

GAZ-SYSTEM S.A. and Public Joint-Stock Company Ukrtransgaz intend to conclude an interconnection agreement. According to art. 4.2 of the Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules, both TSO's shall invite the network users to comment on the proposed text of:

- 1) rules for the matching process,
- 2) rules for the allocation of gas quantities,
- 3) communication procedures in case of exceptional events.

This consultation will run from 1 January 2017 until 1 March 2017.

GAZ-SYSTEM S.A. and Public Joint-Stock Company Ukrtransgaz will evaluate the comments received during the consultation, and, if necessary adjust the text of interconnection agreement.

GAZ-SYSTEM and UKRTRANSGAZ is planning to offer the gas transport service realisation at IP Hermanowice and IP Drozdowicze through one virtual interconnection point – Grid Connection Point GAZ-SYSTEM/UKRTRANSGAZ. Below you can find the content of interconnection agreement in the wording in which the TSO's intend to conclude the interconnection agreement with regard to the above mentioned rules:

**Rules for the matching process:**

1. The parties agree to allocate the roles regarding the matching process for GCP GAZ-SYSTEM/UKRTRANSGAZ regardless of flow direction as follows:

Matching TSO: UKRTRANSGAZ

Initiating TSO: GAZ-SYSTEM

2. The exchange of information related to the matching process at the GCP GAZ-SYSTEM/UKRTRANSGAZ shall take place in accordance with the Edig@s format.
3. The Edig@s messages shall be exchanged using AS4 protocol. The alternative back-up solution shall be the exchange of Edig@s messages as email attachments.
4. GAZ-SYSTEM shall send DELORD with Processed quantities not later than 14:45 hours the day before, and UKRTRANSGAZ shall send DELRES with confirmed quantities within three-quarters of an hour.
5. In case of renominations GAZ-SYSTEM shall send to UKRTRANSGAZ DELORD not later than H0+45min (with the renominations becoming effective not before H0+2h), where H0 means full hour (from 16:00 p.m., D-1 to 03:00 a.m., day D), when renomination is received. UKRTRANSGAZ shall send DELRES not later than H0+1h30min.
6. As long as there is no new renomination, no additional message should be sent.

7. In the event that GAZ-SYSTEM does not issue DELORD, UKRTRANSGAZ shall call GAZ-SYSTEM to clarify the problem. If the problem cannot be solved, the last confirmed quantities from the previous matching cycle, regarding each of the shipper code pair, will be considered as processed quantities in GAZ-SYSTEM's DELORD.
8. In the event that GAZ-SYSTEM sends a DELORD, and UKRTRANSGAZ does not issue DELRES, GAZ-SYSTEM shall call UKRTRANSGAZ to clarify the problem. If the problem cannot be solved the last confirmed quantities from the previous matching cycle shall apply.
9. If the parties identify any differences in the nominations submitted in their respective systems for the GCP GAZ-SYSTEM/UKRTRANSGAZ, the "lesser- -rule" shall apply, i.e. the nominations for a given shipper code pair on the side where the higher amounts have been nominated, have to be reduced to the lower of the nominated quantities.
10. In the event there is no possibility of transmitting the data concerning the matching process using the Edig@s format, such information shall be sent by electronic mail.

### **Single-sided nominations**

1. Designation of roles regarding Single-sided Nomination.
  - 1.1. The Parties agree to allocate the roles regarding the nomination process for single-sided nominations for GCP GAZ-SYSTEM/UKRTRANSGAZ regardless of flow direction as follows:
    - 1.1.1. Active TSO: GAZ-SYSTEM
    - 1.1.2. Passive TSO: UKRTRANSGAZ
2. The Parties agree that both Single and Double-sided Nominations can be submitted at GCP GAZ-SYSTEM/UKRTRANSGAZ .
3. Information exchange regarding Single Sided Nomination.
  - 3.1. For the single-sided nomination process GAZ-SYSTEM and UKRTRANSGAZ agree to use Edig@s.
  - 3.2. Single-sided nomination shall be submitted to GAZ-SYSTEM. GAZ-SYSTEM shall forward the received single-sided nominations to UKRTRANSGAZ immediately.
  - 3.3. UKRTRANSGAZ will establish the authorisation process for single sided nominations, that enables the counter party network user to authorise the network user in the system of GAZ-SYSTEM to submit single sided nominations on its behalf to GAZ-SYSTEM. The authorisation of network user in the system of GAZ-SYSTEM which will submit single sided nominations to GAZ-SYSTEM will be conducted via a written notice. UKRTRANSGAZ shall check whether for all forwarded single sided nominations a valid authorisation from the concerned counter party network user to the nominating network user is in place.

### **Rules for the allocation of gas quantities:**

1. The parties agreed that the allocated quantities are equal to confirmed quantities.
2. Operational balancing account shall be used for recording the differences arising between the sum of confirmed quantities and the measured quantities for relevant period. The OBA shall be expressed in kWh.
3. Operational balancing account means an account set up by the parties, to which discrepancy between the sum of confirmed quantities and measured quantities shall be continually credited or debited (in the cumulative quantity). Negative differences shall be a debit position for GAZ-SYSTEM and a credit position for UKRTRANSGAZ ("gas on the Polish side"). Positive differences shall be a credit position for GAZ-SYSTEM and a debit position for UKRTRANSGAZ ("gas on the Ukrainian side").

### **Communication procedures in case of exceptional events**

1. In the event when a failure, emergency situation or other contingency occurs in the territory of either party which may affect the flow of natural gas through the interconnection points, the relevant dispatching centre is obliged to immediately notify the other party by phone of such situation and to provide the following information:
  - 1.1. cause of the emergency or other contingency situation;
  - 1.2. impact of such occurrence on the volume of natural gas to be transported through the relevant interconnection point and the expected pressure level for such interconnection point;
  - 1.3. the possible impact on the confirmed quantities for shippers active at GCP GAZ-SYSTEM/UKRTRANSGAZ;
  - 1.4. expected duration of the failure, emergency or contingency situation, including the estimated time of its removal.

The information shall be subsequently confirmed in writing by email.

2. The parties shall immediately inform each other by phone of:
  - 2.1. any change in the agreed or carried out maintenance works,
  - 2.2. completion dates for maintenance works and contingency situations in the transmission system of either party, which resulted in the restriction of transmission capacity through the interconnection points,
  - 2.3. any connections along cross-border pipeline sections that may affect the transmission of natural gas through the interconnection points,

2.4. any change in the quality parameters of the natural gas flowing towards the interconnection point.

Such information shall be confirmed in writing by email.

3. The dispatching services shall inform each other on the progress of the ongoing maintenance works and steps taken in order to remove a failure, emergency or contingency situation at least every four hours, or more frequently in exceptional situations on request of the other party.