

**Rules on the conduct of commercial operations in the
Negru Vodă 1/Kardam IP
according to the provisions of the INTERCONNECTION AGREEMENT
(IA)
concluded between BULGARTRANGAZ EAD and TRANSGAZ**

1. General background

- The interconnection point Negru Vodă 1/Kardam represents the DN 1000 interconnection between the Isaccea 1 – Negru Vodă 1 pipeline and the transmission system operated by BULGARTRANGAZ', and it is located at the border between Romania and Bulgaria near Negru Vodă (on the Romanian territory) and near Kardam (on the Bulgarian territory).
- These **Rules** agreed by the two neighbouring transmission system operators apply during the implementation of capacity booking contracts concluded between transmission system operators and the NU, **both in the forward flow direction Romania – Bulgaria (RO >BG) and in the virtual flow direction Bulgaria - Romania (BG >RO), as of 01.10.2016.**
- The Interconnection Agreement concluded between TRANSGAZ and BULGARTRANGAZ includes the provisions of Regulation (EU) no. 312/2014 and Regulation (EU) no. 703/2015, on the operation of the interconnection points located at the border between two EU Member States.
- **The data exchange** necessary for the conduct of the daily processes **between the NU and TRANSGAZ**, and respectively, **between TRANSGAZ and BULGARTRANGAZ**, **will be performed only in kWh(n)** based on the GCV and the reference conditions (25°C /0°C).
- **Gas day** shall mean the period from UTC 5:00 to UTC 5:00 the following day for winter time and from UTC 4:00 to UTC 4:00 following day when daylight saving is applied.
- The deadlines provided in the Interconnection Agreement concluded between TRANSGAZ and BULGARTRANGAZ comply with the UTC time (coordinated universal time). In order to simplify, to better understand and apply the processes, we would like to mention that within this document the Romanian time was also included, that is UTC + 2 hours, in winter time and UTC + 3 hours, in summer time.

2. Capacity booking

- Transmission capacity in the **Negru Vodă 1/Kardam IP**, related to the Isaccea 1 – Negru Vodă 1 pipeline, is booked by auctions organized within the Regional Capacity Booking Platform PRRC operated by „Földgázaszolgáltató Zártkörűen Működő Részvénytársaság” – FGSZ Ltd., in line with the Conditions for the operation of the PRRC and with the provisions of NERA Order no. 34/19 July 2016 and it will be expressed in kWh/day(n) based on the GCV and the reference conditions (25°C /0°C).

3. Gross calorific value (GCV)

- TRANSGAZ published on its website the appropriate value of the GCV related to each gas day, which is determined under the reference conditions (25°C /0°C).
- The gross calorific value related to the gas day D-1 is displayed daily, until 12:00 Romanian time (UTC 10:00 in winter and UTC 09:00, in summer) of the gas day D, on TRANSGAZ' webpage at the address:

<http://www.transgaz.ro/en/informa%C8%9Bii-clien%C8%9Bi/gross-calorific-values> .

4. Nomination, Renomination, Matching

- For the performance of the matching process and for determining the confirmed quantity the network users who booked capacity at the **Negru Vodă 1/Kardam IP** send to TRANSGAZ the nomination related to the Gas day D until 15:00 Romanian time (UTC 13:00, in winter, the latest and UTC 12:00, in summer of the Gas day D-1, mentioning the network user pair on the Bulgarian side.
- By UTC 15:45, Romanian time (UTC 13:45, in winter and UTC 12:45, in summer) of the Gas Day D-1, BULGARTRANSGAZ shall send to TRANSGAZ the processed quantities for delivery/offtake for the Gas day D by Network User pairs. The processed quantities imply a constant flow evenly distributed per hours during the Gas day D.
- Within 45 minutes, TRANSGAZ shall carry out a matching procedure of the processed quantities for delivery/offtake at the IP per Network User pairs and send a message to BULGARTRANSGAZ to confirm the processed quantities until 16:30, Romanian time (UTC14:30 in winter time) and respectively UTC13:30 (in summer time). If there is a difference in the processed quantities at both sides of the IP, then the "lesser rule" shall be applied.
- Subsequent to the application of the matching procedure, TRANSGAZ shall inform its Network Users about the **confirmed quantities** by 17:00, Romanian time (UTC 15:00, in winter time and UTC 14:00, in summer time) of the Day D-1,.
- Network Users shall have the right to send **re-nominations** between 17:00 Romanian time (UTC 15:00, in winter time and UTC 14:00, in summer time) of the Day D-1 and 04:00, Romanian time (UTC 02:00, in winter time, and UTC 01:00, in summer time) of the Day D.
- The re-nomination cycle will start in the beginning of every hour, between 18:00 Romanian time (UTC 16:00, in winter time and UTC 15:00, in summer time) of the Day D-1 and 04:00, Romanian time (UTC 02:00, in winter time and UTC 01:00, in summer time) of the Day D. During each re-nomination cycle the notification and matching procedure shall apply.
- Within two hours from the beginning of each renomination cycle, TRANSGAZ will communicate to the Network Users the confirmed quantities.
- TRANSGAZ shall have the right to reject an intraday (D) re-nomination submitted by its Network User if it deviates by more than 15% from the last confirmed day-ahead (D-1) nomination/re-nomination.
- TRANSGAZ shall have the right to reject an intraday (D) re-nomination submitted by its Network User if it deviates by more than 3% from the last confirmed intraday (D) nomination/re-nomination.

- In case a nomination or re-nomination has not been submitted by a network user or has been rejected by TRANSGAZ, it shall use the network user's last confirmed quantity, if any.
- The nomination/re-nomination/matching procedures described above shall be performed based on some excel format documents the Network Users will receive from Transgaz, subsequent to the conclusion of the capacity booking contract.
- Upon the setting of the nominations/re-nominations for the gas day D the NU shall use the GCV related to the gas day D-2, expressed in kWh/m³ (n), published by TRANSGAZ in the day D-1, until 12:00, Romanian time (UTC 10:00, in winter time and UTC 09:00, in summer time).

5. Metering

- In the situation of the physical flow, in the Romania - Bulgaria (RO > BG) direction the metering of the quality and quantity of the gas transmitted is performed in the Negru Vodă 1 GMS by means of the equipments owned, controlled and operated by TRANSGAZ.

6. Allocation

- Transgaz establishes the allocation of the confirmed quantities for each Pair of Network Users, daily, until 10:30 Romanian time (UTC 8:30, in winter time and UTC 07:30, in summer time) for each previous gas day.
- The allocation of quantities delivered and/or received to/by the NU is performed at the level of the confirmed quantities for delivery/takeover and is expressed in kWh under reference conditions (25°C/0°C). This allocation procedure is based on the Operation Balancing Account (OBA);
- The OBA based allocation procedure is not applied in the following situations:
 - The actual deliveries are interrupted because of the inappropriate quality of the natural gas;
 - The actual deliveries are limited or interrupted because of the non compliance with the pressure conditions required at Negru-Vodă 1/Kardam GMS;
 - The limiting range accepted for the amount of the total balance position cannot be restored;

For each Gaz Day D, when any of the situations mentioned above occurs, the daily measured quantity is allocated to the pairs of NUs proportionally to their confirmed Natural Gas quantities in both directions of the IP.

7. Additional information

- The NU will send the nominations and renominations related to the booked capacity to the e-mail addresses of the persons from the department Nominations, Renominations, IDN and from the Office for the Nominations Matching within Transgaz, which they will receive after the conclusion of the transmission contract (or by fax, if the internet network is not functional).

