22.10.2018

Dear Partners,

Please be advised that the auctions regarding the bundled/unbundled capacities offered at the interconnection point:

Negru Vodă 1 RO>BG (EIC code: 21Z00000000159I, GMOIS code: SM1278D0)

and the unbundled capacities at the natural gas supply points to some localities on the Romanian territory:

- Mangalia RO> (cod EIC: 60Z000000009957, cod GMOIS SM1262D0) and
- Negru Vodă RO> (cod EIC: EIC: 60Z00000001052J, cod GMOIS: SM1149D0)

for the quarterly firm capacity for 2nd quarter, 3rd quarter and 4th guarter of the gas year 2018/2019, have been registered at the Regional Booking Platform (RBP).

The auction publications are available on the RBP Portal.

Network Users shall be entitled to participate in the auction, if, till 10:00 (UTC) Friday 26 October 2018;

A. has completed the registration at the RBP application.

The registration is accepted if the applicant:

- has filled in the 'Network User Registration Form', has duly signed and has sent the scanned version to the e-mail address <u>rbp@fgsz.hu</u>, and has sent two original copies to FGSZ Ltd. (H8600 Siófok, Tanácsház u. 5.),
- 2) has filled in and duly signed the 'Network User Membership Agreement' and has sent the scanned version to the e-mail address rbp@fgsz.hu and has sent two originals to FGSZ Ltd. (H-8600 Siófok, Tanácsház u. 5.). In addition the applicant must send the list of persons who are entitled to represent the applicant company. A valid digital certificate issued by a trusted provider must be registered for each RBP user, which must be submitted within the 'Network User Registration Form'.

and if, till 10:00 (UTC), Friday, 02 November 2018:

- B. has fulfilled the registration conditions required to access and use the transmission system operated by Transgaz (available at http://www.transgaz.ro/en/informatii-clienti/capacitybooking-isaccea-1-negru-voda-1-pipeline-cam-nc) as transmission system operator (TSO).
- C. has submitted the auction security to the both TSO.

The opening time of the above mentioned auctions shall be **05.11.2018** at **07:00** (**UTC**), which shall mean 09.00 o'clock in Romania/Bulgaria (EET). In the auction the Network Users may submit bids for the required capacity in subsequent auction rounds applying pre-determined price steps (ascending clock auction). With regard to the auction process, further information can be found in the <u>"Operational Rules of the Regional Booking Platform (PRRC)"</u> and in the <u>'User Manual for the Bidder Role'</u>.

Regarding the mentioned interconnection points and domestic gas supply points the reserve prices of Transgaz will be published in the auction announcements, and will be expressed in GCV-based lei/kWh/day/quarter at the 25°C/0°C reference temperature, covering all the hours of the service period. Price steps mean the auction premium on top of the reserve price, expressed in a percentage of the reserve price.

Network Users with a winning bid in the auction are obliged to pay the capacity fee related to the obtained capacity and the eventual auction premium calculated on the basis of the underlying price step.

In accordance with the principle of equality stipulated in art. 4 of the Annex to the *Order of the President of the National Energy Regulatory Authority no. 34/19.07.2016 on the approval of the transmission capacity booking and tariff setting methodology on the natural gas transmission services supply through the Isaccea – Negru Vodă gas transmission pipelines*, at the interconnection point:

Isaccea 1 UA>RO (EIC code: 21Z00000000304Z, GMOIS code: PM0278)

The firm standard capacity products will be allocated implicitly when the above mentioned auctions are closed.

Detailed information with regard to usage of the allocated unbundled capacities in the interconnection points is available at <u>Interconnection procedures.</u>

Should you have any questions regarding the auctions, please do not hesitate to contact us at rbp@fgsz.hu (in English) or rbp@transgaz.ro.

Yours sincerely,

SNTGN Transgaz SA