Dear Partners,

Please be advised that the auctions regarding the unbundled capacities offered at the interconnections points:

- Negru Vodă 1 RO>BG (EIC code: 21Z00000000159I, GMOIS code: SM1278D0) and
- Negru Vodă 1 BG>RO (EIC code: 21Z00000000159I, GMOIS code: PM0291)

for the yearly unbundled firm and interruptible capacity,

and 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 yearly unbundled firm capacity,

for the gas year 2016/2017 have been registered at the Regional Booking Platform (RBP).

The auction publications are available on the RBP Portal.

The available yearly unbundled firm capacities are:

Negru Vodă 1 RO>BG: 169.048.447 kWh/zi (0°C/25°C)
Mangalia RO>: 2.584.697 kWh/zi (0°C/25°C)
Negru Vodă RO>: 568.318 kWh/zi (0°C/25°C)

Network Users shall be entitled to participate in the auction, if, till 10:00 (UTC) 26 August 2016:

A. has completed the registration at the RBP application.

The registration is accepted if the applicant:

1) has filled in the 'Network User Registration Form', has duly signed and has sent the scanned version to the e-mail address rbp@fgsz.hu, and has sent two original copies to FGSZ Ltd. (H-8600 Siófok, Tanácsház u. 5.),

as well as

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'. We mention that the digital certificates already used in the Transgaz's informatic platform (GMOIS) cannot be used in the RBP application.

and if, till 10:00 (UTC) 2 September 2016:

- 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/capacity-booking-isaccea-1-negru-voda-1-pipeline-cam-nc) as transmission system operator (TSO).
- C. has submitted the auction security to the TSO. Along with submitting the auction security, the network user has to declare how to divide the credit line for each of the running yearly auctions (RO>BG direction, BG>RO direction and in direction RO> Mangalia and Negru Voda).

The opening time of the above mentioned auctions shall be **5 September 2016 at 07:00 (UTC)**, which shall mean 10.00 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 'Operational Rules of the Regional Booking Platform' and in the 'User Manual for Network Users Members'.

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/h/year 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) and
- Isaccea 1 RO>UA (EIC code: 21Z00000000304Z, GMOIS code: SM1274D0)

unbundled firm and interruptible 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 procedure</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