

**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 physical flow direction Bulgaria - Romania (BG > RO), as of 01.01.2020.**
- 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 „Földgázzállító 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 as amended (NERA Order no. 158/2019 and NERA Order no. 215/2019) 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/clients/operational-data/gross-calorific-values>

4. (Re) Nomination

- The Nomination/Re-nomination shall not exceed the booked capacity.
- The Nomination/Re-nomination at IP Negru Voda 1/Kardam is made separately for:
 - **The bundled firm capacity** – unilateral nomination/re-nomination,
 - **Unbundled firm capacity** – bilateral nomination/re-nomination,
 - **Interruptible capacity** - bilateral nomination/re-nomination,
- TRANSGAZ submits detailed information regarding the delivery method and the templates used in respect of the nomination/re-nomination, by e-mail, to the

contact persons indicated by the NU upon the termination of the transmission contract or to persons appointed in this respect by the NU.

- **The NU may submit nominations for gas day D** by 13:00 UTC (winter time) and 12:00 UTC (summer time) of gas day D-1. The nominations are delivered to Transgaz broken-down on each booked capacity type.
- **The NU may submit re-nominations for gas day D** between 15:00 UTC during winter time and 14:00 UTC during summer time of gas day D-1 and 02.00 UTC during winter time and 01:00 UTC during summer time of gas day D. A re-nomination cycle starts at each sharp time of the hourly interval mentioned above. The re-nominations are taken into account 2 hours after the hourly re-nomination cycle.
- The submitted nomination/re-nomination shall consist of:
 - a. The gas day in respect of which the (re)nomination is
 - b. The code of the network point,
 - c. The flow direction,
 - d. The required amount in kWh/day,
 - e. The NU code,
 - f. The NU pair code.
- The submitted Nomination/Re-nomination shall not exceed the bundled firm capacity and the bilaterally purchased capacity (firm and/or interruptible).
- At IP Negru Vodă1/ Kardam Transgaz conducts the matching process by applying the “lesser of” rule
- For the nomination cycle, Transgaz submits the confirmed nominations to the NU by 15:00 UTC.
- For the re-nomination cycle, Transgaz submits the confirmed nominations to the NU within 2 hours from the start of the re-nomination cycle.
- 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.

5. Metering

- In the situation of the physical flow, in the Romania - Bulgaria (RO > BG), or in the Bulgaria – Romania (BG>RO) 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 (re)nominations related to the booked capacity bundled and unbundled to the e-mail addresses infogaz@transgaz.ro .