

**NOTICE: The English version of this Order is available for information purposes only. In the event of any discrepancies arising between the Order in the Romanian language and the Order in the English language, the provisions of the Romanian language version shall be legally binding.**

**ORDER 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**

Considering the provisions of Art. 130, par (1), letter d<sup>1</sup>) and art 170. Par (4) of the Electricity and Gas Law No. 123/2012, as further amended and supplemented, pursuant to Art. 5, letter d), and of Art. 10 paragraph (1), letter l) and q) of Government Emergency Ordinance No. 33/2007 on the organization and operation of the National Energy Regulatory Authority, approved as amended and supplemented by Law No. 160/2012,

**the President of the National Energy Regulatory Authority issues the following Order:**

**Art.1** – The approval of the methodology for the transmission capacity booking and tariff setting methodology on the natural gas transmission services supply through the Isaccea – Negru Vodă gas transmission pipelines, hereinafter referred to as Methodology, set out in the annex part of the present order.

**Art. 2** – Upon the entry into force of this Order the provisions of NERA’s President Order no. 29/2012 approving the methodology for capacity booking on the transit pipeline Isaccea I - I Negru Vodă I, published in the Official Gazette of Romania, Part I, no. 472 of 11.07.2012 and of NERA’ President Order no. 159/2015 approving the Methodology for capacity booking and tariff setting for the gas pipeline Isaccea III - Negru Vodă II, published in the Official Gazette of Romania, Part I, no. 892 of 11/27/2015, are repealed.

**Art. 3** - The provisions of this Order shall apply after the conclusion of all Interconnection Agreements with neighbouring TSOs.

**Art. 4** – The National Gas Transmission Company "Transgaz" - S.A. Mediaș and the network users will carry out the provisions of this Order.

**Art. 5** – This Order is published in the Official Gazette of Romania, Part I.

**President of the National Energy Regulatory Authority**

**Niculae HAVRILEȚ**

**Methodology for transmission capacity booking and tariff setting for natural gas transmission services through the Isaccea – Negru Vodă gas transmission pipelines**

**Chapter 1. Gas transmission capacity booking through the Isaccea – Negru Vodă transmission pipelines**

**Art. 1** – This Methodology applies to the Isaccea – Negru Vodă gas transmission pipelines:

- a) Isaccea 1 – Negru Vodă 1 gas transmission pipeline for gas transmission from the Russian Federation to Bulgaria and gas supply to some localities on the Romanian territory;
- b) Isaccea 2, 3 – Negru Vodă 2, 3 gas transmission pipelines for gas transmission from the Russian Federation to Turkey, Greece and other countries. The Isaccea 2 and Isaccea 3 interconnection points, and the Negru Vodă 2 and Negru Vodă 3 interconnection points are grouped in two virtual interconnection points - Isaccea 2, 3 and Negru Vodă 2, 3.

**Art. 2** - The booking of the transmission capacity at the points of the pipelines at Art. 1 shall be made by the auctions held on the Regional Booking Platform, hereinafter referred to as RBP, operated by Földgázszállító Zártkörűen Működő Részvénytársaság – FGSZ Ltd., compliant with the operational rules of the RBP and with the auction calendar published annually by the European Network of Transmission System Operators for Gas - ENTSOG.

(2) As an exception from the auction calendar published annually by the European Network of Transmission System Operators for Gas - ENTSOG, in 2016, the auctions for the standard annual and quarterly capacity products shall be organized according to the auction calendar published by the TSO on the webpage [www.transgaz.ro](http://www.transgaz.ro) at `Client information` at least 30 days prior to the auction date.

**Art. 3**– (1) The standard capacity products offered by the National Gas Transmission Company Transgaz S.A. Medias through auctions held on the Regional Booking Platform are provided in Art. 9, paragraphs (2) to (5) of Commission Regulation (EU) No. 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No. 715/2009 of the European Parliament and of the Council.

**Art. 4** (1) The firm capacity is offered under the principle of equality between the firm capacity allocated at the exit points and the firm capacity allocated at the entry points of the pipelines provided in Art. 1, and the firm capacity allocated within the auctions held according to Art. 2 at the exit points is considered allocated also at the entry points.

(2) The interruptible capacity (backhaul) is offered under the principle of equality between the

interruptible capacity allocated in the entry point and the interruptible capacity allocated at the exit points of the pipelines provided in Art. 1, and the interruptible capacity allocated within the auctions held according to Art. 2 at the entry points is considered allocated also at the exit points.

**Art. 5** The capacity offered at the points of the pipelines provided in Art. 1, is expressed in kWh/day in the reference conditions 0°C/25°C.

**Art. 6** – Notwithstanding the provisions of art. 6 par (2) of the Network code for the national gas transmission system, approved by NERA’s President Order no.16/2013, as subsequently amended and supplemented, the gas day is considered:

- a) the period starting from 5.00 a.m. and ending at 5.00 a.m. UTC of the following day, for wintertime, and starting from 4.00 a.m. and ending at 4.00 a.m. UTC of the following day, for summertime for the pipeline provided in art 1, letter a);
- b) the period starting from 6.00 a.m. and ending at 6.00 a.m. UTC of the following day, for wintertime, and starting from 5.00 a.m. and ending at 5.00 a.m. UTC of the following day, for summertime for the pipelines provided in Art 1, letter b) .

**Art. 7** – The interruptible capacity at the interconnection points, in the Bulgaria – Romania direction and in the Romania – Ukraine direction, shall be offered within the limits of the firm capacity booked, in the Romania – Bulgaria direction and in the Ukraine – Romania direction, compliant with the interconnection agreements concluded with the neighbouring transmission system operators.

**Art. 8** – (1) The gas transmission contract concluded between the National Gas Transmission Company Transgaz S.A. Mediaş and the Network Users, as a result of the auctions held for capacity booking at the points of to the pipelines provided in Art. 1, letter a) includes:

- a) The framework contract provided in Annex no. 1,
- b) Statutory declaration, signed by the legal or conventional representative of the Network User, prepared in accordance with the template presented in Annex 3;
- c) Electronic confirmation of the successful auction held on the Regional Booking Platform, sent by the Platform operator.

(2) The gas transmission contract concluded between the National Gas Transmission Company Transgaz S.A. Mediaş and the Network Users, as a result of the auctions held for capacity booking at the points of the pipelines provided in Art. 1, letter b) is included in Annex 2:

- a) Statutory declaration, signed by the legal or conventional representative of the Network User, prepared in accordance with the template presented in Annex 3;
- b) Electronic confirmation of the successful auction held on the Regional Booking Platform, sent by the Platform operator.

(3) The documents in paragraphs (1) and (2) shall be supplemented depending on the standard product offered – for the booking of annual/quarterly/monthly/daily firm/interruptible capacity, the framework gas transmission contract concluded between the National Gas Transmission Company Transgaz S.A. Mediaș and the Network Users, as a result of the RBP auctions shall be supplemented with the following documents, as applicable:

- a) Terms and conditions of the quarterly/annual gas transmission contracts concluded as a result of the auctions for capacity booking at the entry/exit points in/out of the pipelines provided in Annex 1 of the Methodology, under Annex 4 of the Methodology;
- b) Terms and conditions of the monthly gas transmission contracts concluded as a result of the auctions for capacity booking at the entry/exit points in/out of the pipelines provided in Art. 1, under Annex 5 to the Methodology;
- c) Terms and conditions of the daily gas transmission contracts concluded as a result of the auctions for capacity booking at the entry/exit points in/out of the pipelines provided in Art. 1, under Annex 6 to the Methodology;
- d) Terms and conditions of the gas transmission contracts concluded as a result of the auctions for interruptible capacity booking at the entry/exit points in/out of the pipelines provided in at Art. 1, under Annex 7 to the Methodology.

**Art. 9** – (1) The gas quantity nomination/re-nomination procedures comply with the interconnection agreements concluded between the National Gas Transmission Company Transgaz S.A. Mediaș and the neighbouring system operators.

(2) The gas quantity allocation procedures are applied in line with the interconnection agreements concluded with the neighbouring system operators;

(3) Notwithstanding the provisions of par. (2), for the exit points of the pipeline at Art. 1, letter a) for gas supply to some localities on the Romanian territory, the allocation is performed by the neighbouring system operators, based on the information received from the TSO by using the consumption profiles and metered gas quantities, if applicable. If such neighbouring operator does not make the allocation, the allocation shall be made by the TSO, according to the *pro-rata* principle with the approved nominations.

**Art. 10** – Network User participation in each auction organized in accordance with the Operational Rules of the Regional Booking Platform for the allocation of the capacity at the points of the pipelines provided in Art. 1 shall be validated by the National Gas Transmission Company Transgaz S.A. Mediaș subject to the fulfilment of the following cumulative conditions:

- a) the Network User shall submit the statutory declaration under Art 8, paragraph (1), letter a) and par (2), letter a) to the National Gas Transmission Company Transgaz S.A. Medias together with the financial guarantee under letter b);
- b) At least 24 hours before the opening of the auction the Network User shall present a participation guarantee, in favour of the National Gas Transmission Company Transgaz S.A. Medias for establishing the credit line to the Network User for participation in the auction for capacity booking.

**Art. 11** – (1) The Network User shall be entirely responsible for estimating the level of the participation guarantee based on the auction clearing price it would pay and shall be equal to the total value of the requested capacity, according to Art. 4. Thus:

(2) The participation guarantee may be in cash, in the form of a guaranteed account (collateral deposit) and/or letter of bank guarantee, issued by a bank having a rating granted by one of the following rating agencies: Standard & Poor`s, Moody`s, Fitch, at least at the *investment grade* level.

(3) The participation guarantee is valid at least 75 calendar days from the starting date of the period of use of the capacity regarding the standard capacity product requested.

(4) The National Gas Transmission Company Transgaz S.A. Medias is entitled to retain the participation guarantee when the Network User does not establish the payment guarantee according to the framework contracts in Annex 1 or 2 and to the documents in Annex 4 - 7, as applicable.

(5) The financial guarantee shall be returned to the Network User within one working day from the date of establishment of the payment guarantee or from the advance payment date, if the Network User chose this payment modality, and within one working day from the closing of the auction for capacity booking if, following the auction, the Network User did not receive transmission capacity.

(6) The credit limit granted to the Network User for the participation to the auction for capacity booking shall be established at the level of the participation guarantee for the capacity requested at the point for which the auction is held, meaning 50% of the participation guarantee submitted by the Network User.

**Art. 12** – The standard capacity product clearing price will be calculated according to the following formula:

$$P_A = P_R + AP$$

where:

$P_A$  is the clearing price;

$P_R$  is the reserve price for a standard capacity product applicable at the product auction date;

$AP$  is the auction premium;

**Art. 13.** – The price payable for a standard capacity product is calculated as follows:

$$P_p = P_{Rp} + AP$$

where:

$P_p$  is the payable price;

$P_{Rp}$  is the reserve price for a standard capacity product applicable when this product may be used, according to the provisions set by or approved by the national regulatory authority;

$AP$  is the auction premium.

## Chapter II

### The setting of the tariffs for the gas transmission services related to Isaccea – Negru Vodă pipelines

**Art. 14** (1) The tariff system for the gas transmission activity at Isaccea – Negru Vodă pipelines consists of a set of transmission tariffs for entry/exit capacity booking established for the entry points at the entry in the Isaccea – Negru Vodă gas transmission pipelines, hereinafter referred to as the *entry points*, and for the exit points from the Isaccea – Negru Vodă gas transmission pipelines, hereinafter referred to as the *exit points*.

(2) The transmission tariffs represent the value of the gas transmission services provided for transmission capacity booking at entry/exit points in the pressure and temperature conditions under the Interconnection Agreements concluded with neighbouring transmission system operators.

(3) The gas transmission services related to the Isaccea – Negru Vodă pipeline at Art. 1 for which transmission tariffs are set, are the following:

- a) long-term firm/interruptible transmission services, contracted for a year;
- b) short-term firm/interruptible transmission services, contracted for a quarter;
- c) short-term firm/interruptible transmission services, contracted for a month;
- d) short-term firm/interruptible transmission services, contracted for a day.

(4) The transmission tariffs do not include the VAT.

**Art.15** For the calculation of the transmission tariffs the total income is established, totally allocated in the capacity booking component, of the gas transmission services provided for transmission capacity booking by the points of the Isaccea – Negru –Vodă transmission pipelines.

**Art.16** (1) The total income is set based on the comparative benchmarking analysis and on the transmission tariffs applied in EU countries with transmission conditions similar to the profile of the Isaccea – Negru Vodă natural gas transmission pipelines and similar offer of services over a period of 12 calendar months.

(2) At the preparation of the comparative *benchmarking* analysis the tariffs of the companies applying the same tariff system (entry/exit) in high pressure networks and the corresponding Isaccea - Negru Vodă transmission pipelines profile may be considered as follows:

- transmitted quantity
- load factor: 8,000 hours/year
- pipeline length: 200 km.

(3) For the calculation of the total income the average minimum values of the hourly tariffs analysed will be used, the hourly capacity available and the number of hours of the period for which the services are provided, the income being at the basis of the calculation of the capacity booking component for the Isaccea – Negru Vodă transmission pipelines.

(4) The total income is established individually for the pipelines mentioned at Art. 1 letters a) and letter b) respectively.

**Art.17** (1) For the calculation of the transmission tariffs for capacity booking, the total income is 50% allocated by entry points and 50% allocated by exit points.

**Art.18** (1) The transmission tariff for capacity booking is set separately for the entry/exit points/group of points of the pipelines under Art. 1.

(2) The entry points and the exit points are grouped as follows:

a) for the pipeline under Art. 1, letter a)

i) the Isaccea 1 entry point;

ii) the group of exit points (the Negru Vodă 1 exit point and the exit points for gas supply to some localities on the Romanian territory).

b) related to the pipelines at Art.1 letter b):

i) the Isaccea 2, 3 entry point

ii) the Negru Vodă 2, 3 exit point.

(3) The transmission tariff for capacity booking is established per kWh/h in the pressure and temperature conditions established in the agreements concluded with the neighbouring TSOs.

(4) The transmission tariffs for capacity booking are established for the services under Art. 14, paragraph (3).

**Art.19** (1) The necessary data for the calculation of the entry/exit tariffs are the following:

a) The total income set according to Art.16;

b) The total income totally allocated in the capacity booking component and in the capacity booking component broken down by entry/exit points/group of entry/exit points;

c) Upon the determination of the total income for the pipelines at Art. 1 letter b) the income estimated to be obtained from the gas transmission contracts related to Isaccea 3 – Negru Vodă 3, valid for the period for which tariffs are set and concluded before the entry in force of the Methodology date is deducted;

d) The capacity estimated to be booked per each entry/exit point/group of points in the period for which the transmission tariffs are set;

d) The maximum daily flow of each entry/exit point/group of points over the last three years.

(2) For the primary data estimated, the assumptions considered and the methods used for their determination will be substantiated.

**Art.20** The transmission tariffs for capacity booking are determined yearly as follows:

- a) The value of the booking component of the total income is calculated according to Art.17 for the entry/exit points/group of points;
- b) The transmission tariff for capacity booking by entry/exit points/group of points, for long-term firm services, is calculated as follows:

$$TCpl = \frac{VRCp}{CR_{p_{tl}} \times N_{tl} + \sum_{ts=1}^n (CR_{p_{ts}} \times N_{ts} \times K_{ts})} \text{ [RON/KWh/h]}$$

where:

TCpl – the transmission tariff for long-term firm capacity booking at the entry/exit points/group of points;

VRCp – the value of the booking component of the total income allocated for the entry/exit points/group of points;

CR<sub>p<sub>tl</sub></sub>– capacity estimated to be booked over the long term in the period for which the transmission tariffs are set, by entry/exit points/group of points;

CR<sub>p<sub>ts</sub></sub>– capacity estimated to be booked over the short term in the period for which the transmission tariffs are set, by entry/exit points/group of points;

N<sub>tl</sub>, N<sub>ts</sub> – number of hours related to each type of service;

K<sub>ts</sub>– the multiplier of the transmission tariff for capacity booking related to the type of firm service over the short term.

- c) The transmission tariff for capacity booking by entry/exit points/group of points, for short-term firm services, is calculated as follows:

$$TCps = TCpl \times K_{ts} \text{ [RON/KWh/h]}$$

where:



TCpl – the transmission tariff for long-term firm capacity booking at the entry/exit points/group of points;

TCps – the transmission tariff for short-term firm capacity booking at the entry/exit points/group of points;

K<sub>ts</sub> – the multiplier of the transmission tariff for capacity booking related to the type of firm service over the short term.

**Art.21** (1) The transmission tariff for capacity booking for long/short-term interruptible transmission services is set at the level of the transmission tariff for capacity booking for the long/short-term firm transmission services for a point `p`.

(2) In case of an interruption of the gas transmission service, the value of the interruptible transmission service for capacity booking is determined depending on the actually uninterrupted booked capacity.

**Art.22** (1) In all capacity auctions the transmission tariff for firm/interruptible capacity booking set according to this Methodology is used as reserve price for all standard capacity products offered and is the auction's minimum acceptable price.

**Art. 23** (1) The transmission system operator submits for approval to the National Energy Regulatory Authority the tariff proposal and the multipliers for establishing the short-term capacity booking tariffs at the same time with the tariff proposal.

(2) Following approval, the multipliers will be published on the websites of the transmission system operator and of the National Energy Regulatory Authority, at least 15 days before the beginning of the capacity booking period. **Art. 24** – The total income and the tariffs related to the gas transmission services through the Isaccea – Negru Vodă pipelines, provided in art. 1, set based on this methodology, are approved by the order of NERA President and are published in the Official Gazette of Romania, Part I.

**Art. 25** - The National Gas Transmission Company Transgaz S.A. Mediaș has the obligation to publish on its internet website, both in Romanian and in English, this Methodology and the Order related to its approval, the Rules for the operation of the RBP and the relevant provisions for the implementation of the transmission contracts from the interconnection agreements concluded by the National Gas Transmission Company „Transgaz” - S.A. Mediaș with the neighbouring TSOs operating the pipelines provided in Art 1.

**Art 26.** - Annexes 1 to 7 are part of this Methodology.

**Framework gas transmission contract  
concluded as a result of the auctions for capacity booking at the points related to the Isaccea 1  
– Negru Vodă 1 gas transmission pipeline**

**The National Gas Transmission Company Transgaz S.A.**, headquartered in....., .....  
Street, .....County/Sector, postal code....., tel....., fax ....., tax no. ...., .....,  
registered with the Trade Register under no. ...., account ....., opened with ....., duly  
represented by....., as gas transmission service provider, hereinafter referred to as the  
`transmission system operator` or the `TSO`, on the one hand  
and

.....[to be filled-in with the name and the identification data of the network user: the  
headquarters, telephone, fax, e-mail, Trade Register no., tax no.], as the beneficiary of the  
transmission services, hereinafter referred to as the `network user` or the `NU`, on the other  
hereinafter referred to individually as the `Party` and together as the `Parties`, have agreed to conclude  
this gas transmission contract, hereinafter referred to as the `Contract`, as a result of the capacity  
booking auction held on.....[ to be filled-in with the auction date].

**I. – Terminology, law and other applicable documents**

**Art. 1** - (1) The terms used in the Contract are defined by Commission Regulation (EU) No. 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council, by Electricity and Gas Law No. 123/2012, as further amended and supplemented, and by the interconnection agreements concluded between the National Gas Transmission Company Transgaz SA Medias and the neighbouring system operators.

(2) The Contract is supplemented with the provisions of Commission Regulation (EU) No. 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No. 715/2009 of the European Parliament and of the Council, the provisions of the Civil Code, Electricity and Gas Law No. 123/2012, as further amended and supplemented, the interconnection agreements concluded between the National Gas Transmission Company Transgaz S.A. Medias and the neighbouring system operators and the Operational Rules of the Regional Booking Platform, hereinafter referred to as RBP.

(3) The statutory declaration of the legal or conventional representative .....[to be filled-in with

the name of the Network User] and the electronic message for the confirmation of the .....[date of auction] RBP auction result are part of the Contract.

(4) The Contract is supplemented with the terms and conditions of the gas transmission contracts concluded as a result of the auctions under Annexes 4 – 7 to the Annex to Order ...../..... of the NERA President.

## **II. Scope of the contract**

**Art. 2** - (1) The scope of the Contract, is the provision of gas transmission services, such services designating all the activities and operations carried out by the TSO for or in connection with the booking of standard transmission capacity products at the points of the following pipelines:

- a) the Isaccea 1 – Negru Vodă 1 gas transmission pipeline for gas transmission from the Russian Federation to Bulgaria;
- b) the transmission pipeline connected to the pipeline under letter a), for the supply with gas of Romanian towns.

(2) Based on the principle of equality under Art. 4 of the Methodology approved by the Order No..... of the NERA President, the capacity booked under the Contract consists of:

- a) allocated capacity mentioned in the electronic confirmation of the successful auction and
- b) the equivalent of the capacity value at letter a) for the relevant entry/exit point, as applicable.

(3) The capacity is booked in accordance with the conditions provided in the Operational Rules of the Regional Booking Platform.

(4) The booked transmission capacity is expressed in kWh/day (25°C/0°C).

## **III. – Contract duration**

**Art. 3** - (1) The Contract shall be concluded for the period mentioned in the electronic confirmation of the successful auction, organized within the RBP, sent by the RBP operator, according to the booked standard capacity product.

(2) The Contract date is the date of receipt of the electronic confirmation of the successful auction on the Regional Booking Platform.

(3) As applicable, the TSO and the NU shall explicitly agree that the date of the contract for bundled capacity booking on the Romanian side is the same as the date of the pair contract for bundled capacity booking on the Bulgarian side, starting with the date of receipt of the electronic confirmation of the successful auction

## **IV. – Gas metering at the NTS entry/exit points**

**Art. 4** - (1) The gas quantities shall be metered entering and exiting the pipeline under Art. 2, paragraph (1), letter a) in accordance with the interconnection agreements concluded between the National Gas Transmission Company Transgaz SA Medias and the neighbouring system operators;

(2) The gas exiting the pipeline under Art. 2, paragraph (1), letter b) shall be metered according to the provisions of the Order no 62/2008 of NERA President on the approval of the Regulation for metering natural gas quantities traded in Romania, published in the Official Gazette of Romania, Part I, no 427 of 15 July 2013.

(3) The gas quantities circulated through the pipelines under Art. 2, paragraph (1), shall comply with the minimum quality specifications established by the interconnection agreements concluded with the neighbouring system operators.

#### **V. – Applicable tariffs. Payment and invoicing terms and conditions**

**Art. 5** - (1) The NU shall pay to the TSO the value of the transmission capacity booked based on the capacity booking tariff applicable at the moment of the booked capacity may be used, to which the auction premium is added, as applicable, resulted from the auction.

(2) The firm gas transmission services provided shall be invoiced based on the booked capacity, the number of hours in the invoicing period.

(3) The interruptible gas transmission services provided shall be invoiced based on the booked capacity, the number of hours in the invoicing period in which the transmission services were not limited/interrupted.

(4) The payment method as well as the designation of the agreed banks for the banking operations shall be agreed in compliance with the applicable laws.

(5) The advance payment of the transmission service invoices shall be made within 24 hours prior to the date of commencement of the transmission service based on the advance payment invoice issued in this respect according to the Contract.

(6) The payment obligation shall be deemed met at the date of entry of the relevant total amounts to the TSO`s account.

#### **VI. – TSO`s rights and obligations**

**Art.6.** The TSO shall be entitled to:

- a) receive the value of the services provided and of the delay penalties;
- b) execute the payment guarantee submitted by the NU in case of failure to pay the invoices issued until their maturity date;

- c) limit or interrupt the transmission services, with a prior notice of 3 calendar days, if the payment obligations are not fulfilled according to the terms and conditions of the Contract;
- d) limit or to interrupt the firm transmission services, if the NU fails to comply with the provisions of Chapter VIII - `Guarantees`;
- e) limit or interrupt the transmission services, if the NU fails to comply with the provisions of the documents under Art. 1, paragraph (2), with a prior notice of at least 3 days;
- f) refuse to take over the gas non-compliant with the minimum quality specifications established under the agreements concluded with the neighbouring system operators;
- g) invoice to the NU the value of the transmission services provided under the scope of the Contract, based on the capacity booking tariff applicable at the moment the booked capacity may be used, plus the premium resulted from the auction , including the delay penalties;
- h) limit or interrupt, as appropriate, the firm transmission services for the execution of unplanned maintenance works, according to the agreements concluded with the neighbouring system operators; by announcing the NU within maximum 2 hours from the moment of the event which generated the limitation/interruption;
- i) limit or interrupt, as appropriate, the firm transmission services for the execution of planned maintenance works, according to the agreements concluded with the neighbouring system operators;
- j) initiate the amending and/or supplementation of the Contract, if the circumstances at the basis of its conclusion change;
- k) all other rights according to the documents under Art. 1, paragraph (2).

**Art. 7 – The TSO shall:**

- a) notify the NU with regard to possible limitations or, as appropriate, interruptions of the transmission services in case of the NU's payment default;
- b) resume the transmission services within 24 hours from the date of NU's meeting payment obligations;
- c) enable NU's access to the data/documents substantiating an invoice when the NU is disputing such invoice;
- d) take-over, transmit and deliver the energy quantities to the NU according to the according to the agreements concluded with the neighbouring system operators and compliant with the quality specifications established by such agreements;
- e) send to the NU a monthly energy allocation report at the entry/exit points of the pipelines at Art. 2, paragraph (1), letter a) and b);
- f) answer NU's complaints regarding the transmission services;
- g) all the other obligations under the documents at Art. 1, paragraph (2).

## **VII. – NU`s rights and obligations**

**Art. 8** – The NU shall be entitled to:

- a) refuse to take over at the exit points of the pipelines at Art. 2, paragraph (1), the gas which does not comply with the quality specifications set by the agreements concluded with the neighbouring system operators;
- b) dispute the invoice issued by the TSO and request access to data/documents substantiating the relevant invoice;
- c) request the TSO to amend the Contract in case of modification of the circumstances which are at the basis of its signature;
- d) all the other rights under the documents at Art. 1, paragraph (2).

**Art. 9** - The NU shall:

- a) pay fully and by the due date the invoices issued by the TSO according to the provisions of the Contract and of the documents at Art. 1, paragraph (2);
- b) accept the limitation/interruption of the transmission service according to the Contract;
- c) pay the exceeding capacity at the level of the highest clearing price of the auction for the standard capacity products offered within the auctions organized by the TSO, price which cannot be lower than the reserve price for the daily capacity product, in the situation in which the gas quantities allocated to the NU exceed the level of the capacity booked;
- d) deliver the gas in the Isaccea 1 interconnection point, compliant with the gas quality specifications under the agreements concluded with the neighbouring system operators. If during the delivery month the NU does not assure the gas quality specifications in the Isaccea 1 point, at least at the level established in the agreements concluded with the neighbouring system operators, the TSO shall deliver at the exit points of the pipelines at Art. 2, paragraph (1), letters a) and b) gas of a similar quality, the NU being held liable for all of the consequences resulting from the failure to meet such obligation;
- e) notify the TSO through the nomination/re-nomination with regard to its counterparties and to the energy quantities of such counterparties, according to the agreements concluded with the neighbouring system operators;
- f) submit to the TSO nominations/re-nominations in energy unit for each gas day, compliant with the rules set under the agreements concluded with the neighbouring system operators;
- g) accept the gas quantities allocated compliant with the Methodology approved by the Order No. .... of the NERA President; obey the principle of equality between the daily nominations/re-nominations submitted to the TSO for the entry/exit points of the pipelines at Art. 2, paragraph (1), letters a) and b);

- h) establish the guarantees under Art. 11 and Art. 12 of the Contract;
- i) all the other obligations under the documents at Art. 1, paragraph (2).

### **VIII. – Guarantees**

**Art. 10** For the provision of the transmission services, the NU shall submit to the TSO the letter of good standing supporting its financial capacity to meet the obligations undertaken by the Contract.

**Art. 11** (1) The NU may be exempted from the obligation to establish the financial guarantee under Art. 12 in the favour of the TSO if:

- a) it makes the proof of a credit rating issued by one of the rating agencies Standard & Poor`s, Moody`s, Fitch, at least at the same level as that of the TSO, valid over the Contract duration;
- b) it pays in advance the value of the transmission services according to Art. 5, paragraph (6) of the Contract.

(2) If, during the execution of the Contract the NU`s rating or the issuing rating agency according to the provisions of paragraph (1), letter a) changes, the NU shall to notify the TSO within 3 days from the occurrence of the change and prove it complies with the contractual provisions on the establishing of the financial guarantees, within 15 calendar days from the occurrence of the modification.

**Art. 12** – (1) The NU shall submit the payment guarantee in the form of:

- a) a letter of bank guarantee for the amount of RON ... or the EUR equivalent at the ECB rate of exchange of the bond issuance day, and/or
- b) a guaranteed account (collateral deposit), for the amount of RON ... or the EUR equivalent at the ECB rate of exchange of the bond issuance day, and/or
- c) an escrow account for the amount of RON .... or the EUR equivalent at the ECB rate of exchange of the bond issuance day.

(2) The TSO shall accept the letter of bank guarantee issued by a bank having a rating granted by one of the following rating agencies: Standard & Poor`s, Moody`s, Fitch, at least at the *investment grade* level. The equivalence between the ratings granted by the three agencies shall be published on the website of the TSO.

**Art. 13** – (1) If the NU provides the letter of good standing in accordance with Art 11, paragraph (1), letter a), the TSO may request, in certain justified cases, the establishment of a payment guarantee according to Art. 12 or the advance payment of the payment obligations resulting from the commercial relationship with the NU. The request of the guarantee or advance payment shall be provided and explained to the NU in writing.

(2) For the transmission services a justified case is considered the situation in which a NU is in delay payment for an amount representing at least 10% of the value of the last invoice or of the value of the partial payment obligations, after the receipt of a notice from the TSO to that effect.

**Art. 14** – (1) The TSO shall be entitled to execute the guarantees under this chapter unless the NU fulfills its contract obligations completely or partly or if it delays fulfilling such obligations.

(2) Prior to executing such guarantee, the TSO shall notify the NU on the non-fulfilled obligations.

(3) The TSO shall send the guarantee execution notification by fax within 24 hours from the expiration of the due date of the transmission services invoices.

(4) If the guarantee is executed partly or completely, the NU shall re-establish the guarantee within 5 working days, according to the contractual provisions on the level of the financial guarantees.

## **IX. – Confidentiality**

**Art. 15** - (1) The Parties shall keep confidential all data, documents and information obtained during the execution of the Contract.

(2) Notwithstanding the provisions of paragraph (1), confidential data, documents and information shall not include any data, documents and information:

- a) known to a contracting Party prior to the date of disclosure by the other contracting Party, or
- b) disclosed following receipt of the written consent of the other contracting Party for such disclosure, or
- c) which must be produced as a legal duty on disclosure.

(3) The provisions of this Article shall be effective for a period of 5 years form Contract expiration.

(4) Failure to comply with the obligations arising from paragraphs (1) to (3) shall hold liable the Party in default, according to the provisions of the law.

## **X. – Contract liability**

**Art. 16** - (1) Failure to meet the invoice payment obligation according to the Contract shall determine the execution of the guarantee established in this respect and the payment of delay penalties, calculated for the outstanding amount, equal to the default interest due for the non-payment of the budgetary obligations by the due date, for each day of delay, from the due date and until its full payment.

**Art. 17** - (1) The full or partial culpable breach of the contract obligations by the NU, other than the payment obligations, shall entitle the TSO to claim damages, proportionally with the prejudice, according to the applicable law.



(2) The full or partial culpable breach of the contract obligations by the TSO shall entitle the NU to claim damages, proportionally with the prejudice, according to the applicable law.

(3) The debtor of the obligation shall be deemed in default by the meeting of the due dates set for the execution of contractual obligations, except as specifically set forth in this Contract.

## **XI. – Force Majeure/Act of God**

**Art. 18** - (1) Force majeure is an event that is external, unforeseeable, absolutely invincible and unavoidable, which exonerates the Parties from liability, according to Art. 1351 of the Civil Code.

(2) If the Force Majeure event does not cease within 15 days, for the monthly contracts, and within 30 days for the quarterly and annual contracts, either Party shall be entitled to request the termination of the Contract de jure, without any of the Parties being entitled to claim damages.

(3) The Party claiming Force Majeure shall notify the other Party of such occurrence in writing, within no more than two days from the occurrence of the event, and the proof of the Force Majeure shall be communicated within maximum 15 days from such occurrence.

**Art. 19** - (1) Act of God is an event which cannot be foreseen or prevented by the Party which would have been required to respond if the event had not occurred in the conditions of Art. 1.351 of the Civil Code.

(2) The provisions of Art. 18, paragraphs (2) and (3) shall apply accordingly.

## **XII. – Termination**

**Art. 20** - (1) The Contract shall be terminated:

- a) at Contract expiry according to Art. 3;
- b) by operation of law, through the termination of the pair contract concluded between the NU and the neighbouring TSO in the situation of standard bundled capacity products booking;
- c) by the tripartite agreement of the neighbouring TSOs, the National Gas Transmission Company Transgaz SA Medias and the NU, for any reason, in the situation of bundled standard capacity products booking;
- d) by the agreement of the Parties, in the situation of standard bundled capacity products booking;
- e) by unilateral termination, in case of bankruptcy, dissolution or liquidation, as applicable, of the contractual partner based on a prior notice;
- f) by unilateral termination, under the conditions of Art. 18 and Art. 19.

(2) The termination of the Contract shall bear no effect on the contracting obligations arisen validly during the execution of the Contract, independent of their deadlines.

### **XIII. – Notifications**

**Art. 21** - (1) During the execution of the Contract, the TSO and the NU shall notify each other in writing, at the address of the NU indicated in the Declaration of the legal or conventional representative of such NU, which is part of the Contract, and at the address indicated on the website of the National Gas Transmission Company Transgaz SA Medias, with regard to any change in the circumstances considered on the date the Contract enters into force.

(2) For this Contract, change in the circumstances shall mean the application, amendment or cancellation of a normative act regulating completely or partially the general and/or specific terms and conditions of the Contract.

(3) The notification period shall be of maximum 3 calendar days from the occurrence of the modification, unless otherwise stipulated by the Contract.

(4) The notifications between the TSO and the NU may also be sent by fax or e-mail, conditional on the written confirmation of the receipt.

(5) Any written document must be registered upon delivery as well as upon receipt.

### **XIV. – Applicable law and disputes settlement**

**Art. 22** - (1) The Contract shall be governed by and construed in accordance with the Romanian law.

(2) The TSO and the NU agree to amicably settle any dispute arising in relation to the validity, interpretation, execution and termination the Contract. If not, the disputes shall be referred to the competent Romanian law courts.

### **XV. – Transfer**

**Art. 23** - (1) Neither Party shall be entitled to transfer to a third party in any way, totally or partially, its rights and/or obligations established by this gas transmission Contract for standard bundled capacity products, except with the written consent of the neighbouring system operator, the National Gas Transmission Company Transgaz S.A. Medias and the NU, which cannot be refused without any justification.

(2) Neither Party shall be entitled to transfer to a third party in any way, totally or partially, its rights and/or obligations established by this gas transmission Contract for standard unbundled capacity products, except with the written consent of the other Party, which cannot be refused without any justification.

(3) The transfer intention notification shall be sent to the other Parties at least 5 working days prior to the intended transfer date.

(4) The notified Parties shall send a reasoned answer within maximum 3 working days from the notification receipt date.

(5) If the Party notified in accordance with paragraph (3) fails to answer or, as applicable, fails to send a reasoned answer, the transfer intention shall be deemed:

a) not accepted, in the case of Contract transfer, according to the applicable law;

b) accepted, in the case of debt transfer.

## **XVI. – Final clauses**

**Art. 24** – The Contract is concluded in Romanian under the Romanian legislation.

**Framework gas transmission contract**  
**concluded as a result of the auctions for capacity booking at the points related to the**  
**Isaccea 2 and Isaccea 3 – Negru Vodă 2 and Negru Vodă 3 gas transmission pipelines**

**The National Gas Transmission Company Transgaz S.A.**, headquartered in....., .....  
Street, .....County/Sector, postal code....., tel....., fax ....., tax no. ...., .....,  
registered with the Trade Register under no. ...., account ....., opened with ....., duly  
represented by....., as gas transmission service provider, hereinafter referred to as the  
`transmission system operator` or the `TSO`, on one hand  
and

.....[to be filled-in with the name and the identification data of the network user: the  
headquarters, telephone, fax, e-mail, Trade Register no., tax no.], as the beneficiary of the  
transmission services, hereinafter referred to as the `network user` or the `NU`, on the other  
hereinafter referred to individually as the `Party` and together as the `Parties`, have agreed to conclude  
this gas transmission contract, hereinafter referred to as the `Contract`, as a result of the capacity  
booking auction held on.....[ to be filled-in with the auction date].

**I. – Terminology, law and other documents applicable**

**Art. 1** - (1) The terms used in the Contract are defined by Commission Regulation (EU) No. 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council, by Electricity and Gas Law No. 123/2012, as further amended and supplemented, and by the interconnection agreements concluded between the National Gas Transmission Company Transgaz SA Medias and the neighbouring system operators.

(2) The Contract is supplemented with the provisions of Commission Regulation (EU) No. 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No. 715/2009 of the European Parliament and of the Council, the provisions of the Civil Code, Electricity and Gas Law No. 123/2012, as further amended and supplemented, the interconnection agreements concluded between the National Gas Transmission Company Transgaz S.A. Medias and the neighbouring system operators and the Operational Rules of the Regional Booking Platform, hereinafter referred to as RBP.

(3) The statutory declaration of the legal or conventional representative .....[to be filled-in with

the name of the Network User] and the electronic message for the confirmation of the .....[date of auction] RBP auction result are part of the Contract.

(4) The Contract is supplemented with the terms and conditions of the gas transmission contracts concluded as a result of the auctions under Annex 4 - 7 to The methodology approved by the Order ...../..... of the NERA President..

## **II. Scope of contract**

**Art. 2** - (1) The scope of the Contract, is the provision of gas transmission services, such services designating all the activities and operations carried out by the TSO for or in connection with the booking of standard transmission capacity products at the points related to the Isaccea 2 and Isaccea 3 – Negru Vodă 2 and Negru Vodă 3 gas transmission pipeline for gas transmission from the Russian Federation to Turkey, Greece and other countries.

(2) Based on the principle of equality under Art. 4 of Annex to Order No..... of the NERA President, the capacity booked under the Contract consists of:

- a) allocated capacity mentioned in the electronic confirmation of the successful auction and
- b) the equivalent of the capacity value at letter a) for the relevant entry/exit point, as applicable.

(3) The TSO and the NU shall note that the capacity is booked under the Contract, in accordance with the Operational Rules of the Regional Booking Platform.

(4) The transmission capacity booked is in kWh/day (25°C/0°C).

## **III. – Contract duration**

**Art. 3** - (1) The Contract shall be concluded for the period mentioned in the electronic confirmation of the successful auction, organized within the RBP, sent by the RBP operator, according to the standard capacity product booked.

(2) The Contract date is the date of receipt of the electronic confirmation of the successful auction on the Regional Booking Platform.

(3) As applicable, the TSO and the NU shall explicitly agree that the date of the contract for bundled capacity booking on the Romanian side is the same as the date of the pair contract for bundled capacity booking on the Bulgarian side, starting with the date of receipt of the electronic confirmation of the successful auction

## **IV. – Gas metering at the NTS entry/exit points**

**Art. 4** - (1) The gas quantities shall be metered entering and exiting the pipeline under Art. 2, paragraph (1), in accordance with the interconnection agreements concluded between the National Gas Transmission Company Transgaz SA Medias and the neighbouring system operators;

(2) The gas circulated through the pipeline under Art. 2, paragraph (1) shall comply with the minimum quality specifications established by the interconnection agreements concluded with the neighbouring system operators.

#### **V. – Applicable tariffs. Payment and invoicing terms and conditions**

**Art. 5** - (1) The NU shall pay to the TSO the value of the transmission capacity booked based on the capacity booking tariff applicable at the moment of the booked capacity may be used, to which the auction premium is added, as applicable, resulted from the auction.

(2) The firm gas transmission services provided shall be invoiced based on the booked capacity and the number of hours in the invoicing period.

(3) The payment method as well as the designation of the agreed banks for the banking operations shall be agreed in compliance with the applicable laws.

(4) The advance payment of the transmission service invoices shall be made within 24 hours prior to the date of commencement of the transmission service based on the advance payment invoice issued in this respect according to the Contract.

(5) The payment obligation shall be deemed met at the date of entry of the relevant total amounts to the TSO`s account.

#### **VI. – TSO`s rights and obligations**

**Art.6.** TSO shall be entitled to:

- a) receive the value of services provided and of the delay penalties;
- b) execute the payment guarantee submitted by the NU in case of failure to pay the invoices issued until their maturity date;
- c) limit or interrupt the transmission services, with a prior notice of 3 calendar days, if the payment obligations are not fulfilled according to the terms and conditions of the Contract;
- d) limit or to interrupt the firm transmission services, if the NU fails to comply with the provisions of Chapter VIII - `Guarantees`;
- e) limit or interrupt the transmission services, if the NU fails to comply with the provisions of the documents under Art. 1, paragraph (2), with a prior notice of at least 3 days;
- f) refuse to take over the gas non-compliant with the minimum quality specifications established under the agreements concluded with the neighbouring system operators;

- g) invoice to the NU the value of the transmission services provided under the scope of the Contract, based on the capacity booking tariff applicable at the moment the booked capacity may be used, plus the premium resulted from the auction , including the delay penalties;
- h) limit or interrupt, as appropriate, the firm transmission services for the execution of unplanned maintenance works, according to the agreements concluded with the neighbouring system operators, by announcing the NU in maximum 2 hours from the moment of occurrence of the event which caused the limitation/interruption;
- i) limit or interrupt, as appropriate, the firm transmission services for the execution of planned maintenance works, according to the agreements concluded with the neighbouring system operators;
- j) initiate the amending and/or supplementation of the Contract, if the circumstances at the basis of its conclusion change;
- k) all other rights according to the documents under Art. 1, paragraph (2).

**Art. 7** – The TSO shall:

- a) notify the NU with regard to possible limitations or, as appropriate, interruptions of the transmission services in case of the NU’s payment default;
- b) resume the transmission services within 24 hours from the date of NU’s meeting payment obligations;
- c) enable NU`s access to the data/documents substantiating an invoice when the NU is disputing such invoice;
- d) take-over, transmit and deliver the gas quantities to the NU according to the according to the agreements concluded with the neighbouring system operators and compliant with the quality specifications established by such agreements;
- e) send to the NU a monthly gas quantity allocation report at the entry/exit points of the pipeline at Art. 2, paragraph (1);
- f) answer NU`s complaints regarding the transmission services;
- g) all the other obligations under the documents at Art. 1, paragraph (2).

**VII. – NU`s rights and obligations**

**Art. 8** – The NU shall be entitled to:

- a) refuse to take over at the exit point of the pipeline at Art. 2, paragraph (1) gas not complying with the quality specifications set by the agreements concluded with the neighbouring system operators;
- b) dispute the invoice issued by the TSO and request access to data/documents substantiating the relevant invoice;

- c) request the TSO to amend the Contract in case of modification of the circumstances which are at the basis of its signature;
- d) all the other rights under the documents at Art. 1, paragraph (2).

**Art. 9** - The NU shall:

- a) pay fully and by the due date the invoices issued by the TSO according to the provisions of the Contract and of the documents at Art. 1, paragraph (2);
- b) accept the limitation/interruption of the transmission service according to the Contract;
- c) pay the exceeding capacity at the level of the highest clearing price of the auction for the standard capacity products offered within the auctions organized by the TSO, price which cannot be lower than the reserve price for the daily capacity product, in the situation in which the gas quantities allocated to the NU exceed the level of the booked capacity;
- d) deliver the gas in the Isaccea 2 and Isaccea 3 interconnection point, compliant with the gas quality specifications under the agreements concluded with the neighbouring system operators. If during the delivery month the NU does not assure the gas quality specifications in the Isaccea 2 and Isaccea 3 point, at least at the level established in the agreements concluded with the neighbouring system operators, the TSO shall deliver at the Negru Vodă 2 and Negru Vodă 3 interconnection point gas of a similar quality, the NU being held liable for all of the consequences resulting from the failure to meet such obligation;
- e) notify the TSO through the nomination/re-nomination with regard to its counterparties and to the gas quantities of such counterparties, according to the agreements concluded with the neighbouring system operators;
- f) submit to the TSO nominations/re-nominations for each gas day, compliant with the rules set under the agreements concluded with the neighbouring system operators;
- g) accept the gas quantities allocated compliant with the agreements concluded with the neighbouring system operators;
- h) obey the principle of equality between the daily nominations/re-nominations submitted to the TSO for the entry/exit points of the pipeline at Art. 2, paragraph (1);
- i) establish the guarantees under Art. 11 and Art. 12 of the Contract;
- j) all the other obligations under the documents at Art. 1, paragraph (2).

**VIII. – Guarantees**

**Art. 10** For the provision of the transmission services, the NU shall submit to the TSO the letter of good standing supporting its financial capacity to meet the obligations undertaken by the Contract.

**Art. 11** (1) The NU may be exempted from the obligation to establish the financial guarantee under Art. 12 in the favour of the TSO if:



- a) it makes the proof of a credit rating issued by one of the rating agencies Standard & Poor`s, Moody`s, Fitch, at least at the same level as that of the TSO, valid over the Contract duration;
- b) it pays in advance the value of the transmission services according to Art. 5, paragraph (4) of the Contract.

(2) If, during the execution of the Contract the NU`s rating or the issuing rating agency according to the provisions of paragraph (1), letter a) changes, the NU shall to notify the TSO within 3 days from the occurrence of the change and prove it complies with the contractual provisions on the establishing of the financial guarantees, within 15 calendar days from the occurrence of the modification.

**Art. 12** – (1) The NU shall submit the payment guarantee in the form of:

- d) a letter of bank guarantee for the amount of RON ... or the EUR equivalent at the ECB rate of exchange of the bond issuance day, and/or
- e) a guaranteed account (collateral deposit), for the amount of RON ... or the EUR equivalent at the ECB rate of exchange of the bond issuance day, and/or
- f) an escrow account for the amount of RON .... or the EUR equivalent at the ECB rate of exchange of the bond issuance day.

(2) The TSO shall accept the letter of bank guarantee issued by a bank having a rating granted by one of the following rating agencies: Standard & Poor`s, Moody`s, Fitch, at least at the *investment grade* level. The equivalence between the ratings granted by the three agencies shall be published on the website of the TSO.

**Art. 13** – (1) If the NU provides the letter of good standing in accordance with Art 11, paragraph (1), letter a), the TSO may request, in certain justified cases, the establishment of a payment guarantee according to Art. 12 or the advance payment of the payment obligations resulting from the commercial relationship with the NU. The request of the guarantee or advance payment shall be provided and explained to the NU in writing.

(2) For the transmission services a justified case is considered the situation in which a NU is in delay payment for an amount representing at least 10% of the value of the last invoice or of the value of the partial payment obligations, after the receipt of a notice from the TSO to that effect.

**Art. 14** – (1) The TSO shall be entitled to execute the guarantees under this chapter unless the NU fulfills its contract obligations completely or partly or if it delays fulfilling such obligations.

(2) Prior to executing such guarantee, the TSO shall notify the NU on the non-fulfilled obligations.

(3) The TSO shall send the guarantee execution notification by fax within 24 hours from the expiration of the due date of the transmission services invoices.

(4) If the guarantee is executed partly or completely, the NU shall re-establish the guarantee within 5 working days, according to contractual provisions on the level of the financial guarantees.

## **IX. – Confidentiality**

**Art. 15** - (1) The Parties shall keep confidential all data, documents and information obtained during the execution of the Contract.

(2) Notwithstanding the provisions of paragraph (1), confidential data, documents and information shall not include any data, documents and information:

- a) known to a contracting Party prior to the date of disclosure by the other contracting Party, or
- b) disclosed following receipt of the written consent of the other contracting Party for such disclosure, or
- c) which must be produced as a legal duty on disclosure.

(3) The provisions of this Article shall be effective for a period of 5 years from Contract expiration.

(4) Failure to comply with the obligations arising from paragraphs (1) to (3) shall hold liable the Party in default, according to the provisions of the law.

## **X. – Contract liability**

**Art. 16** - (1) Failure to meet the invoice payment obligation according to the Contract shall determine the execution of the guarantee established in this respect and the payment of delay penalties, calculated for the outstanding amount, equal to the default interest due for the non-payment of the budgetary obligations by the due date, for each day of delay, from the due date and until its full payment.

**Art. 17** - (1) The full or partial culpable breach of the contract obligations by the NU, other than the payment obligations, shall entitle the TSO to claim damages, proportionally with the prejudice, according to the applicable law.

(2) The full or partial culpable breach of the contract obligations by the TSO shall entitle the NU to claim damages, proportionally with the prejudice, according to the applicable law.

(3) The debtor of the obligation shall be deemed in default by the meeting of the due dates set for the execution of contractual obligations, except as specifically set forth in this Contract.

## **XI. – Force Majeure/Act of God**

**Art. 18** - (1) Force majeure is an event that is external, unforeseeable, absolutely invincible and unavoidable, which exonerates the Parties from liability, according to Art. 1351 of the Civil Code.

(2) If the Force Majeure event does not cease within 15 days, for the monthly contracts, and within 30 days for the quarterly and annual contracts, either Party shall be entitled to request the termination of the Contract de jure, without any of the Parties being entitled to claim damages.

(3) The Party claiming Force Majeure shall notify the other Party of such occurrence in writing, within no more than two days from the occurrence of the event, and the proof of the Force Majeure shall be communicated within maximum 15 days from such occurrence.

**Art. 19** - (1) Act of God is an event which cannot be foreseen or prevented by the Party which would have been required to respond if the event had not occurred in the conditions of Art. 1351 of the Civil Code.

(2) The provisions of Art. 18, paragraphs (2) and (3) shall apply accordingly.

## **XII. – Termination**

**Art. 20** - (1) The Contract shall be terminated:

- a) at Contract expiry according to Art. 3;
- b) by operation of law, through the termination of the pair contract concluded between the NU and the neighbouring system operator in the situation of bundled standard capacity products booking;
- c) by the tripartite agreement of the neighbouring system operator, the National Gas Transmission Company Transgaz SA Medias and the NU, for any reason, in the situation of bundled standard capacity products booking;
- d) by the agreement of the Parties, in the situation of bundled standard capacity products booking;
- e) by unilateral termination, in case of bankruptcy, dissolution or liquidation, as applicable, of the contractual partner based on a prior notice;
- f) by unilateral termination, under the conditions of Art. 18 and Art. 19.

(2) The termination of the Contract shall bear no effect on the contracting obligations arisen validly during the execution of the Contract, independent of their deadlines.

## **XIII. – Notifications**

**Art. 21** - (1) During the execution of the Contract, the TSO and the NU shall notify each other in writing, at the address of the NU indicated in the Declaration of the legal or conventional

representative of such NU, which is part of the Contract, and at the address indicated on the website of the National Gas Transmission Company Transgaz SA Medias, with regard to any change in the circumstances considered on the Contract effective date.

(2) For this Contract, change in the circumstances shall mean the application, amendment or cancellation of a normative act regulating completely or partially the general or specific terms and conditions of the Contract.

(3) The notification period shall be of maximum 3 calendar days from the occurrence of the modification, unless otherwise stipulated by the Contract.

(4) The notifications between the TSO and the NU may also be sent by fax or e-mail, conditional on the written confirmation of the receipt.

(5) Any written document must be registered when sent as well as when received.

#### **XIV. – Applicable law and settlement of the disputes**

**Art. 22** - (1) The Contract shall be governed by and construed in accordance with the Romanian law.

(2) The TSO and the NU agree to amicably settle any dispute arising in relation to the validity, interpretation, execution and termination the Contract. If not, the disputes shall be referred to the competent Romanian law courts.

#### **XV. – Transfer**

**Art. 23** - (1) Neither Party shall be entitled to transfer to a third party in any way, totally or partially, its rights and/or obligations established by this gas transmission Contract for standard bundled capacity products, except with the written consent of the neighbouring system operator, the National Gas Transmission Company Transgaz S.A. Medias and the NU, which cannot be refused without any justification.

(2) Neither Party shall be entitled to transfer to a third party in any way, totally or partially, its rights and/or obligations established by this gas transmission Contract for standard unbundled capacity products, except with the written consent of the other Party, which cannot be refused without any justification.

(3) The transfer intention notification shall be sent to the other Parties at least 5 working days prior to the intended transfer date.

(4) The notified Parties shall send a reasoned answer within maximum 3 working days from the notification receipt date.

(5) If the Party notified in accordance with paragraph (3) fails to answer or, as applicable, fails to send a reasoned answer, the transfer intention shall be deemed:

- a) not accepted, in the case of Contract transfer, according to the applicable law;
- b) accepted, in the case of debt transfer.

## **XVI. – Final clauses**

**Art. 24** – The Contract is concluded in Romanian under the Romanian legislation.

### Declaration

I, the undersigned ..... [name and identification data of the person filling in the declaration: personal identification number, series and number of identity card, address, telephone, e-mail], as legal/conventional representative\* of ..... [Network User name and identification data: registered office, telephone, fax, e-mail address, Trade Registry registration number, tax identification number, bank account and bank with which the account is opened],

hereby declare to my best knowledge that:

- I have entirely read and agree to all the provisions of the `Operational Rules of the Regional Booking Platform operated by Földgázszállító Zártkörűen Működő Részvénytársaság – FGSZ Ltd`, compliant with which the transmission capacity booking auction to be held on .....[*to be filled in with the auction date*], the auction for the standard capacity product booking.....  
.....[*to be filled in with the type of product; transmission direction, bundled or not, annual, quarterly, monthly or daily*], offered for the period [*year, quarter, month or day*] .....at the points of the transmission pipelines at Art. 1 of the Methodology approved by the Order No. ....of the NERA President.
- I have entirely read and agree to all the provisions of the Framework the gas transmission contract concluded as a result of the auctions for capacity booking at the transmission pipelines at Art. 1 of the Methodology approved by the Order No.... of the NERA President, and with the provisions of the specific terms and conditions of the transmission contracts concluded subsequent to the capacity booking auctions in the points related to the transmission pipelines provided in Art. 1 of the Methodology approved by the Order no ...../.... of NERA President under Annexes no..... [to be filled in accordingly] and no ..... [to be filled in accordingly] to the Order.

I hereby declare that I know and undertake to comply with the provisions of Art. 326 of the Criminal Code (`Misrepresentation`), according to which `Misrepresentation of the truth made to a person such as stipulated at Art. 175 or to a unit where such person performs his or her activity with a view to producing a legal consequence, for oneself or for another, when, according to the law or circumstances, the statement helps to produce the said consequence, is punished with imprisonment from 3 months to 2 years or with a fine`.

Date: .....

Network User

Stamp

Legal/conventional representative\*

Signature:

\*The conventional representative must accompany the declaration by its special power of attorney.

### **Specific terms and conditions**

#### **of the annual/quarterly gas transmission contracts concluded as a result of the auctions for the capacity booking at the entry/exit points of the pipelines at Art. 1 of the Methodology**

#### **I. – Payment and invoicing terms and conditions**

**Art. 1** – (1) The invoices issued for the transmission service shall be paid within 15 calendar days from the invoice issue date. If the due date is on a non-working day, this deadline shall be deemed as achieved on the next working day.

(2) The transmission services shall be invoiced as follows:

- a) if the NU chooses not to pay in advance, the TSO shall issue and send to the NU, until day 15 of the month following the month for which it provided the transmission service, an invoice for the transmission services provided for the previous month, according to the Contract;
- b) if the NU chooses to pay in advance, the TSO shall issue and send to the NU at least 5 calendar days prior to the date of beginning of each service provision month, an invoice for payment in advance, the amount of which equals, as applicable, the value of the booked capacity, calculated for the period of the service provision month, prepared according to the Contract.

#### **II. – Guarantees**

**Art. 2** – The NU shall present to the TSO the payment guarantee in the amount established at Art. 3, within at least 5 working days before the provision of the transmission service.

**Art. 3** – (1) The level of the payment guarantee established by the NU shall be equal to twice the average value of the monthly invoices estimated for the transmission services of the following period of use.

(2) The payment guarantee established according to paragraph (1) shall be valid starting with the bank day previous to the transmission service start date and shall expire in the 60<sup>th</sup> calendar day from Contract expiration.

**Art. 4** – (1) The NU may choose not to establish a guarantee for the provision of the transmission service by making advance payments. In such case the NU shall state its advance payment option instead of establishing a guarantee, to the TSO, in writing, within at least 10 calendar days prior to the date of provision of the transmission service.



(2) The amount of the advance payment shall be equal to the monthly invoice for the transmission services for the following period of use.

(3) The NU may request a cancellation of the advance payment option, provided the establishment of a payment guarantee according to Art. 11, paragraph (1), letter a) or Art. 12 of the Contract.

### **III. – Liability**

**Art. 5** – Failure to meet transmission service invoice payment obligation by the due date shall incur:

- a) delay penalties, calculated for the outstanding amount, equal to the default interest due for the non-payment of the budgetary obligations by the due date, for each day of delay, starting with the 16<sup>th</sup> calendar day from the invoice issuing date and until its full payment, the payment date included, in case of failure to meet payment obligations by the due date;
- b) the withholding from the established financial guarantee of the necessary amount to cover the complete or partial failure to meet the payment obligation;
- c) the limitation/interruption the gas transmission service, with a prior notice of 3 calendar days, starting from the next day following the period of 15 calendar days, in case of complete or partial failure to meet the payment obligation.

**Specific terms and conditions  
of the monthly gas transmission contracts concluded as a result of the auctions for the  
capacity booking at the entry/exit points of the pipelines at Art. 1 of the Methodology**

**I. – Payment and invoicing terms and conditions**

**Art. 1** – (1) The invoices issued for the transmission service shall be paid within 15 calendar days from the invoice date. If the due date is on a non-working day, this deadline shall be deemed as achieved on the next working day.

(2) The transmission services shall be invoiced as follows:

- a) if the NU chooses not to pay in advance, the TSO shall issue and send to the NU, until day 15 of the month following the month for which it provided the transmission service, an invoice for the transmission services provided for the previous month, according to the Contract;
- b) if the NU chooses to pay in advance, the TSO shall issue and send to the NU, at least 5 calendar days prior to the date of beginning of service provision, an invoice for payment in advance, prepared according to the Contract ;

**II. – Guarantees**

**Art. 2** – The NU shall present to the TSO the payment guarantee in the amount established at Art. 3, within no more than 5 working days from the auction close.

**Art. 3** – (1) The level of the payment guarantee established by the NU shall be equal to the monthly invoice estimated for the transmission services of the following period of use.

(2) The payment guarantee established according to paragraph (1) shall be valid starting with the bank day previous to the transmission service start date and shall expire in the 60<sup>th</sup> calendar day from Contract expiration.

**Art. 4** – (1) The NU may choose not to establish a guarantee for the provision of the transmission service by making advance payments. In such case the NU shall state its advance payment option instead of establishing a guarantee, to the TSO, in writing, within no more than 2 working days from auction close.

(2) The amount of the advance payment shall be equal to the monthly invoice for the transmission services for the following period of use.

### **III. – Liability**

**Art. 5** – Failure to meet transmission service invoice payment obligation by the due date shall incur:

- a) delay penalties, calculated for the outstanding amount, equal to the default interest due for the non-payment of the budgetary obligations by the due date, for each day of delay, starting with the 16<sup>th</sup> calendar day from the invoice issuing date and until its full payment, the payment date included, in case of failure to meet payment obligations by the due date;
- b) the withholding from the established financial guarantee of the necessary amount to cover the complete or partial failure to meet the payment obligation.

**Terms and conditions**  
**of the monthly gas transmission contracts concluded as a result of the auctions for the capacity booking at the entry/exit points of the pipelines at Art. 1 of the Methodology**

**I. – Payment and invoicing terms and conditions**

**Art. 1** – (1) The invoices issued according to paragraph (2) shall be paid within 5 days from the invoice date. If the due date is on a non-working day, this deadline shall be deemed as achieved on the next working day.

(2) The transmission services shall be invoiced on the day following the day for which it provided the transmission service the TSO shall issue and send to the NU an invoice for the capacity booked, prepared according to the Contract;

**II. – Guarantees**

**Art. 2** The participation guarantee shall become payment guarantee.

**III. – Liability**

**Art. 3** – Failure to meet transmission service invoice payment obligation by the due date shall incur:

a) delay penalties, calculated for the outstanding amount, equal to the default interest due for the non-payment of the budgetary obligations by the due date, for each day of day, starting with the 6<sup>th</sup> calendar day from the booked capacity invoice issuing date and until its full payment, the payment date included, in case of failure to meet payment obligations by the due date;

b) the withholding from the established financial guarantee of the necessary amount to cover the complete or partial failure to meet the payment obligation.

## **Terms and conditions**

**of the gas transmission contracts concluded as a result of the auctions for the interruptible capacity booking at the entry/exit points of the pipelines at Art. 1 of the Methodology**

### **I. – Conditions for the limitation/interruption of the interruptible transmission capacity**

**Art. 1** - (1) The TSO, acting fairly and prudently, is entitled to limit/interrupt the interruptible capacity booked by the NU as follows: in the transmission direction Bulgaria – Romania/Romania-Ukraine in order to ensure the safe operation of the pipelines at Art. 1, if the sum of the nominations in the Romania entry/exit direction is higher than the sum of the nominations in the Romania exit/entry direction.

(2) The TSO shall inform the NU with regard to the limitation/interruption of the interruptible transmission capacity under paragraph (1), according to the agreements signed with the neighbouring system operators.

### **II. – TSO`s rights and obligations**

**Art. 2** - The TSO shall be entitled to limit or interrupt, as applicable, the interruptible transmission services according to Art. 1.

### **III. – NU`s rights and obligations**

**Art. 3** - The NU shall be entitled to unconditionally accept the limitation/interruption of the interruptible transmission capacity according to Art. 1.