmitted gas (tariff rates applicable to the gas for operational purposes) applicable to capacities covered by Shorthaul in accordance with the provisions of this article.
- 5.7.2. Shorthaul service is provided to Users for the transmission of gas through the Lanžhot entry point and the Baumgarten exit point up to the allocated capacity at the respective entry and exit point (if the User has allocated capacities at both points at the same time), provided capacity is allocated for a period of at least 12 consecutive months under one or several Contracts being specified in an agreement concluded in accordance with the Article 5.7.3. below ('Shorthaul service'). Shorthaul service can be used by every User with allocated capacity at entry point Lanžhot and, with respect to the same time period, at exit point Baumgarten. If the capacity booked by User at the Lanžhot entry point or at the Baumgarten exit point is lower than a daily capacity of 150,000 MWh/d then Shorthaul service can be applied up to the lower of the capacities allocated at the Lanžhot entry point and the Baumgarten exit point. If the capacity booked by User at each Lanžhot entry point and Baumgarten exit point exceeds a daily

capacity of 150,000 MWh/d then Shorthaul service can be applied also to the entire amount of transmission capacities at both points.

5.7.3. 5.7.3. The use of Shorthaul is subject to the conclusion of a Shorthaul agreement regulating the terms under which the service will be provided. The TSO shall publish a template of the agreement on its website. The agreement shall include:

- (i) a specification of the Contracts to which the terms of Shorthaul service apply; and
- (ii) the resulting profile of the agreed capacities at the Lanžhot entry point and the Baumgarten exit point, which may also include capacities which have not been allocated at the time of signing the Shorthaul agreement and which the User plans to book in the future and in respect of which the User intends to use Shorthaul service.

The capacities referred to in points (i) and (ii) above (hereinafter referred to as the "Shorthaul service Capacities").

Shorthaul service may not be applied to contracted capacities allocated in excess of the capacities referred to in points (i) and (ii) above.

5.7.4. A Shorthaul discount is granted on:

- a) tariffs applicable to booked daily transmission capacity at the relevant entry and exit point and relating to the Shorthaul service Capacities ('Shorthaul service - capacity'). The conditions applicable to the service are regulated in more detail in Article 5.7.4.1. below.
- b) tariffs applicable to the amount of actually transmitted gas at the relevant entry point relating to the Shorthaul service Capacities ('Shorthaul service - Commodity') and an exit point. The conditions applicable to the service are regulated in more detail in Article 5.7.4.2. below.

5.7.4.1. Shorthaul service – Capacity

5.7.4.1.1. Users who conclude a special agreement with the TSO regarding the use of Shorthaul service shall be granted a discount in the following amount on the tariffs applicable to booked daily transmission capacity at the relevant entry and exit point and relating to the Shorthaul service Capacities:

$$Dis_{en(L)(t)} = P_{en(L)(t)} - Z_{en(L)(t)} \times 0.85$$

or, as applicable

$$Dis_{ex(B)(t)} = P_{ex(B)(t)} - Z_{ex(B)(t)}$$

where:

$Dis_{en(L)(t)}$ - is the discount on the tariff for the Lanžhot entry point under the relevant Contract for the relevant calendar year (t), in EUR/MWh/day/year,

$P_{en(L)(t)}$ - is the tariff for the Lanžhot entry point under the relevant Contract for the relevant calendar year (t) according to the price decision, in

EUR/MWh/day/year, In the case of short-term contracts or contracts providing for a tariff expressed in units other than EUR/MWh/day/year, the tariff shall first be adjusted to the corresponding value in EUR/MWh/day/year,

$Z_{en(L)(t)}$ - is the determinant of the amount of the discount for the Lanžhot entry point for the relevant calendar year (t), in EUR/MWh/day/year, rounded to 2 decimal places, calculated according to the formula below,

$Dis_{ex(B)(t)}$ - is the discount on the tariff for the Baumgarten exit point under the relevant Contract for the relevant calendar year (t), in EUR/MWh/day/year,

$P_{ex(B)(t)}$ - is the tariff for the Baumgarten exit point under the relevant Contract for the relevant calendar year (t) according to the price decision, in EUR/MWh/day/year, In the case of short-term contracts or contracts providing for a tariff expressed in units other than EUR/MWh/day/year, the tariff shall first be adjusted to the corresponding value in EUR/MWh/day/year,

$Z_{ex(B)(t)}$ - is the determinant of the amount of the discount for the Baumgarten exit point for the relevant calendar year (t), in EUR/MWh/day/year, rounded to 2 decimal places, calculated according to the formula below,

$$Z_{en(L)(t)} = (X_{(L)} - Y_{(L)} \times C_{en(L)(t)}) \times inf_{(t)}$$

or, as applicable

$$Z_{ex(B)(t)} = (X_{(B)} - Y_{(B)} \times C_{ex(B)(t)}) \times inf_{(t)}$$

where:

$C_{en(L)(t)}$ - is the contracted daily capacity at the Lanžhot entry point under the relevant Contract for the relevant calendar year (t), in MWh/day relating to the Shorthaul service Capacities;

$X_{(L)}$  a  $Y_{(L)}$ - are coefficients taking on the following value, depending on the amount  $C_{en(L)(t)}$ :

| $C_{en(L)(t)}$         | $X_{(L)}$ | $Y_{(L)}$                      |
|------------------------|-----------|--------------------------------|
| <0, 18,200)            | 95.74116  | 0.00                           |
| <18,200, 416,000)      | 97.24736  | $0.8462 / 10^6 \times X_{(L)}$ |
| <416,000, 1,372,800)   | 68.4878   | $0.1923 / 10^6 \times X_{(L)}$ |
| <1,372,800, $\infty$ ) | 50.40454  | 0.00                           |

$C_{ex(B)(t)}$ - is the contracted daily capacity at the Baumgarten exit point under the relevant Contract for the relevant calendar year (t), in MWh/day relating to the Shorthaul service Capacities;

$X_{(B)}$  a  $Y_{(B)}$ - are coefficients taking on the following value, depending on the amount  $C_{ex(B)(t)}$ :

| $C_{ex(B)(t)}$         | $X_{(B)}$ | $Y_{(B)}$                      |
|------------------------|-----------|--------------------------------|
| <0, 18,200)            | 169.15512 | 0.00                           |
| <18,200, 416,000)      | 171.7954  | $0.8462 / 10^6 \times X_{(B)}$ |
| <416,000, 1,372,800)   | 121.01874 | $0.1923 / 10^6 \times X_{(B)}$ |
| <1,372,800, $\infty$ ) | 89.06958  | 0.00                           |

$inf_{(t)}$  - is the inflation index for year (t). The inflation index for the relevant year will be published on the TSO's website. The inflation index reflects the change in the price level for access to the transmission network and gas transmission by applying 50% of the inflation rate of EU member states (as expressed by the inflation index in the European Union published by Eurostat, item HICP – annual average rate of change – European Union (annual average rate of inflation - European Union) in year (t-2). For 2021 (t), the inflation index is 1 and for each subsequent year, the inflation index will increase by half the inflation rate of EU member states in year (t) -2.

The above calculation of the Shorthaul service discount assumes that capacities and tariffs according to the Contract are allocated for the entire calendar year and are both in units of EUR/MWh/day/year. In the event that the discount is to be applied to shorter Contracts in which the tariff is expressed in other units, the calculation shall be adjusted so that the tariff discount is determined in the correct units and inappropriate determination of the discount is avoided. In such cases, with a view to correctly determining the discount in accordance with the Shorthaul service provisions, the tariff specified in the relevant Contract shall first be converted to EUR/MWh/day/year and the calculated discount in EUR/MWh/day/year shall then, prior to its application, be converted into units, in which the tariff is specified in the Contract.

In the event that there are several Contracts relating to the given entry/exit point at the same time, the contracted daily capacity covered by the Shorthaul service Capacities is considered to be the sum of the contracted daily capacities under such parallel Contracts at that entry/exit point covered by the Shorthaul service Capacities, for each entry/exit point separately.

#### 5.7.4.2. Shorthaul service – Commodity

5.7.4.2.1. Users who conclude a special agreement with the TSO regarding the use of Shorthaul service shall be granted a discount in the following amount on the sum of the tariffs applicable to the amount of actually transmitted gas from the Lanžhot entry point covered by the Shorthaul service Capacities to the exit point Baumgarten, Velké Zlievce, or to VTP:

$$Dis_{GiK(L-B)} = P_{GiK(L-B)} (\%) - 0.65\%$$

or, as applicable

$$Dis_{GiK(L-X)} = P_{GiK(L)} (\%) - 0,1\%$$

where

$Dis_{GiK(L-B)}$  (%) - is the discount on the sum of the tariffs applicable to the amount of gas transported from the Lanžhot entry point to the Baumgarten exit point and covered by the Shorthaul service Capacities, with the use of Shorthaul, in per cent;

$P_{GiK(L-B)}$  (%) - is the sum of the tariffs applicable to the amount of actually transmitted gas, transmitted for the Lanžhot entry point and the Baumgarten exit point, covered by the Shorthaul service Capacities, on the basis of which gas transmission takes place, with the use of Shorthaul, in per cent;

$Dis_{GiK(L-X)}$  (%) - is the discount on the sum of the tariffs applicable to the amount of gas transported from the Lanžhot entry point covered by the Shorthaul service Capacities, to exit point Veľké Zlievce, or to VTP, in per cent. The discount  $Dis_{GiK(L-X)}$  will apply to Lanžhot entry point;

$P_{GiK(L)}$  (%) - is the tariff applicable to the amount of actually transmitted gas, transmitted for the Lanžhot entry point, covered by the Shorthaul service Capacities, on the basis of which gas transmission takes place with the use of Shorthaul to exit point Veľké Zlievce, or the VTP, , in per cent;

- 5.7.5. Shorthaul service shall not be applied to the following short-term products: (i) within-day, (ii) daily and (iii) monthly.
- 5.7.6. This shall be without prejudice to the other rights and obligations of the User and the TSO under the relevant contracts.

## 6. PRINCIPLES FOR CARRYING OUT TRANSMISSION

### 6.1. Gas quality and pressure at entry points and exit points

- 6.1.1. Gas delivered to and offtaken from the transmission network at entry points and exit points must comply with the physical and chemical parameters and quality indicators specified in the Technical Conditions and the required pressure levels specified in the Contract ("**quality parameters**"). A Network User is obliged to comply with the quality parameters at the entry point. The TSO is obliged to comply with the quality parameters at the exit point, provided that the Network User complies with the quality parameters at the entry point.
- 6.1.2. If gas delivered by the Network User for transmission to the entry point of the transmission network fails to meet any of the quality parameters ("**Off-spec gas**"), the TSO shall have the right to reject acceptance of such gas for transmission. If the TSO accepts off-spec gas for transmission at an entry point, the TSO shall have a claim for compensation of damages incurred by it in connection with the transmission of such off-spec gas.

6.1.3. If the gas delivered by the TSO to the exit point of the transmission network to a Network User fails to meet any of the quality parameters, the Network User shall have the right to reject acceptance of such gas. If the Network User accepts off-spec gas at the exit point, the Network User shall have a claim against the TSO for compensation of damages incurred by it in connection with the acceptance of such off-spec gas.

## **6.2. Restriction or interruption of gas transmission**

6.2.1. The TSO shall, in the following cases, have the right to restrict or interrupt gas transmission to the extent and for the time necessary in case:

- a) performance of scheduled reconstructions, modernizations, repairs, maintenance and inspections of gas facilities;
- b) immediate threat to life, health or property of persons and when eliminating such threats,
- c) in emergency situations and when carrying out actions aimed at preventing emergency situations in the gas industry,
- d) breakdowns or failures of gas facilities and during the elimination of their consequences,
- e) failure to comply with contractual terms of gas transmission,
- f) gas offtake by facilities, which affect the quality and reliability of supply, where a customer failed to limit such effects by available technical means;
- g) gas deliveries from facilities, which affect the quality and reliability of delivery, where the gas producer failed to limit such effects by available technical means;
- h) gas customer prevents access to a metering device;
- i) in case of a gas transmission contract on an interruptible basis.

This right applies both to firm and interruptible capacity. After completing the process of restriction or interruption, the TSO shall have the right to reject a re-nomination by a Network User, which would trigger the need for restarting the restriction or interruption process. In case of interruption or restriction of transmission, Network Users shall have no damage claims, unless the damage was caused by fault of the Transmission System Operator:

6.2.2. The lead time for informing the Network User of the commencement and end of restriction or interruption of gas transmission due to scheduled reconstruction, modernizations, repairs, maintenance and inspection of gas facilities shall be forty-two (42) calendar days before the start of the restriction or interruption, unless in the Contract provided otherwise. The TSO shall cooperate with Interconnected Transmission System operators with a view to coordinating the extent and the timing of the aforementioned activities.

6.2.3. Where the transmitted Quantity of gas is restricted, whether for a reason pursuant to Article 6.2.1 of the Operational Order or due to an event of Force Majeure, as defined in Article 11.2 of the Operational Order, the TSO shall first interrupt transmission for Network Users with interruptible transmission capacity, by applying the procedure in accordance with Article 4.4.5 of the Operational Order and then, if necessary, shall proportionally restrict transmission for Network Users with firm capacity, based on the percentage of utilization of purchased transmission capacity.

6.2.4. The TSO shall have the right to restrict or interrupt transmission of gas for a Network User if that Network User repeatedly fails to fulfil its obligations under the Contract.

6.2.5. The TSO shall not be liable for any damage caused to the Network User, if transmission was interrupted or restricted or the nomination of the User was adjusted in accordance with this Operational Order.

6.2.6 In case of testing the respective technology of a new interconnection on the side of the TSO or on the side of an interconnected transmission system operator and in cases, when at a respective EU Interconnection Point, after commissioning a new interconnection, does not exist a valid capacity booking in time of capacity allocation at the certain EU Interconnection Point, the TSO can adjust chosen conditions of a short term product provision, for an inevitably needed time, proportionally to conditions of a product with a longer time duration, which is not longer than one (1) year. The TSO is obliged to inform the RONI about conditions adjustment without unreasonable delay.

### **6.3. Metering**

6.3.1. Metering of quantitative and qualitative parameters shall be carried out on a metering station at the relevant entry point and exit point in accordance with the standards and procedures set out in the Technical Conditions, with the standards and procedures laid down in the relevant Interconnection Agreement and/or the relevant technical and/or operational agreement between the TSO and the relevant Interconnected Network operator. The scope and the method of measuring and evaluating Gas Quantity and quality at metering stations are defined by, and checks and sampling shall be carried out in accordance with the procedures laid down in Interconnection Agreements, taking into account the Technical Conditions.

### **6.4. Energy units and Gas Day**

6.4.1. The TSO shall provide the services of access to the transmission network and gas transmission in energy units expressed in kWh or MWh, based on the valid legal regulations, unless in the Contract provided otherwise.

6.4.2. The TSO shall provide the service of access to the transmission network and gas transmission on a Gas Day in accordance with the Market Rules, unless in the Contract provided otherwise.

### **6.5. Monthly reports**

6.5.1. The TSO shall, by the tenth (10<sup>th</sup>) calendar day of every calendar month submit to the User a monthly report containing a summary of the Quantity of gas transmitted for the preceding calendar month, a summary of the provided Additional Services, if they were provided in the relevant month, and Daily Imbalance Quantity.

6.5.2. The monthly report shall also contain an overview of qualitative parameters of transmitted gas for every day of the month, on which transmission took place.

6.5.3. If the User disagrees with such monthly report, it shall, within ten (10) days of the receipt thereof, raise justified objections. The Parties shall be obliged to discuss the objections so that the monthly report can be approved no later than one (1) month from its initial submission to the User for approval.

6.5.4. The objected monthly report shall be used for issuing the relevant invoice. The differences, if any, will be settled on the basis of a corrected invoice by the end of the month following the approval of the monthly report at the latest.

## 6.6. Rights and obligations of the Parties, communication

6.6.1. A User shall in particular have the right:

- a) to use the services provided by the TSO in accordance with the Contract or relevant contract for Additional Services;
- b) to a non-discriminatory and transparent access to TSO's services,
- c) to offer unused transmission capacity on the secondary market also through the TSO.

6.6.2. The TSO shall in particular have the right:

- a) to receive a consideration for the services provided in accordance with the Operational Order,
- b) to request from the User information and cooperation necessary for due provision of the services by the TSO;
- c) to mix the gas of the User with the gas of third parties having access to the transmission network.

6.6.3. The TSO shall in particular be obliged:

- a) to take delivery, at the entry point or a VTP, and deliver at the exit point or VTP, the required Gas Quantity in accordance with a confirmed nomination or re-nomination;
- b) to comply with the qualitative criteria at the exit point from the transmission network, provided that they were complied with at the entry point;
- c) to inform Network Users about the planned outages of the transmission network or a part thereof with a view to harmonising them with the requirements of Network Users; and to inform, sufficiently in advance, about the scope and the dates of outages of the transmission network or a part thereof and alert Network Users of the expected reduction of transmission capacity.

6.6.4. A User shall in particular be obliged:

- a) to follow the valid Operational Order, when utilizing the services;
- b) to deliver, at the entry point or a VTP, and off-take at the exit point or a VTP, the Gas Quantity in accordance with a confirmed nomination or re-nomination;
- c) to meet the quality parameters at the entry point to the transmission network,;
- d) to meet the payment conditions for the provided capacity in accordance with the Contract or a contract for Additional Services and provide the required financial guarantee pursuant to Article 7.6 of the Operational Order;
- e) to adhere to the agreed mode of communication with the TSO;
- f) to provide the TSO with the necessary cooperation in the extent and at times required by the TSO;
- g) to follow, in an emergency situation, the instructions of the TSO dispatching centre applicable to the relevant entry point and/or exit point.

6.6.5. The Parties shall immediately inform each other of all circumstances and events that could lead to a change in the Quantity of gas transmitted, or of any events having a significant influence on the Quantity of gas deliveries or offtakes. These rules also apply to circumstances of force majeure.

- 6.6.6. Unless in the Operational Order provided otherwise, the TSO and Users shall communicate with each other in respect of any matters relating to the performance of the Contract through the appointed contact persons, either in person, post, fax, e-mail or by means of electronic communication and per telephone.
- 6.6.7. All written correspondence, except for correspondence exchanged between the dispatching centres of the TSO and the User in accordance with Operational Order, shall be sent by the TSO and the User to the address of a registered office of the another Party or to the address specified in the Contract. The TSO shall receive written correspondence only on Business Days (on the territory of the Slovak Republic) during its office hours (i.e. from 8:00 to 15:00 hrs.)
- 6.6.8. In respect of nominations and re-nominations and when handling other operational issues (including in particular regular daily and monthly reports), the User and the TSO shall communicate in an electronic form.
- 6.6.9. A User shall, without undue delay, notify the TSO in writing of any change to its contact data.
- 6.6.10. A User shall have the right to file a complaint about defective services provided by the TSO in the manner pursuant to paragraphs 6.6.7 and 6.6.8 of the current Article of the Operational Order within the period of time specified in the Operational Order, Technical Conditions or Contract, or within the period of time specified in the applicable legal regulation. The complaint shall contain the identification of the User and a brief description of the event complained about; otherwise the complaint will be evaluated as unsubstantiated. When processing a complaint, the TSO shall:
- a) confirm to the User the receipt of the complaint;
  - b) notify the User of the resolution of the complaint within the applicable period of time specified in the Operational Order, Technical Conditions or Contract or within the period of time specified in the applicable legal regulation.
- 6.6.11. The resolution of disputes arising between the parties due to the non-compliance with the contractual terms shall be governed by the Contract or this Operational Order.

## 7. PRICES AND PAYMENT TERMS

### 7.1. Prices for access to the transmission network and gas transmission

- 7.1.1. Once a Contract is entered into, the TSO shall have the right to charge and the Network User shall be under the obligation to pay the price for access to the transmission network and gas transmission and a neutrality charge. The price for access to the transmission network and gas transmission is determined according to the RONI's price decision in force at the time of allocation of the relevant capacity and the auction premium. A neutrality charge is determined according to the RONI's price decision in force at the time of allocation of the relevant capacity.

### 7.2. Fee for daily capacity overrun

- 7.2.1. A Network User may, for the transmission of gas, utilize transmission capacity up to the quantity of the agreed daily capacity at the relevant entry point or exit point. The TSO shall reject the nomination for transmission of Gas Quantities exceeding the

agreed daily capacity and shall accordingly adjust the nominations of the Network User and, if necessary, also the physical flows of gas of that Network User. Where capacity is exceeded after the process of allocation of Gas Quantities, the Network User shall pay a fee for daily capacity overrun according to the Market Rules.

### **7.3. Gas for operational purposes**

- 7.3.1. A Network User shall be obliged to provide the TSO with gas for the operation of the transmission network, and this for every entry point to and every exit point from the transmission network.
- 7.3.2. Quantity of gas provided for operational purposes shall be determined by multiplying the actually delivered Quantity of transmitted gas by the Network User at every entry point to the transmission network and delivered Quantity at every exit point from the transmission network offtaken by the Network User and the relevant rates set by the RONI's decision in force at the time of allocation of the relevant capacity; gas for operational purposes shall not be taken into account in the calculation of the actual transmitted Gas Quantity of the Network User.
- 7.3.3. The Network User and the TSO may agree in the Contract on a provision of gas for operational purposes in financial expression.
- 7.3.4. If the Network User provides gas for operational purposes to the TSO in kind, the TSO and the Network User shall be obliged to invoice the provided gas for operational purposes in accordance with the applicable legal regulations. The invoice may be issued by the TSO in the place of the Network User, if the Parties so agree. For billing purposes, the Reference Price of gas in the TSO's network prevailing on the last day of the billing period shall be used. If the last day of the billing period falls on a weekend, the Reference Price valid for the weekend shall be used.

### **7.4. Prices for Additional Services**

- 7.4.1. The charge for the Title Transfer service consists of two components and is set to all Users of the Title Transfer service as follows:
- a) a charge of EUR 500 for each calendar month, in which the Title Transfer service is used by the User of the Title Transfer service;
  - b) a charge of EUR 0.01 / MWh of gas allocated utilizing the Title Transfer service for each delivery and offtake of gas.

### **7.5. Billing and Payment Terms**

- 7.5.1. A Network User shall pay to the TSO, based on an invoice for the transmission of gas and a neutrality charge:
- the price for gas transmission; and
  - the neutrality charge<sup>1)</sup>
- A Service User shall pay to the TSO, based on an invoice for Additional Services:
- the payment for Additional Services.

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<sup>1)</sup>Based on Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks

A User shall pay to the TSO, based on an invoice for daily capacity overrun:

- the fee for daily capacity overrun in accordance with Article 7.2.1

A User shall pay to the TSO, based on an invoice for negative Daily Imbalance Quantity:

- a negative daily imbalance charge <sup>1)</sup>, if the daily imbalance charge exceeds EUR 10

The TSO shall be obliged to pay to the User, based on an invoice for positive Daily Imbalance Quantity:

- a positive daily imbalance charge <sup>1)</sup>, if the daily imbalance charge exceeds EUR 10

All payments and charges are in the euro currency, unless payments and charges in another currency are agreed in the Contract or the contract for Additional Services.

- 7.5.2. For Contracts with a duration of one (1) year and long-term Contracts, the annual payment for gas transmission and a neutrality charge for the relevant year shall be paid regularly and throughout the duration of the Contract in equal partial monthly instalments, each of which equalling to one twelfth of the annual payment for gas transmission for the relevant year, unless in the Contract provided otherwise. For Contracts with a shorter duration, but with a duration of at least two months or where annual Contracts exceed one year, the principle of paying in equal partial monthly instalments shall apply accordingly for the entire duration of the Contract. The TSO shall deliver to the Network User a final invoice for gas transmission and a neutrality charge in two (2) copies no later than on the fifth (5<sup>th</sup>) Business Day of the month following after the month for which the price for the provided transmission capacity is paid ("**following month**").
- 7.5.3. In the case of a Contract, in which prepayment was agreed as a form of financial guarantee pursuant to Article 7.6 of the Operational Order, the TSO shall deliver to the Network User an advance invoice for gas transmission and a neutrality charge in two (2) copies, no later than on the fifth (5<sup>th</sup>) Business Day of the month preceding the month, for which the price for the provided transmission capacity is paid ("**previous month**"), unless in the Contract agreed otherwise. The TSO shall deliver to the Network User a final invoice for gas transmission and a neutrality charge in two (2) copies no later than on the fifth (5<sup>th</sup>) Business Day of the following month, unless in the Contract agreed otherwise.
- 7.5.4. For Contracts with a duration of less than one (1) month, the TSO shall be obliged to issue to the Network User an invoice for gas transmission and a neutrality charge after the end of the billing period. In this case, the billing period is the period from the 1<sup>st</sup> to the 10<sup>th</sup> day of the relevant calendar month, from the 11<sup>th</sup> to the 20<sup>th</sup> day of the relevant calendar month and from the 21<sup>st</sup> day to the end of the relevant calendar month. The TSO shall deliver to the Network User the invoice for gas transmission and a neutrality charge in two (2) copies within five (5) Business Days of the end of the relevant billing period.
- 7.5.5. The TSO shall deliver to the Service User of the Title Transfer service an invoice for the Title Transfer service in two (2) copies no later than on the fourteenth (14<sup>th</sup>) calendar day of the month following after the provision of the Title Transfer service.
- 7.5.6. The TSO shall deliver to the User an invoice for negative Daily Imbalance Quantity in two (2) copies within five (5) Business Days of the end of the relevant billing period. In this case, the billing period is the period from the 1<sup>st</sup> to the 10<sup>th</sup> day of the relevant calendar month, from the 11<sup>th</sup> to the 20<sup>th</sup> day of the relevant calendar month and from the 21<sup>st</sup> day to the end of the relevant calendar month. If, in any of the billing periods

pursuant to the foregoing sentence, a negative Daily Imbalance Quantity is recorded during at least two (2) Gas Days, the TSO shall have the right to issue to the User an invoice for negative Daily Imbalance Quantity for the entire calendar months in two (2) copies within five (5) Business Days of the end of the relevant calendar month.

7.5.7. The TSO shall issue the invoice for positive Daily Imbalance Quantity on behalf and for the account of the User; and the User gives his express consent thereto. The invoice shall be issued in two (2) copies within five (5) Business Days of the end of the relevant billing period. The User remains responsible for the correctness of the invoice so issued. The invoice issued by the TSO on behalf and for the account of the User for positive Daily Imbalance Quantity shall be deemed accepted by the User, unless the User raises written objections with the TSO within 10 business days of the date of its receipt. In this case, the billing period is the period from the 1st to the 10th day of the relevant calendar month, from the 11th to the 20th day of the relevant calendar month and from the 21st day to the end of the relevant calendar month. If, in any of the billing periods pursuant to the foregoing sentence, a positive Daily Imbalance Quantity is recorded during at least two (2) Gas Days, the TSO shall have the right to issue on behalf and for the account of the User an invoice for positive Daily Imbalance Quantity for the entire calendar month in two (2) copies within five (5) Business Days of the end of the relevant calendar month.

7.5.8. The TSO shall issue the invoice for the fee for daily capacity overrun in accordance with Article 7.2.1 in two (2) copies no later than on the fourteenth (14th) calendar day of the month following after the month of the daily capacity overrun by the User.

7.5.9. Maturity of invoices:

- a) In case of a Contract, in which prepayment is agreed as a form of a financial guarantee, monthly instalments of the annual price for gas transmission and a neutrality charge for the relevant year shall be payable on the first (1<sup>st</sup>) Business day following the twentieth (20<sup>th</sup>) calendar day of the previous month, based on an advance invoice for gas transmission and a neutrality charge.
- b) The maturity of all other invoices in accordance with the Operational Order shall be fourteen (14) calendar days from the issue date, unless in the Contract between the TSO and the User agreed otherwise.

In case that the TSO or the User are in delay with the delivery of the invoice, the due date of the invoice shall be postponed by the same number of days as was the duration of the delay with the delivery of the invoice. In case of a late payment of financial obligations under the Contract, the provisions of Article 7.5.10 of the Operational Order shall be applied.

7.5.10. Final and advance invoices for the relevant months of the year shall contain the particulars required by the applicable tax and accounting regulations, including designation of the financial institution in the form of SWIFT or BIC and an account number, to which funds should be transferred, an account number in the IBAN format and other data specified in the Contract.

7.5.11. A financial obligation defined by this Operational Order arising out of a Contract or a contract for Additional Services shall be deemed paid on the day, on which the amount outstanding is credited to the account of the creditor. In case of a late payment of financial obligations defined by the Operational Order arising out of a Contract or out of contracts for Additional Services, the relevant Party shall be obliged to inform the other Party thereof. In case of a late payment of financial obligations arising out of a Contract or other relevant contract, the debtor shall pay to the creditor a default interest in accordance with the generally binding regulations at the rate agreed in the Contract.

A default interest shall be calculated from the due date of the final/advance invoice. Where a User is in delay with the payment of financial obligations arising out of the Contract or other relevant contract for more than fourteen (14) calendar days, the TSO shall have the right to interrupt gas transmission in accordance with Article 6.2.4 of the Operational Order or to terminate the Contract or the other relevant contract.

## 7.6. Financial guarantee

7.6.1. The TSO shall have the right to demand from a User a financial guarantee to cover financial obligations arising from a Contract and from contracts for Additional Services.

7.6.2. The required financial guarantee shall as a minimum equal to and shall be calculated separately for:

- a two-month payment for gas transmission at the time of the highest booked transmission capacity in the case of a Contract with a duration of longer than two (2) months; or the total payment for gas transmission in the case of a Contract with a duration of less than two (2) months;
- a two-month payment for a neutrality charge in the case of a Contract with a duration of longer than two (2) months; or the total neutrality charge in the case of a Contract with a duration of less than two (2) months.
- the projected two-month payment for Additional Services in the case of a contract for Additional Capacity with a duration of longer than two (2) months; or the total projected payment for Additional Services in the case of a contract for Additional Services with a duration of less than two (2) months.

7.6.3. The TSO shall have the right to demand from the User a financial guarantee to cover the obligation to pay a negative imbalance charge in the moment, in which the User submits a nomination or re-nomination, which, if confirmed, would result into a negative Preliminary Daily Imbalance Quantity for that User. The amount of the required financial guarantee for an imbalance charge is calculated by the following formula:

$$FB = \text{Max} ((MO \times REF) - NP; 0)$$

where:

- FB is the amount of the required financial guarantee;
- MO is the Preliminary Daily Imbalance Quantity;
- REF is the price calculated according to the formula specified in the applicable Price Decision in a point ii) of the part laying down the price to be applied for the negative daily imbalance charge; the last known value shall be set for the CEGHIX index;
- NP is the value of total payments of a neutrality charge, capped to five hundred thousand euros (500,000), which was not included to cover previous obligations to pay negative imbalance charges, which had not been paid by the User; the value of total payments of the neutrality charge to be taken into account when determining the financial guarantee for the relevant day shall include the total value of payments from neutrality charges on transmission capacities, which are allocated to that User and which that User may use for transmission on the relevant day.

7.6.4. The TSO shall have the right to reassess the amount of the required financial guarantee during the duration of the Contract or the contract for Additional Services, following a

change of the conditions, based on which the amount of the financial guarantee was determined by the TSO.

- 7.6.5. The TSO shall have the right to demand an amount of financial guarantee other than that specified in paragraph 7.6.2 and 7.6.3, based on an economic analysis and taking into account particularly the solvency of the Applicant or the Applicant for Additional Services.
- 7.6.6. For Interconnection Points to/from Third Countries and for the domestic point, bookings done in the form of an Request and a confirmation pursuant to Article 3.5.1 of the Operational Order, the period for providing the financial guarantee for annual and long-term Contracts shall be fifteen (15) calendar days from the submission of the Request and for short-term Contracts, the period shall be seven (7) calendar days from the submission of the Request, in each case no later than three (3) Business Days before the required date of commencement of gas transmission or provision of the Additional Service. The Parties may, in justified cases, agree to shorten this period. For Contracts, provision of a financial guarantee in the form of pre-payment is possible only subject to meeting the payment deadlines specified for pre-payments in Article 7.6.8 of the Operational Order. The TSO shall accept the following payment and security instruments as a form of a financial guarantee:
- a) bank guarantee;
  - b) pre-payment (payment in advance);
  - c) cash collateral.
- 7.6.7. A bank guarantee shall be provided as an irrevocable bank guarantee expiring not earlier than two (2) months after the end of duration of the Contract or a contract for Additional Services. All fees related to the issuance of the bank guarantee and all fees related to any amendment of the bank guarantee shall be borne by the Applicant or applicant for additional services. The TSO shall make the form of the bank guarantee available to Applicants or applicants for Additional Services.
- 7.6.8. In case of a pre-payment or cash collateral, the Applicant or an Applicant for Additional Service shall transfer the funds corresponding to the required amount of a financial guarantee to the TSO's account so that funds are credited to the TSO's account by the deadline referred to in Article 7.6.9 of the Operational Order. The transferred funds shall bear no interest.
- 7.6.9. The TSO shall have the right to use the financial guarantee to satisfy its receivables against the User arising out of the Contract or contracts for Additional Services. The User shall maintain the financial guarantee at the required level throughout the duration of the contractual relationship. Where relevant, after drawing down on the financial guarantee (i.e. after making a payment under the bank guarantee or after using the funds deposited on the account, to which deposit was made as a form of a financial guarantee) by the TSO, the User shall, within three (3) calendar days, supplement the financial guarantee (i.e. to submit another bank guarantee or deposit additional funds to the account) to the required level. Exceptions include cases, where the financial guarantee is provided in the amount of the total payment for gas transmission and a neutrality charge or an Additional Service or to cover the obligation for payment of the negative imbalance charge. The TSO shall, without undue delay after settlement of all obligations of the User under the Contract or contracts for Additional Services, pay back to the User's account any unused portion of the funds transferred to the TSO's account as a financial guarantee.

7.6.10. For the purpose of reserving long-term capacity through the web booking platform, the User shall be obliged to contact the TSO representatives in writing and inform them of the intended quantity and duration of capacity as necessary to determine properly the amount of financial guarantee.

## 7.7. Taxes

7.7.1. The price payable for any performances under a Contract or contract for Additional Services is expressed as a net amount, i.e. exclusive of a tax, customs duties and other charges of a similar nature. Tax, customs duties and other charges of a similar nature shall, for the purposes of the Contract or contracts for Additional Services, be jointly referred to as a tax.

7.7.2. A User shall no later than on the date of entering into the Contract or contract for Additional Services present to the TSO the following documents:

- a) Excise duty on natural gas registration certificate issued by the relevant customs authority in accordance with the provisions of applicable law.
- b) Additional tax declaration of facts decisive for the application of an excise duty on natural gas and the value-added tax (the "**Additional Tax Declaration**"). The form of the Additional Tax Declaration shall be published by the TSO on its website.
- c) If the above documents are not submitted or are not submitted within the agreed period, the TSO shall have the right to charge the relevant taxes in accordance with applicable legislation in addition to the invoiced amount.

7.7.3. If the User submits an untruthful Additional Tax Declaration to the TSO, or otherwise misleads the TSO, the User shall compensate the TSO for all fines, sanctions, interest and other damages incurred by the TSO as a result of the above-mentioned conduct by the User. The User shall also be obliged to inform the TSO immediately of any change which might have an impact on the application of any tax pursuant to the applicable legal regulations.

7.7.4. The TSO shall have the right to charge, in addition to the price pursuant to 7.7.1 of the Operational Order, the amount equal to any tax imposed on the TSO pursuant to the applicable legal regulations.

7.7.5. For the avoidance of any doubts, the tax pursuant to Article 7.7.1 of the Operational Order does not include a corporate income tax.

7.7.6. In case of the introduction of a new tax, which was not introduced at the date of the Contract and/or a contract for Additional Services conclusion, and which application in accordance with the applicable legal regulations would have a material adverse effect on the economic condition of the User and/or the TSO, the Parties agree to negotiate in good faith with a view to preventing or minimising such material adverse effect. If the Parties fail to agree on a mutually acceptable solution within ninety (90) calendar days after the written request by the User or the TSO to initiate the negotiations, the User or the TSO shall have the right to withdraw from the Contract and/or a contract for Additional Services at the end of each quarter of a year; the withdrawal from the Contract and/or contract for Additional Services shall become effective upon the lapse of three (3) months from the delivery of the withdrawal notice to the other Party.

## 8. DISPATCH MANAGEMENT OF THE TRANSMISSION NETWORK

## 8.1. Nomination of gas transmission and Additional Services

- 8.1.1. The TSO shall only carry out gas transmission or provide Additional Services if the User:
- agrees in advance with the TSO on the appropriate User Pairs at the relevant points of the transmission network;
  - sends a nomination for gas transmission and Additional Services for each day, for an each point booked in the Contract or in accordance with the contract for Additional Services, in accordance with Article 8.1.3 of the Operational Order.
- 8.1.2. A daily nomination of gas transmission at an entry point and exit point shall not exceed the agreed daily capacity at the relevant entry point and/or exit point; gas for operational purposes shall not be included into the transmission capacity.
- 8.1.3. A nomination of gas transmission and Additional Services shall in particular contain:
- a) identification data of the User;
  - b) required Gas Quantity;
  - c) determination of Gas Day D for the nomination, specification of the relevant point (i.e. direction of gas flow - entry point, exit point, VTP) to the Gas Quantity; and
  - d) User Pairs indicating, who delivers gas to the User and to whom gas is delivered by the User at the relevant point;
  - e) The form and manner of sending nominations is defined by the Regulation establishing a network code on interoperability, or shall be agreed between the dispatching centres of the User and the TSO. Any modification of a nomination other than pursuant to letter b) of this Article must be approved no later than five (5) Business Days before its intended start date.
- 8.1.4. It shall be possible for the Network User to authorise an Interconnected Network operator at an EU Interconnection Point to submit nominations on behalf of that Network User. Such authorisation shall be submitted as a written request, in which the Network User defines, to which pair of User codes the authorisation relates and the period, during which the authorisation shall remain valid. The Network User shall then submit nominations for gas transmission to the Interconnected Network Operator only ("**Single-Sided Nomination**"). The authorisation shall lose its validity for a Gas Day, on which the TSO receives a nomination for the relevant pair of User Codes and the relevant Gas Day directly from the Network User.
- 8.1.5. After receiving a nomination designated as a Single-Sided Nomination, the TSO shall send the nomination to the Interconnected Network operator.
- 8.1.6. At the TSO's request, the Network User shall, once per a week, by Friday 12:00 hours of the week preceding the week of gas transmission, provide to the TSO a non-binding estimation of gas transmission through the TSO's transmission network for every Gas Day of the following week.
- 8.1.7. Every day, no later than 14:00 hours, the User shall send to the TSO, in the manner agreed in the Contract or in the contract for Additional Services, a binding nomination of daily Gas Quantity for the following Gas Day. In case of failure of the User to deliver the nomination to the TSO by 14:00 hours, the nomination pursuant to Article 8.1.6 of the Operational Order shall remain in force and, in its absence, the nomination shall be deemed to be zero, unless agreed otherwise.

- 8.1.8. The last nomination for gas transmission and Additional Services received by the transmission system operator from a User before the nomination deadline pursuant to point 8.1.7 shall be taken into account by the transmission system operator.
- 8.1.9. Between dispatching centres of a User and the TSO, it is possible to utilize also hourly nominations.

## **8.2. Confirmation of nominations**

- 8.2.1. The TSO shall, by 14:00 hours on a daily basis, summarize the Gas Quantities nominated by Users for the following Gas Day. The TSO shall subsequently carry out a verification of the nominated values:
- a) the TSO shall verify consistency between the nominations received from Users with the parameters of the Contract or contract for Additional Services;
  - b) the TSO shall verify the consistency between the nominations of Users and the nominations of their counterparties, taking into account the system of corresponding commercial parties at entry and exit points or, as the case may be, at the VTP;
  - c) the TSO shall check whether or not the required financial guarantee to cover the obligation to pay the Negative Imbalance Charge pursuant to Article 7.6 was provided.
- 8.2.2. If any of the above checks shows non-compliance, the TSO shall inform the User thereof and request him to remedy the non-compliance.
- 8.2.3. If the User fails to remedy the non-compliance and does not confirm, by 15:30 of the day preceding the relevant Gas Day, to the TSO that a remedy is made, the TSO shall change the nominated quantity in such a manner that confirmed Gas Quantity shall be the lesser of the values. If the non-compliance is caused by the fact that the nomination by the User exceeds the allocated capacity, the TSO may confirm such a nomination if it is reasonable to expect that the relevant capacity will be purchased by the User as capacity for the next Gas Day by the deadlines set by this Operational Order or the Regulation on Capacity Allocation or that such nomination is an Over-Nomination.
- 8.2.4. The TSO shall inform the User, on daily basis by 16:00 hours, of the Quantities of gas confirmed for the following Gas Day in the manner described in the Regulation on Interoperability Rules or, as appropriate, in another agreed manner.
- 8.2.5. For the purpose of data exchange with Interconnected Networks, which apply the system of gas transmission with hourly nominations, and for the purpose of network management, the TSO shall divide the daily nomination into hourly intervals (divided equally over the Gas Day).

## **8.3. Re-nomination and adjustment of Gas Quantities**

- 8.3.1. A User shall be entitled to change the nominated Gas Quantity at any time after the confirmation deadline (i.e. after 16:00 of Gas Day D-1) and no later than three hours before the end of Gas Day D.
- 8.3.2. Point 8.1.3 shall apply accordingly to the required content of a re-nomination.

- 8.3.3. The TSO shall start a re-nomination cycle at the start of every hour within the re-nomination period. The last re-nomination, received by the transmission system operator from a User before the re-nomination cycle starts, shall be taken into account by the TSO in the re-nomination cycle.
- 8.3.4. When assessing a re-nomination, the TSO shall consider the feasibility of changing the last valid nomination/re-nomination, taking into account in particular the time remaining until the end of the relevant Gas Day, the Quantities already transmitted and the operational conditions of the transmission network. A re-nomination shall only be valid, if it is delivered at least two (2) hours before the moment, when the change of a nomination should take effect, and may only relate to such a Quantity, which is proportionate to gas transmission or utilization of Additional Services in that Gas Day. After receiving a re-nomination, the TSO shall send it to the relevant Interconnected Network operator or to the relevant counterparty and carry out the re-nomination review process pursuant to Article 8.2 of the Operational Order.
- 8.3.5. After completing the re-nomination review process, the TSO shall send the message regarding the confirmed quantities to the respective Users within two hours from the start of each re-nomination cycle. The start time of the effective gas flow change shall be two hours from the start of the re-nomination cycle, unless:
- a) a later time is requested by the User, or
  - b) an earlier time is allowed by the TSO.
- 8.3.6. Daily Quantities shall be nominated for gas transmission or the use of Additional Services, and the transmission, deliveries and off-takes of gas shall be carried out evenly at constant Quantities during the day in the form of a uniform profile, taking into account re-nominations by the User. Where the TSO:
- a) obtains reliable information, particularly from the operators of Interconnected Networks that a User is not able to deliver or offtake gas at the relevant point in the required Quantity and quality and at the agreed pressure level, or
  - b) establishes that the Gas Quantity delivered or taken off by a User significantly differs from the last confirmed nomination,
- the TSO shall have the right to adjust immediately the required nominated Gas Quantity for the relevant Gas Day. If the adjustment relates to several Users, the TSO shall adjust the Gas Quantities on a pro rata basis, i.e. it shall adjust the Gas Quantities for an each User in proportion to their last confirmed nominations. In such a case, the TSO shall send to the User a message concerning the adjusted Quantities, along with a justification of the adjustment. After completing the process of adjusting the Gas Quantities, the TSO shall have the right to reject the re-nomination by a User, which would trigger the need for restarting the process.
- 8.3.7. The TSO may reject a nomination or re-nomination no later than two hours after the nomination deadline or the beginning of the re-nomination cycle in the following cases:
- a) it does not comply with the requirements as to its content specified in Article 8.1.3;
  - b) it is submitted by an entity other than a User, and such other entity does not have a valid authorisation granted by a User to submit nominations.
- 8.3.8. The TSO may reject a re-nomination no later than two hours after the beginning of the re-nomination cycle in the following additional cases:
- a) the re-nomination would cause that the Gas Quantity for transmission until the end of the Gas Day exceeds the proportionate part of the allocated capacity for the remaining hours of the Gas Day, except for cases, where it is an Over-Nomination;
  - b) the new nomination exceeds the proportionate part of the last confirmed nomination carried out while it was in force;

c) the re-nomination would result into a rapid change of Gas Quantity for the User or operational conditions of the network does not allow it.

The transmission system operator shall not reject a User's nomination and re-nomination on the sole ground that the intended deliveries at the entry point are not equal to the intended off-takes at the exit point.

8.3.9. A User may not, by means of a nomination or re-nomination, intentionally create a Preliminary Daily Imbalance Quantity with a view to utilize a commercial opportunity. A User shall not, by its conduct, abuse or manipulate the balancing system. Where such conduct is discovered, the TSO shall have the right to reject the relevant nomination or re-nomination.

8.3.10. If the operational conditions of Interconnected Networks fail to support economically efficient or technically feasible physical flow of gas, the Interconnected Networks operators and the TSO may agree to use, on a short-time basis, a linepack of their networks or storage facilities and temporarily replace such inefficient physical flow by creating a balancing imbalance in the Interconnected Networks and in the network of the TSO. Such balancing imbalances between the Interconnected Networks operators and the TSO shall not be deemed Daily Imbalance Quantities within the meaning of the Regulation on Gas Balancing. The operators of Interconnected Networks and the TSO shall subsequently, within the shortest time possible, balance off such imbalances.

#### 8.4. Gas Quantity Allocation

8.4.1. Taking delivery of gas from Interconnected Networks at entry points to the transmission network and deliveries of gas to Interconnected Networks at exit points from the transmission network as well as the utilization of Additional Services shall be subject to Allocation Regimes, which shall be in line with the operational possibilities of the TSO and Interconnected Networks. These Allocation Regimes are developed hand in hand with the modernisation of technical equipment of Interconnected Network operators. These Allocation Regimes are updated on an ongoing basis, based on Interconnection Agreements with Interconnected Network operators. Different Allocation Regimes may be applied at individual entry and exit points. The TSO shall be obliged to inform Network Users of the Allocation Regimes applied at EU Interconnection Points.

### 9. BALANCING

#### 9.1. Balancing principles

9.1.1. A User shall be responsible for the Daily Imbalance Quantity and shall pay or receive the daily imbalance charge, which shall be determined by multiplying the Daily Imbalance Quantity and the applicable price. The methodology of calculation of the daily imbalance charge is published on the TSO's website. The applicable price is specified in the RONI's price decision.

9.1.2. A User shall be obliged to pay the daily imbalance charge if the Daily Imbalance Quantity is negative ("**Negative Daily Imbalance Charge**"). A User shall receive the daily imbalance charge if the Daily Imbalance Quantity is positive ("**Positive Daily Imbalance Charge**").

- 9.1.3. The TSO shall maintain a System Imbalance account, recording on an ongoing basis, the Preliminary Daily Imbalance Quantities of Users, and/or their Daily Imbalance Quantity at the end of a Gas Day and the Gas Quantity resulting from the balancing actions carried out. The rules for its management will be published on the TSO's website.
- 9.1.4. The TSO shall carry out balancing actions in the following order of priority:
- buying or selling gas on a balancing platform;
  - activation of permitted balancing action in the form of purchase/sale of gas;
  - buying or selling gas at the Vienna CEGH Gas Exchange, if allowed by the conditions of operational balancing management.
- 9.1.5. The TSO shall publish, on its website, all information and data required by the Regulation on Gas Balancing.

## **9.2. Balancing platform**

- 9.2.1. A balancing platform is established by the TSO in accordance with the Regulation on Gas Balancing.
- 9.2.2. The TSO shall, through the balancing platform, carry out balancing actions by buying or selling gas.
- 9.2.3. A User interested in carrying out transactions on the balancing platform, shall enter into a Contract for access to the balancing platform with the TSO. The form of the contract is published on the TSO's website.
- 9.2.4. The TSO shall buy or sell gas on the balancing platform with delivery within the relevant Gas Day or on the next Gas Day.
- 9.2.5. The delivery point of gas for transactions carried out through the balancing platform is a VTP. The purchase or sale of gas by the TSO shall, after the closing and evaluation of an auction, be registered at the VTP as a nomination and allocation between the TSO and the successful auction participant(s).
- 9.2.6. Information about transactions carried out through the balancing platform shall be published by the TSO on its website.

## **9.3. Neutrality Account**

- 9.3.1. The TSO shall open and maintain a Neutrality Account for recording the costs of and revenues from daily imbalance charges and balancing actions, and any other costs and revenues related to balancing activities. The TSO shall publish the balance on the Neutrality Account regularly on its website.

## **9.4. Threatening of network integrity**

- 9.4.1 Network integrity shall be deemed threatened in exceptional cases and emergency situations, which pose or could pose a threat to the safety and stability of the transmission network or cause a situation, in which the conditions in the transmission network, including in particular surplus or shortage of gas in the transmission network,

threaten safe and reliable transmission of gas or materially negatively affect the cost efficiency of operation of the transmission network.

- 9.4.2 Where network integrity is threatened, particularly by the fact that nominations/re-nominations by Users at entry points to the transmission network or the VTP are different from nominations/re-nominations of Users at exit points or the VTP and the resulting Preliminary Daily Imbalance Quantity could not be eliminated by balancing actions, the TSO shall have the right to adjust the nominations/re-nominations of Users, who caused that situation, and this even if such nominations/re-nominations were confirmed by the TSO.
- 9.4.3 Where possible, before adjusting the nominations pursuant to Article 8.3.6, the TSO shall contact the Users, for whom a Preliminary Daily Imbalance Quantity is recorded, and shall request them to eliminate or reduce it. When adjusting nominations pursuant to Article 8.3.6, the TSO shall adjust the nominations in proportion to the quantity of Preliminary Daily Imbalance Quantity of individual Users. The TSO shall exercise reasonable efforts to ensure that adjustment of nominations affects the least number possible of other Users, and shall therefore proceed as follows:
- a) the TSO shall preferably adjust the nominations of Network Users at entry points to or exit points from the transmission network;
  - b) if necessary, the TSO shall subsequently adjust nominations of Users at the VTP. If after, carrying out the actions referred to in point a) and/or b), a Preliminary Daily Imbalance Quantity is caused to another User, the TSO shall adjust its nominations by applying the procedure pursuant to point a) and/or b).
- 9.4.4 After completing the process of nominations adjustment necessitated by a situation threatening network integrity, the TSO shall have the right to reject User nominations, which would trigger the need for restarting the process.

## 10. CONNECTION TO THE TRANSMISSION NETWORK

### 10.1. Points of connection to the transmission network

- 10.1.1. The operator of a gas facility has the right to have its asset connected to the transmission network exclusively at the point defined by the Transmission System Operator, provided that Technical Conditions and commercial conditions of access to the transmission network are met. The place of connection shall be the weld or flange after the last shutoff valve, which is located downstream of any technical devices used exclusively for regulation of gas pressure and/or a flow rate and for metering Gas Quantity and quality for the connected gas facility.
- 10.1.2. In accordance with Section 19 and Section 49(6)(g) of the Energy Act, the TSO shall, as a part of the Technical Conditions and commercial conditions for access to the transmission network, specify the type, structure and parameters of the necessary technical devices, depending on the specific conditions of a connection. The technical devices shall in particular include:
- a) closing valve before the metering and regulation device;
  - b) filtration unit;
  - c) metering device for Gas Quantity;
  - d) metering device for gas quality;
  - e) gas flow rate and/or a pressure regulator;

- f) gas preheating unit;
- g) pressurization and de-pressurization pipe;
- h) device enabling remote control of the station, transmission and archiving of data;
- i) closing valve at the connection point.

Depending on the Technical Conditions and operational conditions of the transmission network, and the topology at the place of a connection, the TSO shall specify which of the above or which additional technical devices are necessary.

## 10.2. Application for connection to the transmission network

10.2.1. Connection to the transmission network is provided under a contract for connection to the transmission network (the "**Connection Contract**").

10.2.2. The Connection Contract is entered into based on an application for connection to the transmission network ("**Application for Connection**"). The party applying for connection to the transmission network ("**Applicant for Connection**") shall submit the Application for Connection to the TSO.

10.2.3. The Application for Connection shall in particular contain:

- a) identification data of the Applicant for Connection;
- b) design plan of the connection;
- c) binding purpose of use of the facility to be connected, particularly if it is a distribution network, a storage facility, an upstream pipeline network or a delivery point;
- d) anticipated date of commencement of gas transmission through the interconnection point;
- e) required minimum pressure at the place of connection;
- f) required maximum hourly capacity;
- g) expected quality of gas;
- h) documents proving the ability of the Applicant for Connection to meet its financial obligations towards the TSO under the Connection Contract;
- i) if there an interconnection exists between a gas facility to be connected and the distribution network, an operator of which is obliged to perform the tasks of gas dispatch management on the defined territory, also documents proving that the operator of the gas facility to be connected has entered into, with the distribution network operator required to perform the tasks of gas dispatch management on the defined territory, a contract on ensuring interconnectability of distribution networks and data exchange necessary for network balancing and a contract for the provision of ancillary services, particularly with a view to ensuring security of supply and network balancing;
- j) certificate of compliance of the investment plan with a long-term concept of the energy policy, if required by Section 12 of the Energy Act, or the authorisation to conduct business in the energy sector pursuant to Section 6 on the defined territory, which includes the place of a connection.

10.2.4. The TSO shall publish, on its website, the form of Application for Connection and all other necessary information.

10.2.5. The Applicant for Connection shall deliver the Application for Connection to the address of the TSO in a written form. The data to be submitted, together with the documents to be attached to the Applications for Connection shall form an integral part of the Application for Connection. The TSO shall, after receiving the Application for Connection, evaluate the data contained therein and the attached documents. Where an incorrectly completed or an incomplete Application for Connection was submitted,

the TSO shall, without undue delay, request the submission of missing or correct data or documents. The Applicant for Connection shall submit the documents forming part of the Application for Connection in the form of copies. At TSO's request, the Applicant for Connection shall present the original document for comparison with the submitted copy. In case any discrepancies between the copy and the original document are discovered, the relevant document shall be deemed submitted on the day of presentation of the original.

10.2.6. The date of delivering an Application for Connection shall be the date of delivery of the complete Application for Connection as defined in Article 10.2.5 of the Operational Order.

10.2.7. After receiving an Application for Connection, the TSO shall, within sixty (60) calendar days of its receipt, issue a written statement thereto. The transmission system operator shall, in a written statement, inform the applicant for connection to the transmission network of the technical and commercial conditions of connection to the transmission network, which shall apply exclusively to the purpose of use of the facility to be connected, as stated in the Application for connection to the transmission network. If the Application for Connection complies with the TSO's conditions pursuant to Article 10.2.3 of the Operational Order and the Technical Conditions, the TSO shall send to the Applicant for Connection a draft of a Connection Contract. If a connection to the transmission network is rejected, the rejection must be properly justified in the TSO's written statement.

10.2.8. The TSO shall commence any work on the connection, including planning work, only after the Connection Contract is entered into. The TSO shall have the right to extend the deadline for a connection by the time from the delivery of the draft of the Connection Contract to the Applicant for Connection until the date on which the contract is entered into.

10.2.9. The cost of a connection shall be paid by the Applicant for Connection in the amount set by the valid price decision of RONI. The Applicant for Connection shall, during the performance of construction work, make to the TSO pre-payments in the amount and at dates agreed in the Connection Contract.

### **10.3. Conditions of connection to the transmission network**

10.3.1. The transmission network, including connection points, is operated by the TSO. The facilities downstream the connection point are operated by the operator of the connected gas facility.

10.3.2. Technical devices operated by the TSO form an integral part of the transmission network. Their function is to enable gas transmission between the transmission network and the connected gas facility through the connection point, while maintaining integrity and balanced state of the transmission network. The operator of the connected gas facility shall have no ownership or other rights to the transmission network or any part thereof. Technical devices operated by the operator of connected gas facility form an integral part of the connected gas facility. The TSO shall have no ownership or other rights to the connected gas facility or any part thereof.

10.3.3. In case of connection of a distribution network to the transmission network, a precondition for entering into the Connection Contract is the conclusion of a contract between the operator of the distribution network to be connected and the operator of

the distribution network obliged to fulfil the gas dispatching centre role on the defined territory, on interconnectability of distribution networks and data exchange necessary for network balancing and of a contract for the provision of ancillary services, particularly with a view to ensuring security of supply and network balancing.

#### **10.4. Conditions for disconnection from the transmission network**

10.4.1. The TSO shall have the right to disconnect a connected gas facility from the transmission network if:

- a) the connection endangers the safety or integrity of the transmission network;
- b) the operator of the connected gas facility asked for the disconnection;
- c) the operator of the connected gas facility fails to fulfil, over a prolonged period of time, its obligations under the Connection Contract or the generally binding legal regulations.

### **11. FINAL PROVISIONS**

#### **11.1. Duration and Termination of the Contract**

11.1.1. A Contract shall become valid and enter into force on the date of signing or, if required by generally applicable legislation, on the effective date of its approval by the competent authority.

11.1.2. The TSO shall have the right to withdraw from a Contract with immediate effect if:

- a) the Network User seriously or regularly violates the provisions of the Contract;
- b) the financial situation of the Network User is deteriorated to such an extent, which endangers the satisfaction of potential financial claims of the TSO under the Contract. This applies particularly to cases, where a bankruptcy or restructuring petition is filed against the assets of the Network Users pursuant to the applicable legal regulations governing bankruptcy and/or restructuring proceedings, or where a petition for execution was filed involving a substantial part of the assets of the Network User;
- c) the conduct by the Network User threatens or might threaten network safety, environment or human life and health;
- d) the Network User fails to provide the financial guarantee within the period of time, in the form and/or in the amount in accordance with Article 7.6 of the Operational Order;
- e) the Network User intentionally submitted to the TSO, as a part of an Request, false information and/or documents.

11.1.3. A Network User shall have the right to withdraw from a Contract only if despite a prior written notice by the Network User given without undue delay, the TSO failed to provide, to a material extent, transmission capacity and/or failed to carry out transmission of gas from an entry point or to an exit point during the contract duration in accordance with the Contract (material breach of contractual obligations).

The Network User shall have the right to withdraw from the Contract within one month from the moment, in which one of the above conditions was met, provided that as of the moment of withdrawal, such breach is continuing.

#### **11.2. Circumstances of force majeure**

- 11.2.1. In the event that the TSO is prevented from fulfilling its obligations under the Contract by circumstances of force majeure and to the extent and for the duration such obligations are affected by the circumstances of force majeure, (i) it shall not be liable for the failure to fulfil its obligations under the Contract affected by the circumstances of force majeure and shall be excused from fulfilling such obligations and (ii) it shall be not responsible for the damages caused by force majeure.
- 11.2.2. Circumstances of force majeure shall be deemed to be extraordinary events occurring after the date of the Contract, which were not predictable and could not be prevented by the TSO. Such circumstances include in particular natural disasters, floods, earthquakes, landslides, war, fire, explosion, terrorist attacks and strikes. Circumstances arising from a subjective economic condition of the TSO (e. g. inability to meet its financial obligations), and obstacles, which the TSO is able to overcome or prevent, can in no way be considered force majeure.
- 11.2.3. The TSO referring to force majeure shall forthwith inform the another Party of the circumstances of force majeure and prove them in an adequate manner.
- 11.2.4. For the avoidance of any doubts the Network User is not entitled to refer to force majeure. Concurrently the Network User is not entitled to refer to Sections 352 and 356 of the Commercial Code, mainly he is not entitled to appeal for a termination of the Contract or appeal for an amendment of the conditions of the Contract.

### **11.3. Transfer of rights and obligations**

- 11.3.1. Assignment and transfer of rights and obligations of the Parties out of a Contract shall only be possible with the prior written consent of the Transmission System Operator. In case of transfer of rights and obligations, tariffs for gas transmission shall be applied in such a way, that they are fully in line with the price decision of RONI applicable to the original Contract (taking into account the valid tariff escalation method). In case of a partial transfer of rights and obligations, the tariffs for gas transmission in accordance with the current price decision of RONI shall apply to the new User. The Party, to whom the rights and obligations under the Contract are assigned, is obliged to provide a financial guarantee pursuant to Article 7.6 of the Operational Order, with the time limits specified in the said article applied accordingly.

### **11.4. Confidentiality**

- 11.4.1. All information exchanged between the TSO and a Network User relating to a Contract shall be deemed confidential and neither Party shall disclose such information to third parties without the prior written consent of the another Party. The Party asked to grant the consent to the disclosure of confidential information shall be obliged to grant such a consent, if there are good reasons for such disclosure and if that Party does not incur any risk due to such disclosure, after considering all relevant circumstances.
- 11.4.2. The Parties shall only be entitled to disclose confidential information regarding the Contract to their employees, consultants, advisers and other service providers, as well as to public administration authorities authorised to request the relevant information in accordance with applicable legislation.

11.4.3. The TSO and the Network User shall take all necessary steps to ensure that all persons and public administration authorities receiving confidential information in accordance with this Article, maintain the confidentiality of such information.

## **11.5. Form and Language**

11.5.1. Contracts and any other legal acts in accordance with the Operational Order and the related documents are generally prepared in the Slovak or English language. Where a Contract or any other legal act pursuant to the Operational Order or the related documents are made both in the Slovak and English language and where there are any discrepancies between the wording in the Slovak language and the wording in the English language, the Slovak language version of the document shall prevail, unless in the contract provided otherwise.

11.5.2. Any changes to the provisions of a Contract and the related documents must be made in writing and signed by both Parties.

11.5.3. The official version of the Operational Order, approved by RONI, is the Slovak language version. The TSO, with a view to making its services available to the maximum extent possible, published on its website also the English language version of the Operational Order. In case of any discrepancies between the Slovak language version of the Operational Order and the English language version of the Operational Order, the Slovak language version of the Operational Order shall prevail.

11.5.4. Any changes to this Operational Order are subject to the approval of RONI. Changes to this Operational Order shall take effect on the date of entry into force of a RONI's decision approving the changes. The TSO shall publish such changes, after their approval by RONI, on its website.

## **11.6. Miscellaneous**

11.6.1. The provisions of Article 11.1 to 11.7 shall accordingly apply also to contracts for Additional Services.

11.6.2. The TSO shall ensure that the Operational Order is published for potential Users.

11.6.3. The Operational Order forms an integral part of a Contract and of contracts for Additional Services.

11.6.4. In case of a change of the Operational Order during the duration of a Contract or of contracts for Additional Services, the Contract and the contracts for Additional Services shall automatically be subject to the Operational Order in its updated version, approved by the relevant decision of RONI.

11.6.5. The Operational Order shall enter into force on 1 October 2015. The provisions concerning EU Interconnection Points shall enter into force on 1 November 2015 and, until and including 31 October 2015, the provisions relating to Interconnection Points from/to third countries shall apply to EU Interconnection Points.

11.6.6. This Operational Order shall govern contractual relationships and legal acts carried out after 1 October 2015, except for provisions concerning EU Interconnection Points, where the Operational Order shall apply from 1 November 2015. From 1 October 2015

until 31 October 2015, the provisions on Interconnection Points from/to third countries shall apply to EU Interconnection Points. Contractual relationships and legal acts carried out until 30 September 2015 shall be governed by the previous version of the Operational Order approved by the Decision of the Regulatory Office for Network Industries No. 0049/2013/P-PP dated 28 October 2013, as amended by the Decision No. 0005/2014/P-PP of 5 June 2014 and the Decision No. 0002/2015/P-PP of 25 March 2015.

11.6.7. The provision of the Article 6.2.6 is effective for products which can be used within the time period beginning on the day of effectiveness of the RONI's Decision No. 0002/2016/P-PP dated on 03. 02. 2016 till 31. 03. 2016.

Other provisions of this Operational Order of the TSO - eustream, a.s., Votrubova 11/A, 821 09 Bratislava, IČO (Identification Number): 35 910 712, approved by the decision of the RONI No. 0049/2013/P-PP dated on 28 October 2013, as amended by the decision No. 0005/2014/P-PP of 5 June 2014, the decision No. 0002/2015/P-PP of 25 March 2015, the decision No. 0005/2015/P-PP of 1 October 2015, the decision No. 0002/2016/P-PP of 3 February 2016, the decision No. 0005/2016/P-PP of 14 September 2016, the decision No. 0001/2017/P-PP of 24 February 2017, decision No. 0001/2018/P-PP of 19 February 2018, decision No. 0001/2019/P-PP of 25 March 2019, decision No. 0002/2020/P-PP of 14 April 2020 and decision No. 0003/2020/P-PP of 03 July 2020, decision No. 0006/2020/P-PP of 2 September 2020 and decision No. 0002/2021/P-PP of 2 July 2021 remain without any changes.

Integral part of this Operational Order are the following decisions of the Regulatory Office for Network Industries: No. 0049/2013/P-PP dated 28 October 2013, as amended by the decision No. 0005/2014/P-PP of 5 June 2014, the decision No. 0002/2015/P-PP of 25 March 2015, the decision No. 0005/2015/P-PP of 1 October 2015, the decision No. 0002/2016/P-PP of 3 February 2016, the decision No. 0005/2016/P-PP of 14 September 2016, the decision No. 0001/2017/P-PP of 24 February 2017, the decision No. 0001/2018/P-PP of 19 February 2018, the decision No. 0001/2019/P-PP of 25 March 2019, the decision No. 0002/2020/P-PP of 14 April 2020, the decision No. 0003/2020/P-PP of 03 July 2020, decision No 0006/2020/P-PP of 02 September 2020 and decision No 0002/2021/P-PP of 02 July 2021.