

**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 interconnection point Isaccea 1/Orlovka represents the DN 1000 interconnection between the gas transmission system of UKRTRANSGAZ/ The Gas Transmission Operator of Ukraine LLC (TSO UA) and the National Gas Transmission System of Transgaz, located at the Romanian-Ukrainean border near Isaccea/Orlovka.
- These **Rules** agreed by the neighbouring transmission system operators apply during the implementation of capacity booking contracts concluded between transmission system operators and the NU, **both in the physical flow direction Ukraine- Romania (UA > RO) and in the physical flow direction Romania- Ukraine (RO > UA), as of 01.01.2020.**
- 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 the conduct of the daily processes **between the NU and TRANSGAZ**, and respectively, **between TRANSGAZ and TSO UA, will be performed in energy units kWh(25^oC / 0^oC)** as well as by the **volume in m³ (20^oC) void of commercial value.**
- **Gas day** shall mean the period from UTC 5:00 to UTC 5:00 the following day for winter time and from UTC 4:00 to UTC 4:00 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 time (coordinated universal time). In order to simplify, to better understand and apply the processes, we would like to mention that within this document the Romanian time was also included, that is UTC + 2 hours, in winter time and UTC + 3 hours, in summer time.

2. Capacity booking

- Transmission capacity at **IP Isaccea 1/Orlovka**, will be booked by means of Transgaz' capacity booking platform (GMOIS) based on the first come first served principle in compliance with the Network Code and ANRE Order no. 34/19 July 2016 as amended (ANRE Order no. 158/2019 and ANRE Order no. 215/2019) and it will be expressed in MWh/day based on the GCV and the reference conditions (15°C /15°C).
- The monthly/daily capacity starting with March 2020, at IP Isaccea 1/Orlovka 1, in the entry direction Ukraine→Romania shall be booked on GMOIS platform, for the code related to IP Isaccea 1, i.e. PM0278, both for the purpose of the import to Romania and for the purpose of transmission in the direction Ukraine→Romania→Bulgaria.
- According to ANRE Order no. 15/05.02.2020, art. II, point 1, paragraph (2):
„by the completion of the interconnection agreement on the (virtual) interconnection point Medieșu Aurit – Isaccea, the capacity booking shall be transferred to the interconnection point Isaccea 1.”

3. Gross calorific value (GCV)

- **TRANSGAZ published on its website the appropriate 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 the gas day D-1 is displayed daily, until 12:00 Romanian time** (UTC 10:00 in winter and UTC 09:00, in summer) **of the gas day D**, on TRANSGAZ' webpage at the address:

<http://www.transgaz.ro/en/clients/operational-data/gross-calorific-values>

4. (Re) Nomination

- The Nomination/Re-nomination shall not exceed the booked capacity.
- The Nomination/Re-nomination at IP Isaccea 1/Orlovka 1 is made separately for:
 - **Unbundled firm capacity** – bilateral nomination/re-nomination,
 - **Interruptible capacity** - bilateral nomination/re-nomination,
- **TRANSGAZ submits detailed information** regarding the delivery method and the templates used in respect of the nomination/re-nomination, by e-mail, to the contact

persons indicated by the NU upon the termination of the transmission contract and by means of the information platform GMOIS.

- The NU will submit the (re)nominations related to the booked capacity to the email address infogaz@transgaz.ro.
- **The NU may submit nominations for gas day D** by 13:00 UTC (winter time) and 12:00 UTC (summer time) of gas day D-1. The nominations are delivered to Transgaz broken-down on each booked capacity type.
- **The NU may submit re-nominations for gas day D** between 15:00 UTC during winter time and 14:00 UTC during summer time of gas day D-1 and 02:00 UTC during winter time and 01:00 UTC during 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 taken into account 2 hours after the hourly re-nomination cycle.
- The submitted nomination/re-nomination shall consist of:
 - a. The gas day in respect of which the (re)nomination is
 - b. The code of the network point,
 - c. The flow direction,
 - d. The required amount in kWh/day, (25°C /0°C)
 - e. The NU code,
 - f. The NU pair code.
- The submitted Nomination/Re-nomination shall not exceed the bilaterally purchased capacity (firm and/or interruptible).
- At IP Isaccea 1/Orlovka 1 Transgaz conducts the matching process by applying the "lesser of" rule
- For the nomination cycle, Transgaz submits the confirmed nominations to the NU by 15:00 UTC.
- For the re-nomination cycle, Transgaz submits the confirmed nominations to the NU within 2 hours from the start of the re-nomination cycle.
- If the network user's nomination has been rejected by TRANSGAZ, zero value shall be considered for matching purposes.
- If the network user's renomination has been rejected by Transgaz, the last quantity confirmed by the network user, if any, shall be considered for matching purposes.

5. Metering

- The quantities and quality of gas delivered at this IP is metered and/or determined at Gas Metering Station Isaccea 1 (GMS Isaccea 1) in case of physical flow of gas from Romania to Ukraine (RO→UA), and at Gas Metering Station Orlovka 1 in case of physical flow of gas from Ukraine to Romania (UA→RO), by the time the upgrading works to GMS Isaccea 1 have been finalised.

6. Allocation

- **Transgaz establishes the allocation of the confirmed quantities** for each Pair of Network Users, daily, **until 10:30 Romanian time** (UTC 8:30, in winter time and UTC 07:30, in summer time) **for each previous gas day.**
- The **allocation** of quantities delivered and/or received to/by the NU **is performed at the level of the confirmed quantities** for delivery/takeover and is expressed in kWh under reference conditions (25°C/0°C). This allocation procedure **is based on the Operation Balancing Account (OBA)**;
- The Network User may read the gas quantity allocated in MWh/day, for the Gas Day D, at reference conditions (15° C/15°C), on the GMOIS platform, in the allocation report after UTC 12:00 in winter time and UTC 11:00, in summer time (2.00 p.m. Romanian time).
- The OBA based allocation procedure 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 GMS Isaccea 1/Orlovka 1;
 - The limiting range accepted for the amount of the total balance position cannot be restored.
- For each Gas Day D, when any of the situations mentioned above occurs, **the daily measured quantity is allocated** to the pairs of NUs **proportionally to their confirmed Natural Gas quantities** in both directions of the IP.