

**Rules on the conduct of commercial operations
at the Isaccea 1/Orlovka IP
according to the provisions of the INTERCONNECTION AGREEMENT (IA)
concluded between UKRTRANSGAZ/TSO UA and TRANSGAZ**

1. General background

- The **Isaccea 1/Orlovka** interconnection point represents the DN 1000 interconnection between the transmission system of UKRTRANSGAZ/Gas Transmission System Operator of Ukraine LLC (TSO UA) and the Transmission System of TRANSGAZ, located at the Romanian-Ukrainian border near Isaccea/Orlovka.
- These **Rules** are applied during the implementation of capacity booking contracts concluded between the transmission system operators and the NU, **both in the Ukraine - Romania (UA > RO) physical flow direction and in the Romania - Ukraine (RO > UA) physical flow direction, as of 01.04.2020.**
- The Interconnection Agreement concluded between TRANSGAZ, UKRTRANSGAZ and TSO UA 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, as Ukraine adhered to the European Energy Community.
- The data exchange necessary for conducting the daily processes between the NU and TRANSGAZ and between TRANSGAZ and TSO UA will be in energy units kWh (25⁰C/0⁰C) as well as by volume in m³ (20⁰C), void of commercial value.
- **Gas day** means 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 the following day when daylight saving is applied.
- The deadlines provided in the Interconnection Agreement concluded between TRANSGAZ, UKRTRANSGAZ and TSO UA comply with the UTC (coordinated universal time). For a better understanding and application of the processes, we would like to mention that the Romanian time was also included in this document, meaning UTC + 2 hours in winter time and UTC + 3 hours in summer time.

2. Capacity booking

- Starting from 01.04.2021, transmission capacity at the **Isaccea 1/Orlovka 1 IP** will be booked by auctions held on the Regional Booking Platform operated by FGSZ Ltd., according to the Operational Rules of the Regional Booking Platform and to the ENTSOG auction calendar published annually.
- Capacity booking at the Isaccea 1/Orlovka 1 IP in the RO→UA direction must meet the following condition established in ANRE Order 13/2021:

„At the interconnection point Isaccea 1, in the exit direction, the available firm/interruptible capacity will be booked by a NU, without access to the VTP, and only if, at the interconnection point Negru Vodă 1, in the entry direction, the same NU books a capacity at least equal to that requested at the Isaccea 1 interconnection point”

- NTS exit capacity through the Isaccea 1/Orlovka 1 IP is offered by SNTGN Transgaz SA as interruptible capacity. The interruptibility of the capacity offered in the Romania → Ukraine transmission direction is given by the fact that the minimum gas quality requirements in Romania and Bulgaria are different from the quality requirements in Ukraine.

Regarding the above, please see:

- Gas quality conditions at the Isaccea 1 interconnection point:
https://www.transgaz.ro/sites/default/files/Downloads/2020.02.12_PI%20Isaccea%201_Orlovka%201_Anexa%205.15.2.pdf
 - Gas quality conditions in Romania, with different limits compared to the current quality requirements at the Isaccea 1 interconnection point:
<https://www.transgaz.ro/ro/clienti/servicii-de-transport/calitatea-gazelor>
 - Quality parameters ensured by Bulgartransgaz after 01.01.2021 at the Negru Vodă 1 interconnection point, identical to the ones established under the Romanian law:
<https://www.transgaz.ro/sites/default/files/Downloads/PI%20Negru%20Voda%201%20Kardam%20ANEXA%205A%2C%205B.pdf>
- Capacity allocations resulted following the auctions will be loaded automatically in the GMOIS platform, in kWh/day (25°C/0°C), and will be displayed also in MWh/day (15°C/15°C).

3. Gross calorific value (GCV)

- TRANSGAZ publishes on its website the value of the GCV related to each gas day, which is determined under the reference conditions (25°C /0°C) and (15°C /15°C);
- The gross calorific value related to gas day D-1 is displayed daily, until 12:00 hrs, Romanian time
 - (10:00 UTC in winter time and 09:00 UTC in summer time) of gas day D, on TRANSGAZ's webpage at:
<http://www.transgaz.ro/ro/clienti/informatii-operationale/pcs>

4. (Re-)Nomination

- The (Re-)Nomination must not exceed the booked capacity.
- The (Re-)Nomination at the Isaccea 1/Orlovka 1 IP is made separately for:
 - unbundled firm capacity – bilateral (re)nomination (NTS entry)
 - interruptible capacity - bilateral (re)nomination (NTS exit).
- In the NTS exit direction, SNTGN Transgaz SA accepts the (re-)nomination of the NU only within the limit of the quantities nominated at the Negru Vodă 1-Kardam IP, in the NTS entry direction.
 - The NU must send to infogaz@transgaz.ro two contacts (e-mail addresses) for communications regarding the (re-)nomination process.
- The NU may submit nominations for gas day D until 13:00 UTC (winter time) and 12:00 UTC (summer time) of gas day D-1. The nominations are delivered to Transgaz broken down by each type of booked capacity.
- The NU may submit re-nominations for gas day D between 15:00 UTC in winter time and 14:00 UTC in summer time of gas day D-1, and between 02.00 UTC in winter time and 01:00 UTC in 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 made for the entire interval left until the end of the gas day and are taken into

account two hours after the hourly re-nomination cycle.

- If a re-nomination was not sent by a NU or was rejected by TRANSGAZ, the last quantity confirmed by the NU will be used, if it exists.
- The submitted (re-)nominations are introduced in the GMOIS platform by the NU. If the GMOIS platform is not operational, the (re-)nominations will be sent as an excel document at infogaz@transgaz.ro and will include:
 - a. the gas day for which the (re-)nomination is made
 - b. the code of the network point,
 - c. the flow direction,
 - d. the required amount in kWh/day, (25,0°C)
 - e. the NU code (EIC),
 - f. the NU pair code (EIC).
- The NU may view the confirmed (re-)nominations in the GMOIS platform. If the GMOIS platform is not operational, the NU will be notified regarding the confirmed nominations by excel files.

5. Metering

- The quantities and quality of the gas delivered at this IP is metered and/or determined at the Isaccea 1 Gas Metering Station (Isaccea 1 GMS) both for the physical flow of gas from Romania to Ukraine (RO→UA) and for physical flow of gas from Ukraine to Romania (UA→RO).

6. Allocation

- **Transgaz establishes the allocation of the confirmed quantities** for each Pair of Network Users, daily, **until 10:30 Romanian time** (8:30 UTC winter time and 07:30 UTC summer time) **for each previous gas day.**
- **The allocation** of the quantities delivered to and/or received by the NU **is performed at the level of the confirmed quantities** for delivery/taking over and

is expressed in kWh under reference conditions (25°C/0°C). This allocation procedure **is based on the Operational Balancing Account (OBA)**;

- The Network User may view the gas quantity allocated for gas day D, in MWh/day, at reference conditions (15° C/15°C) on the GMOIS platform, in the allocation report after 12:00 UTC in winter time and 11:00 UTC in summer time (14:00 Romanian time).
- The allocation procedure based on the OBA 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 the Isaccea 1/Orlovka 1 GMS;
 - The limitation range accepted for the total balance position value cannot be restored.
- For each gas day D when any of the situations mentioned above occurs, **the quantity measured daily is allocated** to the NU pairs **proportionally to their confirmed gas quantities** in both directions of the IP, as applicable.