

Consultation paper
regarding draft interconnection agreement for
Grid Connection Point GAZ-SYSTEM/TSOUA (hereinafter – GCP GAZ-SYSTEM/TSOUA)

GAZ-SYSTEM S.A. and LLC “Gas TSO of Ukraine” (hereinafter – GAZ-SYSTEM and TSOUA respectively) 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 3rd March 2020 until 4th May 2020. GAZ-SYSTEM and TSOUA will evaluate the comments received during the consultation, and, if necessary adjust the text of interconnection agreement.

GAZ-SYSTEM and TSOUA are planning to offer the gas transport services at IP Hermanowice and IP Drozdowicze through one virtual interconnection point – Grid Connection Point GAZ-SYSTEM/TSOUA. The booked capacity at Drozdowicze or Hermanowice will be relocated for the relevant Network User as capacity of GCP GAZ-SYSTEM/TSOUA in the amount equal to sum of actual booked capacity at Drozdowicze and Hermanowice for the same period and based on the same terms and conditions.

All market participants are invited to submit their comments and questions by sending them to the e-mail address: businesscooperation@tsoua.com and instrukcja@gaz-system.pl.

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 abovementioned rules:

1. Definitions

Allocation	Attribution of the natural gas quantities transferred at the GCP GAZ-SYSTEM/TSOUA among individual Shippers.
Confirmed Quantity	The energy quantity confirmed as scheduled to flow on a Gas Day at the GCP GAZ-SYSTEM/TSOUA, taking into account the hourly quantity nominated at both sides of GCP GAZ-SYSTEM/TSOUA and the results of the Matching process.
DELORD	Edig@s message used in Matching process which contains the Processed quantities divided according to Shipper Code pairs.
DELRES	Edig@s message used in Matching process which contains the Processed quantities divided according to Shipper Code pairs and the Confirmed Quantities for delivery/off-take at the GCP GAZ-SYSTEM/TSOUA divided according to Shipper Code pairs.
Gas Day	The period beginning at 06:00 a.m. and ending at 06:00 a.m. on the following day. For the avoidance of doubt, if applicable on the day of the change from daylight saving time to standard time (summer time to winter time) or vice versa a day consists of 25 or 23 hours respectively.

Initiating TSO	The transmission system operator initiating the Matching process by sending the necessary data to the Matching TSO.
Matching	The exchange of information between the Parties in order to compare and align Processed Quantities for each Shipper Code pair at both side of GCP GAZ-SYSTEM/TSOUA, which results in Confirmed Quantities for the Shipper Code pair. The Matching process is done by the TSOs in energy units kWh.
Matching TSO	The transmission system operator performing the Matching process and sending the result of the Matching process to the Initiating TSO.
Nomination	Notification from the Shipper to the TSO regarding the quantity of natural gas which the Shipper intends to deliver to/ offtake from the transmission system at the GCP GAZ-SYSTEM/TSOUA for the respective Gas Day.
Processed Quantity	The quantity of gas determined by the Initiating TSO and by the Matching TSO, which takes into account the Shipper's Nomination or Renomination and contractual provisions as defined under the relevant transport contract and which is used as the basis for the Matching process.
Renomination	Change of the previous Nomination.
Shipper	Legal person contracting the transmission service with the TSO and having obligations to fulfill the rules defined by the respective TSO.
Shipper Code	A distinctive alphanumeric identifier used to identify the Shipper.

2. Matching process

- 2.1. Designation of roles regarding the Matching process.
 - 2.1.1. The Parties agree to allocate the roles regarding the Matching process for GCP GAZ-SYSTEM/TSOUA regardless of flow direction as follows:
 - 2.1.1.1. Matching TSO: TSOUA,
 - 2.1.1.2. Initiating TSO: GAZ-SYSTEM.
- 2.2. GAZ-SYSTEM shall send DELORD with Processed Quantities not later than 14:45 hours the day before, and TSOUA shall send DELRES with Confirmed Quantities within three-quarters of an hour.
- 2.3. In case of Renominations GAZ-SYSTEM shall send DELORD to TSOUA 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. TSOUA shall send DELRES not later than H0+1h30min.
- 2.4. As long as there is no new Renomination, no additional message should be sent.
- 2.5. In the event that GAZ-SYSTEM does not issue DELORD, TSOUA shall call GAZ-SYSTEM to clarify the problem. If the problem cannot be solved, the last Confirmed Quantities from the previous Matching cycle for a given Gas Day, regarding each of the Shipper Code pair, will be considered as Processed Quantities in GAZ-SYSTEM's DELORD. If no DELORD was issued

by GAZ-SYSTEM for a given Gas Day, 0 (zero) quantities will be considered as Processed Quantities in GAZ-SYSTEM's DELORD

- 2.6. In the event that GAZ-SYSTEM sends a DELORD, and TSOUA does not issue DELRES, GAZ-SYSTEM shall call TSOUA to clarify the problem. If the problem cannot be solved the last Confirmed Quantities from the previous Matching cycle for a given Gas Day shall apply. In case it is the first Matching cycle for a given Gas Day, In case it is the first Matching cycle for a given Gas Day, the Confirmed Quantities shall be 0 (zero).
- 2.7. If the Parties identify any differences in the Processed Quantities in their respective systems for the GCP GAZ-SYSTEM/TSOUA, the "lesser-rule" shall apply, i.e. in case of different Processed Quantities for a given Shipper Code pair on either side of the GCP GAZ-SYSTEM/TSOUA, the Confirmed Quantity for this Shipper Code pair will be equal to the lower of the two Processed Quantities. In case of different direction of the Processed Quantities for a given Shipper Code pair, the Confirmed Quantity for this Shipper Code pair (as a result of a "lesser rule") is equal to zero (0).
- 2.8. In case the Shipper Code pair provided in DELORD is not valid in the system of TSOUA, the Confirmed Quantity for this Shipper Code pair as a result of a "lesser rule" is equal to zero (0).
- 2.9. 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.
- 2.10. Detailed provisions concerning the designations and codes to be used in Edig@s format shall be agreed in due course between the Parties.

3. Allocation rules

- 3.1. The Parties agreed that the allocated quantities are equal to Confirmed Quantities.

4. Communication procedures in case of exceptional events

- 4.1. 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 GCP GAZ-SYSTEM/TSOUA, the relevant dispatching centre is obliged to immediately notify the other Party by phone of such situation and to provide the following information:
 - 4.1.1.cause of the emergency or other contingency situation;
 - 4.1.2.impact of such occurrence on the volume of natural gas to be transported through the relevant border station and the expected pressure level for such border station;
 - 4.1.3.the possible impact on the Confirmed Quantities for Shippers active at GCP GAZ-SYSTEM/TSOUA;
 - 4.1.4.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 .

- 4.2. The Parties shall immediately inform each other by phone of:
 - 4.2.1.any change in the agreed or carried out maintenance works,
 - 4.2.2.completion dates for maintenance works and contingency situations in the transmission system of either Party, which resulted in the restriction of transmission capacity through GCP GAZ-SYSTEM/TSOUA,
 - 4.2.3.any connections along cross-border pipeline sections that may affect the transmission of natural gas through the border stations,

4.2.4.any change in the quality parameters of the natural gas flowing towards the border station.

Such information shall be confirmed in writing by email.

- 4.3. The dispatching centres 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.