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PUBLIC CONSULTATION PAPER

**on the Business Rules
to the Interconnection Agreement for
Virtual Interconnection Point Negru Vodă 2, 3/Kardam**

Article 1 - Definitions

The terms used in this IA shall have the meaning as follows:

Active TSO shall mean one of the adjacent TSOs, which receives the single-sided nominations submitted by the Network User(s). For the purpose of this IA, TRANSGAZ is the Active Transmission System Operator.

Backhaul shall mean a service relating to natural gas transmission against the prevailing physical flow. Parties fulfil Backhaul transmission services by netting the Backhaul Nomination with the Nomination from the prevailing physical flow. Backhaul services shall be interruptible.

Bundled capacity product shall mean a standard capacity product offered on a firm basis, which consists of the corresponding entry and exit capacity at both sides of the Negru Vodă 2, 3/Kardam VIP.

Capacity product shall mean a certain amount of transport capacity over a given period of time, at the virtual interconnection point. The capacity offered shall be expressed in kWh/d. A flat flow rate over the Gas Day is assumed. Parties acknowledge that the reference conditions shall be 0°C for volume and 25°C for default combustion reference temperature.

Common data exchange solution means the common data network, data exchange protocols and data formats for the electronic communications.

Confirmed quantity shall mean the quantity of Natural Gas confirmed to be scheduled to flow on a Gas Day at the VIP, taking into account the nominated quantities for that Gas Day at both sides VIP and the matching process for comparing and aligning the Natural Gas quantity requested by the Network Users.

Counterparty means any party with whom any of the Parties exchanges data for the purpose of the implementation of Regulation (EC) No 715/2009, unless specifically otherwise defined in this Agreement.

Daily Balance Position (DBP) shall mean a quantity calculated on a daily basis, for each Gas Day D of the period of implementation of the **Operational Balancing Account (OBA)** allocation procedure. The calculation of DBP for a specific Gas Day D is performed according to the following formula:

$$DBP^D = TDAQ^D - Q_M^D$$

Where:

Q_M^D is the measured quantity, expressed in kWh of the physical flow through the VIP towards the Forward Flow Direction during the Gas Day D;
TDAQ^D is the Total Daily Allocated Quantity during the Gas Day D;

Double-Sided Nomination (DSN) shall mean the delivery nomination submitted by the Network User pair who successfully booked unbundled capacity at the VIP.

Downstream Operator shall mean the Party physically receiving the natural gas. For the purpose of this IA, BULGARTRANSGAZ is the Downstream Operator.

Exceptional event means any unplanned event that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of gas at interconnection points within the VIP Negru Vodă 2,3, with possible consequences on interactions between the Parties as well as between any Party and its Network Users.

Firm capacity means gas transmission capacity contractually guaranteed as uninterruptible by the transmission system operator.

Gas Day shall mean the period from 5:00 UTC to 5:00 UTC the following day for winter time and from 4:00 UTC to 4:00 UTC following day when daylight saving is applied. The reference date of any Gas Day is the date of the calendar day on which the Gas Day begins.

Gas Year shall mean the period of time beginning with the first October of the current year and ending with the first October of the next year.

Gas quantity expressed in energy units at normal reference conditions (kWh) shall mean the energy content of a given volume of gas calculated as the product of the gas volume expressed at normal reference conditions ($t=0^{\circ}\text{C}$) without decimals (truncated, not rounded), multiplied by the Gross Calorific Value (25/0), expressed at normal reference conditions, with 6 decimals.

Gross (Superior), Calorific Value (GCV (25/0)) at Normal Reference Conditions shall be calculated for real gas according to ISO 6976 taking into consideration the normal reference conditions and combustion reference temperature of 25°C . The Gross Calorific Value is expressed in $\text{kWh}/\text{V}(0)/\text{m}^3$. This data shall be applied between the Parties while performing all duties as stipulated in this IA.

For energy calculation, the GCV in $\text{kWh}/\text{V}(0)/\text{m}^3$ shall be used with a rounding at 6 decimals, with rounding up if the 7th decimal is 5 or more, and with a rounding down if the 7th decimal is 4 or less.

Gross (Superior) Calorific Value at Normal Reference Conditions (GCV (25/0)) at the VIP Negru Vodă 2,3 shall mean the GCV calculated on the Gas Day D for the Gas Day D-1, as the ratio of energy to volume calculated for GMS Negru Vodă 2 and GMS Negru Vodă 3.

Forecasted GCV shall mean the GCV of the VIP Negru Vodă 2,3 on the Gas Day D-2, immediately preceding the Gas Day D-1 on which the matching process for the Gas Day concerned (D) takes place. The Forecasted GCV is expressed in $\text{kWh}/\text{V}(0)/\text{m}^3$ (reference combustion temperature 25°C , reference volume temperature 0°C).

Gas Measuring Station at Negru Vodă 2 and Gas Metering Station at Negru Vodă 3 (hereinafter referred to as Gas Measuring Stations or GMS Negru Vodă 2 and GMS Negru Vodă 3): means the border measuring stations owned by Transgaz.

GMS Negru Vodă 2 and GMS Negru Vodă 3 have been designed, built and operated in accordance with the design specifications and operating standards and procedures, in accordance with sound and prudent gas industry practice, in accordance with international standards (for example EN and ISO) and in accordance with all laws, rules and regulations of any authority having jurisdiction above it.

The Gas Measuring Station Negru Vodă 2 and the Gas Measuring Station Negru Vodă 3 shall be used for the simultaneous measuring and/or determination of the quantity and quality of gas passed from Romania to Bulgaria through the Virtual Interconnection Point Negru Vodă 2, 3/Kardam.

Hydrocarbon dew point means the temperature at which the hydrocarbons in gas begin to condense at a certain pressure.

Initiating System Operator (ISO) means the Party initiating the matching process by sending the necessary data to the Matching System Operator (**MSO**). For the purpose of this IA, BULGARTRANGAZ is the **ISO**.

Interruptible capacity means gas transmission capacity that may be interrupted by the transmission system operator in accordance with the conditions stipulated hereinafter;

Kilowatt hour (kWh) is equal to 3.6 MJ.

Lead time means a period of two hours starting on the first full hour after nomination's submission after which the actual implementation of the nomination starts.

Lesser rule means that in case of different processed quantities at either side of the virtual interconnection point, the confirmed quantity will be equal to the lower of the two processed quantities.

Limitation range (LR) shall mean the allowed range of values of the **Total Balance Position (TBP)**.

Matching System Operator (MSO) means the Party performing the matching process and sending the result of the matching process to the Initiating System Operator (**ISO**). For the purpose of this IA, TRANSGAZ is the **MSO**.

Matching process shall mean the process of comparing and aligning processed quantities of Network Users at both sides of the virtual interconnection point, which will result in confirmed quantities for the Network Users. Network Users' Nominations are expressed in kWh/d.

Measured quantity means the quantity of gas that a Party determines from its measurement equipment to have physically flowed across a virtual interconnection point per time period.

Month: means a period beginning at 5:00 UTC in winter time, and 4:00 UTC in summer time on the first day of a calendar month and ending at the same time on the first day of the next calendar month.

Natural gas or gas is a mixture of hydrocarbons (principally methane) and non-combustible components in a gaseous state, prepared for pipeline transmission.

Network User shall mean a natural or legal entity that holds transportation capacity at the VIP, on the basis of a transportation contract concluded either with TRANSGAZ and/or BULGARTRANGAZ. Each Network User is assigned a unique identification code by the respective Operator.

Network User Code shall mean a unique identification code assigned to a registered Network User by a TSO in order to be used for identification in the procedures and systems administered by the Operator.

Normal cubic meter (V(0)/m³): is the gas amount which at the temperature of 0 degrees Celsius (°C) and the absolute pressure of 1.01325 bar, in the absence of water vapours, occupies the volume of one cubic meter (1m³). For the purpose of this IA, this volume is calculated as per Annex 7.

Normal reference conditions of temperature, pressure and humidity to be used for measurement and calculations on natural gas are 273.15 K (=0 °C) and 101.325 kPa (= 1.01325 bar (absolute)) for real dry gas.

Operational Balancing Account (OBA) is a joint account where the Daily Balance Position of both TSOs at the VIP is recorded. TRANSGAZ is the TSO responsible for calculating, on a daily basis, the Daily Balance Position and the Total Balance Position and update the Operational Balancing Account accordingly.

Pair of Network Users shall mean the mutually served, in line with corresponding transportation contracts, Network Users or group of Network Users at the both sides of the VIP.

Passive TSO shall mean the TSO, which receives the single-sided nominations forwarded by the Active TSO. For the purpose of this IA, BULGARTRANGAZ is the Passive Transmission System Operator.

Processed quantity means the quantity of natural gas assessed by Parties, which takes into account the Network User's nomination (respectively re-nomination) and contractual provisions as defined under the relevant transport contract;

Single-Sided Nomination (SSN) shall mean the delivery nomination submitted to the Active TSO by the Network User who successfully booked bundled capacity at the IP.

Standard cubic meter (V(20)/m³) is the gas amount which at the temperature of 20 degrees Celsius (°C) and the absolute pressure of 1.01325 bar, in the absence of water vapours, occupies the volume of one cubic meter (1 m³).

Steering difference means the difference between the quantity of gas that the Parties has scheduled to flow and the measured quantity for the Virtual Interconnection Point.

Time: all the data regarding time shall be expressed using the **UTC INT NC**, except in the Matching Schedule tables (where time shall be in Central European Time).

Total Balance Position (TBP) shall mean the actual accumulation of DBP over a consecutive number of Days. The calculation of TBP for each Gas Day D of the period of implementation of the OBA allocation procedure, is performed as follows:

1. For the first Gas Day D of implementation of the OBA allocation procedure, the TBP is set equal to the DBP calculated for this Gas Day D.
2. For each subsequent Gas Day D and up to (and including) the last Gas Day of the period of implementation of the OBA allocation procedure, the TBP for the Gas Day D shall be

calculated as the algebraic sum of the TBP of Gas Day D-1 and the DBP for the Gas Day D concerned.

Negative TBP indicates that BULGARTRANGAZ is indebted towards the zero balance position, with a quantity equals to the absolute value of TBP. Positive TBP indicates that TRANSGAZ is indebted towards the zero balance position, with a quantity equals to the value of TBP.

Total Daily Allocated Quantity (TDAQ^D) shall mean a quantity defined as:

$$TDAQ^D = \sum_i Q_{Al,F,i}^D - \sum_j Q_{Al,R,j}^D$$

Where:

$Q_{Al,F,i}^D$ is the allocated quantity, expressed in kWh for a given pair of NUs in Forward Flow Direction, during the Gas Day D;

$Q_{Al,R,j}^D$ is the allocated quantity, expressed in kWh for a given pair of NUs in Reverse Flow Direction, during the Gas Day D;

i , is the pair of NUs active in the Forward Flow Direction, during the Gas Day D;

j , is the pair of NUs active in the Reverse Flow Direction, during the Gas Day D;

Upstream Operator: shall mean the Party delivering physically the natural gas. For the purpose of this IA, TRANSGAZ is the Upstream Operator.

Virtual Interconnection Point (VIP) Negru Vodă 2, 3/Kardam means the interconnection point between the Isaccea 2, 3 – Negru Vodă 2, 3 Pipeline and the BULGARTRANGAZ's Transmission System at the Romanian/Bulgarian border near to Negru Vodă / Kardam. The total capacity of the Virtual Interconnection Point Negru Vodă 2, 3/Kardam is equal to the sum of capacities of the physical Interconnection Points Negru Vodă 2 and Negru Vodă 3. The measuring and/or determination of quantities and quality of gas delivered at the Virtual Interconnection Point shall be carried out at GMS Negru Vodă 2 and GMS Negru Vodă 3 simultaneously. The nominations and re-nominations, matching process and quantity allocation procedures shall apply for the Virtual Interconnection Point Negru Vodă 2, 3/Kardam.

Water dew point means the temperature at which the water vapours in gas begin to condense at a certain pressure.

Working Day: shall be all days with the exception of Saturdays, Sundays, Romanian and Bulgarian public holidays and rest days based on government decree. Public holidays and other designated rest days must be communicated by both Parties to each other. Communication covering the next calendar year's holidays is expected in written form until 1 December of the previous calendar year.

Working hours: for Transgaz, it shall be from 5:00 UTC to 13:00 UTC in winter time (from last Sunday in October to last Sunday in March and 4:00 UTC to 12:00 UTC in summer time (from last Sunday in March to last Sunday in October). For BULGARTRANGAZ, it shall be from 6:30 UTC to 15:00 UTC in winter time (from last Sunday in October to last Sunday in March and 5:30 UTC to 14:00 UTC in summer time (from last Sunday in March to last Sunday in October).

The terms not defined in the present agreement shall have the meanings set forth in the Regulation (EC) 715/2009 of the European Parliament and of the Council of 13 July 2009 and Regulation (EU)703 /2015 establishing a network code on interoperability and data exchange rules.

Article 7 - Business Rules

7.1 Network Users' setup and update

On a regular basis and as soon as possible but before the new Network User plans the transmission new Network Users Pairs' codes for the Isaccea 2, 3 – Negru Vodă 2, 3 Pipeline and/or the BULGARTRANGAZ's Transmission System, respectively shall be discussed:

- TRANSGAZ shall communicate to BULGARTRANGAZ the list of Network User codes (according to [Annex 1A](#)), which shall be used by the Network Users for nominating gas quantities for transportation in the Isaccea 2, 3 – Negru Vodă 2, 3 Pipeline; whilst
- BULGARTRANGAZ shall communicate to TRANSGAZ the list of Network User codes (according to [Annex 1B](#)), which shall be used by the Network Users for nominating gas quantities for transportation in the BULGARTRANGAZ's Transmission System

7.2. Matching procedure

- a) The Network Users active on both sides of the VIP shall be entitled to submit to BULGARTRANGAZ and TRANSGAZ the double-sided nomination for Gas Day D no later than UTC 13:00 (in winter time) and UTC 12:00 (in summer time) of the Gas Day D-1, within the limits of the booked capacities.
- b) The Network Users shall submit all single-sided (re-)nominations to TRANSGAZ, until the deadlines mentioned at a) and g) at the latest, within the limits of the booked capacities.
- c) All single-sided re-nominations shall be forwarded by TRANSGAZ to BULGARTRANGAZ for processing using the DELORD – ANC message according to the Edig@s format. This shall be done as soon as technically possible but no later than the beginning of the next full hour after the (re-)nomination was submitted by the Network Users to TRANSGAZ. In case a single-sided re-nomination is forwarded by TRANSGAZ to BULGARTRANGAZ for processing after the beginning of the next full hour, both TRANSGAZ and BULGARTRANGAZ shall start processing it in the next re-nomination cycle in order to avoid misunderstandings and with respect to the usage of automated processes in the information systems involved.
- d) By UTC 13:45 (in winter time) and UTC 12:45 (in summer time) of the Gas Day D-1, BULGARTRANGAZ shall send to TRANSGAZ the DELORD message according to Edig@s-XML format regarding the Processed quantities for delivery/offtake for Gas Day D at VIP by Network User pairs. The Processed quantities are accepted to be equally allocated per hours during Gas Day D.
- e) TRANSGAZ shall carry out a matching procedure of the Processed quantities for delivery/offtake at the VIP per Network User pairs and within 45 minutes after the receipt of the message under item d) a DELRES message shall be sent to BULGARTRANGAZ according to Edig@s-XML format. If there is a difference in the Processed quantities at both sides of the IP, then the "lesser rule" shall be applied.
- f) By UTC 15:00 (in winter time) and UTC 14:00 (in summer time) of Gas Day D-1, the Parties shall inform their Network Users about the Confirmed quantities. Network Users

which submitted single-sided nominations shall be informed by TRANSGAZ about their Confirmed quantities.

- g) Network Users active on both sides of the VIP shall have the right to re-nominate between UTC 15:00 (in winter time) and UTC 14:00 (in summer time) of Gas Day D-1 and UTC 02:00 (in winter time) and UTC 01:00 (in summer time) of Gas Day D. The Parties shall start a re-nomination cycle in the beginning of every hour, between UTC 16:00 (in winter time) and UTC 15:00 (in summer time) of Gas Day D-1 and UTC 02:00 (in winter time) and UTC 01:00 (in summer time) of Gas Day D. During each re-nomination cycle the notification and matching procedure according d) and e) shall apply. For re-nominations a lead time of two hours prior to the start of implementation of the nomination shall apply.
- h) Two hours after the full hour following the Network Users` re-nomination request(s) receipt, the Parties shall inform their Network Users about the Confirmed quantities. Network Users which submitted single-sided re-nominations shall be informed by TRANSGAZ about their Confirmed quantities.
- i) In case a single-/double-sided re-nomination has been rejected by a transmission system operator, the Parties shall use the network user`s last Confirmed quantity, if any.
- j) In case BULGARTRANSGAZ has not sent to TRANSGAZ, until the expiration of the deadline specified in paragraph d) above, the Processed quantities (DELORD) for a Gas Day D, these shall be considered, by TRANSGAZ, equal to the Network Users` last Confirmed quantities, for the implementation of the matching process.
- k) In case BULGARTRANSGAZ has not sent to TRANSGAZ, in a given re-nomination cycle until the expiration of the deadline specified in paragraph g) above, the Processed quantities (DELORD) for a Gas Day D, TRANSGAZ, shall consider, for the implementation of the matching process, the last Processed quantities for the Gas Day D, which were sent by BULGARTRANSGAZ to TRANSGAZ.
- l) In case TRANSGAZ has not sent the Confirmed quantities (DELRES) as a result of the Day-ahead nomination matching process for a Gas Day D to BULGARTRANSGAZ, until the expiration of the deadline specified in paragraph e) above, the Confirmed quantities (DELRES) shall be considered equal to the Network Users` last Confirmed quantities.
- m) In case TRANSGAZ has not sent a Confirmed quantities (DELRES) for a Day D to BULGARTRANSGAZ in a given re-nomination cycle, until the expiration of the deadline specified in paragraph e) above, the last Confirmed quantities (DELRES) shall be considered as Confirmed quantities (DELRES) for that re-nomination cycle, as a result of the matching process.
- n) The matching processes under article 7.2 shall be performed in line with the requirements for common data exchange solution set out in Article 21.(2)(a) of Regulation (EU) N°2015/703 and shall be carried out using Edig@s-XML data format and AS4 communication protocol.

The Parties shall endeavour to provide a redundant data exchange method for the purposes of the matching process via web interface with HTTP/S protocol which shall be used as a back-up option in case of failure of the mentioned above main data exchange solution.

Temporary document based data exchange method is agreed (Annex 2, Annex 3, Annex 2A) and shall be used by the Parties only until the implementation of document-based data exchange solutions in line with the requirements of Article 21.(2)(a) of

Regulation (EU) №2015/703, using Edig@s-XML data format and AS4 communication protocol.

The implementation deadline of document-based data exchange solution depends on the readiness of Transgaz and shall be 1 January 2020 at the latest.

Article 8 - Allocation

- 8.1. In respect of the allocation of gas quantities, TRANSGAZ and BULGARTRANGAZ establish allocation procedure ensuring consistency between the allocated quantities at both sides of the VIP. This allocation procedure shall be based on the Operation Balancing Account (OBA), specified below.
- 8.2. Under the OBA allocation procedure the Natural Gas quantity allocated for a Gas Day D to a pair of Network Users at the VIP shall be equal to the Natural Gas quantity confirmed for delivery/off-take, for that Day D, to the said pair of Network Users, according to article 7.2.

$$Q_{Al,F,i}^D = Q_{C,F,i}^D \text{ and}$$
$$Q_{Al,R,j}^D = Q_{C,R,j}^D ,$$

where:

$Q_{C,F,i}^D$ is the Confirmed quantity, for a given Pair of Network Users in the Forward Flow Direction, during the Gas Day D;
 $Q_{C,R,j}^D$ is the Confirmed quantity, for a given Pair of Network Users in the Reverse Flow Direction, during the Gas Day D;
 $Q_{Al,F,i}^D$ is the quantity allocated, to a given pair of Network Users in the Forward Flow Direction, during the Gas Day D;
 $Q_{Al,R,j}^D$ is the quantity allocated, to a given pair of Network Users in the Reverse Flow Direction, during the Gas Day D;
 i , is the pair of Network Users active in the Forward Flow Direction during the Gas Day D; and
 j , is the Pair of Network Users active in the Reverse Flow Direction during the Gas Day D;

- 8.3. The OBA allocation procedure shall not be applied in the event that:
- 8.3.1. The gas quality parameters are not in accordance with Annex 5 of the Agreement and the Parties are not able to perform their daily nominations;
 - 8.3.2. The pressure is not according to the specifications in Article 12 of the Agreement and the Parties are not able to perform their daily nominations.
 - 8.3.3. The provisions of paragraph 9.3., item (b) are implemented;
- 8.4 For each Gas Day D, when any of the conditions in paragraph 8.3 is in effect, the daily measured quantity is allocated to the pairs of NUs proportionally to their confirmed Natural Gas quantities in both directions of the VIP. The OBA allocation procedure shall be re-applied on the next Gas Day D+1 after the Gas Day D in which all of the conditions in paragraph 8.3 are no longer in effect, unless both Parties mutually agree to postpone the

application of the OBA for a specific period. Pro-rata allocated quantities shall be calculated by using the following formulas:

In the Forward Flow Direction:

$$Q_{Al,F,i}^D = Q_{C,F,i}^D + Q_{SD}^D * \frac{Q_{C,F,i}^D}{\sum_i Q_{C,F,i}^D + \sum_j Q_{C,R,j}^D}$$

In the Reverse Flow Direction:

$$Q_{Al,R,j}^D = Q_{C,R,j}^D - Q_{SD}^D * \frac{Q_{C,R,j}^D}{\sum_i Q_{C,F,i}^D + \sum_j Q_{C,R,j}^D}$$

Where:

Q_{SD}^D is the steering difference during the Gas Day D:

$$Q_{SD}^D = Q_M^D - \sum_i Q_{C,F,i}^D + \sum_j Q_{C,R,j}^D$$

Each Gas Day for which the pro-rata allocation procedure applies, the OBA is updated by calculating the TBP, considering DBP that equals to zero (0).

- 8.5. The indicative allocation of Natural Gas quantities shall be carried out via an ALOCAT message according to Edig@s-XML format, for each Pair of Network Users, on a daily basis, until UTC 8:30 (winter time) and UTC 7:30 (summer time) for the previous Gas Day.

Article 9 - Operational Balancing Account

9.1. The Parties shall strive to reach an equality between the confirmed quantities and the actually metered quantities at the VIP in order to maintain TBP as close as possible to zero, and to ensure that the LR specified in paragraph 9.2 is not violated.

9.2. The LR is specified by its lower limit value, which is set to kWh and its upper limit value which is set to kWh. The lower and / or upper value of the LR may be changed upon mutual agreement of TRANSGAZ and BULGARTRANGAZ, in case of justified operational needs, including but not limited to:

- (a) Exceptional events
- (b) Unplanned maintenance works
- (c) Scheduled flow below the GMS Negru Vodă 2, 3 minimum measurement and / or flow control limits.
- (d) Increase or decrease of the IP's technical capacity.

9.3. The Parties may operationally agree to:

- (a) temporarily expand the limits of LR for a certain number of consecutive Gas Days. The OBA expansion can be requested either before the end of the gas day, when it becomes clear that there will be such situation (so the necessary actions are taken in due time), or once the Gas Day has ended and the exact quantities exceeding the OBA limits are already known. The requests and the approvals of such temporary OBA limits expansion have to be written by e-mail and if there are any additional information that must be clarified additionally, it is acceptable to discuss the details by phone and then send the required e-mails. In the requesting e-mail there should be a proposed deadline within which the requesting party will make all efforts to restore the TBP back in the normal

OBA limits stated in paragraph 9.2. Approvals should be received by the requesting party before 8:30 UTC (in winter time) and 7:30 (in summer time) on Gas Day D+1, in order to abide by the deadlines for allocation of the commercial quantities. Both parties shall appoint their representatives and their contact information (email addresses, phone numbers and names if applicable), authorized to request and approve temporary OBA limits expansion for a specified time period. Both parties shall inform the other side in due time if any changes occur in the list of authorized representatives and their contact information.

or

- (b) suspend the implementation of the OBA allocation procedure, and apply the pro-rata allocation procedure, as per paragraph 8.4, for any Gas Day at the end of which the TBP is not within the limits of LR. Each Gas Day D for which the pro-rata allocation procedure applies, the OBA is updated by calculating the TBP, considering DBP that equals to zero (0).
- 9.4. TRANSGAZ shall send daily to BULGARTRANSGAZ an Account Situation Document (ACCSIT) notification containing the TBP, in accordance with the Edig@s-XML format, not later than UTC 8:30 (in winter time) and UTC 7:30 (in summer time) on the Gas Day D+1.

Article 11 - Allocation and OBA Reports

- 11.1. The final allocation of Natural Gas quantities for each Gas Day of the Month M, and for each Pair of Network Users, based on validated measurements, shall be carried out until UTC 13:00 (winter time) and UTC 12:00 (summer time) of the fourth calendar day of the Month immediately succeeding the Month M.
- 11.2. Daily and Monthly quantity allocation protocols shall be issued by TRANSGAZ and signed by BULGARTRANSGAZ. The Daily and Monthly allocation protocols shall be in accordance with the preliminarily approved forms as in Annex 4. The Natural Gas quantities, expressed in volume units, are registered in the allocation protocols for reference purposes only. The quantity allocation protocols shall be accompanied with the respective measurement protocols for gas quantity and quality as in Annex 7.5., Annex 7.6., Annex 7.7. and Annex 7.8.
- 11.3. The data in the quantity allocation protocols shall be used by TRANSGAZ and BULGARTRANSGAZ for commercial purposes.
- 11.4. TRANSGAZ shall issue and forward to BULGARTRANSGAZ daily the OBA protocol for day D, not later than UTC 8:30 (in winter time) and UTC 7:30 (in summer time) on the Gas Day D+1. The OBA Protocol shall be in accordance with the standard form of Annex 9 of the Interconnection Agreement.

12.2 Interruption

The below provisions shall be applicable for all interruptible services including interruptible Backhaul Service.

Should the circumstances so require, Parties are entitled to initiate interruption of interruptible service.

Transmission System Operators shall include the reasons for the interruption in the general terms and conditions, which govern interruptible transmission contracts. Reasons for interruptions can include but are not limited to gas quality, pressure, temperature, flow patterns, use of firm contracts, maintenance, up- or downstream constraints, public service obligations and capacity management deriving from congestion management procedures. The extent of any interruption shall not be greater than the level required by the given circumstances and shall not impose undue limitation of Network Users' rights.

The Party which initiates the interruption prior to or during the Gas Day shall notify the other Party within the relevant Matching procedure, as stipulated in 7.2. Interruption lead time shall be of minimum 2 (two) hours. The TSO shall notify their affected Network Users as soon as possible, but with due regard to the reliability of the information.

The Party which initiates the interruption shall also inform the other Party of the reason for the interruption ex post.

Intraday interruptions are followed up by re-nomination. The result of the re-nomination shall be processed and communicated as determined in Article 7.2. Before Gas-Day (D-1) the result of the interruptions shall be processed and communicated via Matching, as determined in Article 7.2.

In case of interruption, the order in which interruption shall be performed shall be determined based on the contractual timestamp of the relevant transmission contracts on an interruptible basis. Transmission contracts coming into force earlier shall prevail over transmission contracts coming into force later (last in first out, LIFO). Only if two or more transmission contracts on an interruptible basis are ranked at the same position in the interruption order and the relevant Party does not interrupt all of them, a pro rata reduction of these specific nominations shall be applied.

The Parties may apply limitations in availability of firm capacities only in case of planned maintenance works and Restrictions in case of an emergency.

Article 14 - Constraints

Whenever a limit for the gas quality specification according to [Annex 5](#) is approached or exceeded, TRANSGAZ and/or BULGARTRANSGAZ shall inform each other thereof and shall take appropriate measures to shut off such gas or organize the flow in a way accepted by the respective Downstream Operator. Depending on the position of the Downstream Operator, the gas will be interrupted or not, whilst the Upstream Operator shall contact immediately the Upstream Operator of the VIP Isaccea 2, 3 and requests for corrective actions to bring the gas properties back on spec as soon as possible.

If during any Gas Day (D) an unforeseen exceptional/emergency event occurs, which causes capacity reductions, (e.g. compressor outage, or leakage, etc.) TRANSGAZ and/or BULGARTRANSGAZ shall react promptly in order to minimize the impact of such an event by using best efforts and all reasonable measures.

Both Parties shall undertake to assure prompt exchange of all relevant information (exchange within 1 hour after occurrence of an emergency), which may affect the quantity of gas being transported in the future and the quality parameters of the gas.

- (a) The communication shall be performed by means of telephone call for information, followed by a written confirmation;
- (b) where an exceptional event occurs on a contracting party's network affecting the interconnection point, the relevant contracting party shall without delay inform and keep informed the other contracting party in respect of the possible impact on the quantities of gas that can be transported over the interconnection point.
- (c) where a contracting party considers there is an evident danger to system security and/or stability and an exceptional event may have an impact on the confirmed quantities of its Network Users, as soon as reasonably practicable, each contracting party shall inform its respective affected Network Users that are active at the concerned virtual interconnection point of the consequences for the confirmed quantities;
- (d) once the exceptional event ends, the relevant affected contracting party(ies) shall inform the other contracting party as soon as reasonably practicable and each contracting party shall inform its respective affected Network Users accordingly.

Contact data of the Parties related to emergency activities are listed in [Annex 6A](#) and [Annex 6B](#) (`Contact list`).