



**SOCIETATEA NAȚIONALĂ DE TRANSPORT
GAZE NATURALE "TRANSGAZ" SA MEDIAȘ**
 Capital social: 117 738 440,00 LEI
 ORC: J32/301/2000; C.I.F.: RO13068733
 P-ța C. I. Motaș nr. 1, cod: 551130, Mediaș, Jud. Sibiu
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CURRENT REPORT

according to the provisions of Article 225 of Law 297/2004

Date of report: **26 January 2016**

Name of issuing entity: **SNTGN TRANSGAZ SA MEDIAȘ**

Headquarters: **Mediaș, 1 Constantin I. Motaș Square, Sibiu County**

Telephone/fax number: **0269803333/0269839029**

Tax identification code: **RO 13068733**

Trade Register number: **J32/301/2000**

Subscribed and paid-up capital: **RON 117.738.440**

Regulated market on which issued securities are traded: **Bucharest Stock Exchange.**

REPORTED EVENTS

SNTGN Transgaz SA informs all those concerned on the legal documents concluded with companies directly or indirectly controlled by the Romanian State and which have a cumulated value of at least the lei equivalent of the amount of euro 50.000.

Contract information	Contractual clauses provided in the contract
Contracting Parties	concluded between SNTGN Transgaz SA and SC ELECTROCENTRALE GALAȚI SA – in insolvency
Contract conclusion date and nature	Contract no. 16/24.09.2015
Contract scope	Gas Transmission Services Supply Contract
Mutual debts	-
Contract value	RON 12.000.734,92 VAT excluded (estimated)
Mutual debts	-
Stipulated penalties and guarantees provided	<p>Penalties:</p> <p>Art. 13. (1) The non-fulfilment of the invoice payment obligation as stipulated under par. (5) of Art. 5 / Art.5¹, par. (5), letter b) shall incur:</p> <p>a) delay penalties related to the unpaid amount, equal to the delay interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, or until the execution of the guarantee stipulated by the contract, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date;</p> <p>b) the limitation/ supply of the gas transmission service starting with the 26-th day from the invoice issue date, with a 5 calendar days' notice, if the payment obligation is not fulfilled.</p>

c) in case of failure to meet the payment obligation, the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 15 calendar days foreseen at letter a).

(2) If the due date or the day following the grace period is a bank holiday, the terms foreseen at paragraph (1) shall be shifted accordingly.

Art. 14 – (1) If, during the delivery month, NU does not ensure at NTS entry points the gas quality specifications at least at the level established by the applicable laws, TSO shall be entitled to request and receive an amount equal to 0,5% of the value of gas, expressed as energy units, delivered at NTS entry and of a quality non-compliant with the applicable laws; the gas value, expressed in energy units, shall be calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period.

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, TSO shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when NU, due to its own fault, does not fulfil the relevant obligations as well as any other obligations established by this Contract.

Art. 15 – If, upon TSO request, NU does not voluntarily return/does not use the facility of booked and not used capacity transfer, thus the mandatory capacity transfer being applied, NU shall pay 5% of the transferred capacity for the period between the date of mandatory capacity transfer and the date of Contract Term expiry.

Art. 16 - (1) NU shall be entitled to request and receive:

a) an amount established based on the under-nomination delivery tariff, according to the Network Code provisions, in case of delivery at NTS exit points under the approved nomination/re-nomination.

b) an amount established based on the tariff for not ensuring the booked capacity, according to the Network Code provisions, in case TSO does not keep at NU's disposal the entire transmission capacity booked by the latter.

c) an amount equal to 0,5% of the value of gas, expressed in energy units, delivered at NTS exit and of a quality non-compliant with the applicable laws, calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period;

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, NU shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when TSO, due to its own fault, does not fulfil the obligation of transmission services provision as well as any other obligations established by this Contract.

Guarantees:

	<p>Art. 10. (1) For the purpose of fulfilling their obligations under the contract, either party shall establish a guarantee for the other party in accordance with the Network Code.</p> <p>(2) For fulfilling the obligation under paragraph (1) of this Article, the TSO shall provide the credit rating.</p> <p>The NU is exempted from the obligation to provide the payment guarantee to the TSO conditional on the submission of a credit rating issued by a rating agency agreed by both parties, equivalent with that of Transgaz SA.</p> <p>(3) The payment guarantee in amount of 2.655.330,23 of the countervalue of higher invoice issued in the gas year 2014-2015, that is the invoice no 20150078/13.02.2015 related to the transmission services for January 2015 shall be a letter of bank guarantee or shall be established in cash as a guaranteed account (collateral deposit) and shall be valid 60 calendar days from contract expiration.</p> <p>(4) The financial guarantee shall be activated by the parties within 48 hours from the agreement and signature of the transmission contract.</p> <p>(5) The TSO shall be entitled to make claims against the guarantee under this Article within the limits of the damage incurred, unless the NU fulfills its contract obligations completely or partly or if it delays fulfilling such obligations.</p> <p>(6) Prior to making any claim against such guarantee, the TSO shall notify the NU on the non-fulfilled obligations.</p> <p>(7) The TSO shall send the guarantee execution notification by fax within 24 hours from the expiration of the period set at Art.13, paragraph (1), letter a).</p> <p>(8) If the guarantee is executed partly or completely, the NU shall re-establish the guarantee according to paragraph (3) of this Article, within 5 days from execution.</p> <p>(9) The Network User shall not provide the guarantee instrument also if it pays in advance the monthly countervalue of the capacity booked.</p>
<p>Payment terms and modalities</p>	<p>(*)Art.5¹ (1) The network user will pay to the transmission system operator the amounts related to the rendered firm and interruptible transmission services, calculated based on the regulated transmission tariffs.</p> <p>(2) The network users will pay the transmission system operator, as appropriate, the extra amounts provided in the network code.</p> <p>(3) The tariffs referred to in para. (1) and (2) are set out in Annex. 1 to the contract.</p> <p>(4) The TSO will submit two or three separate bills (hereinafter 'monthly bills ') for each month as follows:</p> <p>a) first invoice issued for the equivalent capacity booked until the 25th of the month preceding the month of delivery;</p> <p>b) the second invoice for the amount of natural gas transmitted, on the basis of the final allocations for the previous month and the third invoice imbalances calculated for the preceding month, within 10 days of the end of delivery month.</p> <p>(5) The payment of the invoices issued under par. (4) is as follows:</p> <p>a) the invoice issued under par. (4), a) until the last day of the month preceding the month of delivery;</p>

	<p>b) invoices issued under par. (4) b) within 15 calendar days from the date the invoices are issued.</p> <p>If the due date is not a business day, the deadline is set on the next business day.</p> <p>(6) The payment obligation is considered to be fulfilled on the date the total respective amounts enter the account of the transmission system operator.</p> <p>.....</p> <p>(*) To be applied if the option of advance payment is chosen.</p>
	<p>Explanation: ELCEN Galati signed the gas transmission contract with an objection regarding the starting date of the contract. According to ELCEN Galati the contract should be concluded as of 1 November 2015. The misunderstanding was submitted for mediation to ANRE. On 14.01.2016 ANRE held the hearings related to the misunderstanding which occurred between Transgaz and ELCEN Galati, related to the date of commencement of the natural gas transportation contract. The parties have maintained their view expressed in their previous correspondence. ANRE Commission will issue a recommendation on this case.</p>
Contracting Parties	concluded between SNTGN Transgaz SA and ELECTROCENTRALE BUCURESTI SA
Contract conclusion date and nature	Contract no. 14/24.09.2015
Contract scope	Gas transmission services supply
Contract value	RON 107.609.290,62 VAT excluded (estimated)
Mutual debts	-
Stipulated penalties and guarantees provided	<p>Penalties:</p> <p>Art. 13. (1) The non-fulfilment of the invoice payment obligation as stipulated under par. (5) of Art. 5 shall incur:</p> <p>a) delay penalties related to the unpaid amount, equal to the delay interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date;</p> <p>b) the limitation/ supply of the gas transmission service starting with the 26-th day from the invoice issue date, with a 5 calendar days' notice, if the payment obligation is not fulfilled.</p> <p>c) in case of failure to meet the payment obligation, the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 15 calendar days foreseen at letter a), in case of non-fulfilment of the payment obligation.</p> <p>(2) If the due date or the day following the grace period is a bank holiday, the terms foreseen at paragraph (1) shall be shifted accordingly.</p> <p>Art. 14 – (1) If, during the delivery month, NU does not ensure at NTS entry points the gas quality specifications at least at the level established by the applicable laws, TSO shall be entitled to request and receive an amount</p>

equal to 0,5% of the value of gas, expressed as energy units, delivered at NTS entry and of a quality non-compliant with the applicable laws; the gas value, expressed in energy units, shall be calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period.

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, TSO shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when NU, due to its own fault, does not fulfil the relevant obligations as well as any other obligations established by this Contract.

Art. 15 – If, upon TSO request, the NU does not voluntarily return does not use the facility of booked and not used capacity transfer, thus the mandatory capacity transfer being applied, NU shall pay 5% of the transferred capacity for the period between the date of mandatory capacity transfer and the date of Contract Term expiry.

Art. 16 - (1) NU shall be entitled to request and receive:

a) an amount established based on the under-nomination delivery tariff, according to the Network Code provisions, in case of delivery at NTS exit points under the approved nomination/re-nomination.

b) an amount established based on the tariff for not ensuring the booked capacity, according to the Network Code provisions, in case TSO does not keep at NU's disposal the entire transmission capacity booked by the latter.

c) an amount equal to 0,5% of the value of gas, expressed in energy units, delivered at NTS exit and of a quality non-compliant with the applicable laws, calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period;

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, NU shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when TSO, due to its own fault, does not fulfil the obligation of transmission services provision as well as any other obligations established by this Contract.

Guarantees:

The guarantees constituted for the fulfillment of the contractual obligations are set out in the Network Code.

(2) In addition to the provisions of par. (1), the parties may each submit one or more instruments to guarantee the obligations under the contract.

(3) The guarantee instruments in para. 2 are constituted in equivalent conditions.

(4) To guarantee the payment of the balancing value, the NU is bound to constitute in favor of the TSO a financial guarantee in the form of a letter of guarantee issued by a bank approved by the Parties in the amount of 5% of the historical average of the volume of natural gas transported monthly

	<p>according to the contractual relations with NU. The validity of the guarantee for balancing shall cover the transport contract duration plus 30 calendar days. Failure to present the financial securities in time entitles the TSO not to achieve balancing.</p>
<p>Payment terms and modalities</p>	<p>(*)Art.51 (1) The network user will pay to the transmission system operator the amounts related to the rendered firm and interruptible transmission services, calculated based on the regulated transmission tariffs.</p> <p>(2) The network users will pay the transmission system operator, as appropriate, the extra amounts provided in the network code.</p> <p>(3) The tariffs referred to in para. (1) and (2) are set out in Annex. 1 to the contract.</p> <p>(4) The TSO will send the NU within 10 working days of the delivery month two separate bills (hereinafter 'monthly bills ') prepared based on final allocations for the preceding month, namely:</p> <p>a) an invoice for the transmission services for the previous month, established under the final allocations;</p> <p>b) a second invoice for the previous month imbalances, established under the final allocations by applying FTG.</p> <p>(5) The payment of invoices issued according to the network code is made within 15 calendar days from the invoices issue date. If the due date is not a business day, the deadline is set for the next business day.</p> <p>(6) The payment obligation is considered to be fulfilled on the date the total respective amounts enter the account of the transmission system operator.</p> <p>(7) Monthly invoicing for the interruptible natural gas transmission services provided is performed based on the capacity booked in the NTS, the number of hours each month in which transmission services were not limited/ interrupted and quantities of natural gas delivered/taken over by the TSO and, where appropriate, other liabilities arising from the execution of this Contract.</p>

Director - General
Petru Ion Văduva

