On the basis of Article 268 (§4) of the Energy Act (Official Gazette of the Republic of Slovenia, No. 17/14) and in accordance with the Act on mandatory content of the system operating instructions for the natural gas transmission network (Official Gazette of the Republic of Slovenia, No.17/15), the transmission system operator Plinovodi d.o.o. hereby issues, after having obtained the consent from the Energy Agency No. 73-4/2015-09/213. dated  $30^{th}$  June 2015, the

# NETWORK CODE

#### For the natural gas transmission network

# I. GENERAL PROVISIONS

#### Article 1 (Subject Matter)

(1) This Act regulates the operation and management of the natural gas transmission system referred to in Article 2 herein (hereinafter: the transmission system).

(2) This Act lays down:

- Technical and other conditions for a safe operation of the transmission system in order to secure a reliable and high-quality gas supply;
- The conditions and method to connect to the system;
- The system access implementation method;
- The rules on the operation of the transmission system's virtual point;
- The method of ensuring system services;
- The transmission system operation procedures in a crisis situation;
- General conditions for the delivery and offtake of natural gas from the transmission system;
- Technical conditions for connection and operation of systems of the adjecent system operators;
- Rules on the implementation of Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (Official Journal of the European Union, L 211 of 14 August 2009, pgs. 36; hereinafter: Regulation (EC) No 715/2009);
- Rules on the implementation 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 (Official Journal of the European Union, L 273/5 of 15 October 2013; hereinafter: Regulation (EC) No 984/2013);
- Rules on the implementation of Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (Official Journal of the European Union, L 91/15 of 27 March 2014; hereinafter: Regulation (EU) No 312/2014).
- (3) This Act governs the roles of the transmission system operator, transmission system users, system operators connected with the transmission system, natural gas suppliers, final customers of natural gas and other persons who are involved in

natural gas transmission in the transmission system or who execute transactions in quantities of natural gas in this system, use transmission system operator's services in providing the natural gas transmission system operator service of general economic interest or who carry out the engineering, construction and maintenance of the transmission system.

(4) This Act governs the roles of market participants laid down in accordance with contractual agreements, liabilities to customers, data exchange and rules about the settlement, data ownership and responsibilities for the measurement of gas withdrawal.

# Article 2

# (Scope)

- (1) This Act shall apply for all legal relationships related to the transmission system owned by Plinovodi d.o.o. as the transmission system operator (hereinafter: the transmission system operator).
- (2) This Act shall also apply for the transmission system referred to in the previous paragraph in the time and on the basis of of the Energy Act (Official Gazette of the Republic of Slovenia, No. 17/14; hereinafter: EZ-1) when another transmission system operator is temporarily performing out the natural gas transmission system operator public service .

#### Article 3 (Contractual Settlement of Relationships)

- (1) The contracts concluded by the transmission system operator with persons referred to in the third paragraph of Article 1 shall comply with EU regulations, the law or another regulation, general act of the Energy Agency (hereinafter: the Agency) and this Act.
- (2) If this Act refers to another act of the transmission system operator (internal technical norm, operational instructions...), such act shall oblige the transmission system operator, whereas it shall oblige other persons only if such act was issued by public authority.

#### Article 4 (Definitions)

- (1) For the purpose of this Act, following definitions shall apply:
  - **"virtual point member"** means a legal or natural person who obtains rights and obligations related to the use of virtual point services via the registration process by concluding the membership contract with the transmission system operator;
  - "virtual point membership" means the status of a member from the date of membership contract conclusion until the termination of membership in accordance with this Act;
  - **"energy"** is the heat energy expressed in kWh, released during the combustion of natural gas and calculated based on the quantity and calorific value of natural gas;
  - "calorific value" means the higher calorific value of natural gas, i.e. the heat that is released with air during total combustion of natural gas where water entirely condenses. The unit of measurement is kWh/m3, the combustion temperature 25°C the natural gas temperature is 0°C and the standard pressure 1.01325 bar;

- **"MRS, MS"** is the station where the delivered quantity of natural gas for one or more customers is metered and equipped with devices and equipment for the cleaning, metering and regulation of flow and pressure and for the measurement of the natural gas temperature;
- "disproportionate costs" means the costs related to the connection to the transmission system, which are covered by the system user in the amount that ensures economic eligibility of investment in a new connection;
- "normal cubic meter" (hereinafter: Nm3) means the quantity of natural gas in the volume of one cubic metre at the absolute pressure of 1.01325 bar and the temperature of 0°C;
- **"new technical capacity"** means an investment in the transmission system with the construction of a new interconnection point or reconstruction of the existing interconnection points in order to increase their technical capacity;
- **"MRS, MS, RS equipment"** is the entire mechanical and electrical equipment in a building and other relevant equipment outside the building up to the fence or otherwise protected surrounding area. It includes the entry and exit pipeline up to the separation shut-off elements and the equipment used to regulate gas pressure and protect from exceeding the set gas pressure in a controlled process where the delivered quantity of natural gas is metered for one or more customers;
- **"contractual capacity"** means the capacity which the transmission system operator has allocated to a system user in accordance with the transport contract;
- **"interconnection point"** means a border entry or border exit point in which the transmission system of the Republic of Slovenia is connected to the transmission system of neighbouring countries;
- "connection place" means a point in the transmission system where the pipeline managed by the user is or will be connected;
- "connection" means a pipeline or a part of pipeline, including the necessary buildings and MRS or MS equipment and the system of interconnected devices, which is intended to connect the transmission system and the offtake point or the distribution system;
- **"primary market**" means the market in which the transmission system operator directly trades with transmission capacity;
- "available capacity" means the part of the technical capacity which is not allocated and which is available in the system in a given moment;
- "secondary market" means the market of capacities at an individual relevant point to which the transport contract refers;
- **"variant 1"** is a model used to ensure information, where the information for daily metered deliveries and non-daily metered deliveries is based on the allocation of the metered flow in one gas day;
- **"MRS, MS, RS building"** is the construction part of a facility, including the fenced or otherwise protected surrounds;
- "capacity" means the maximum possible flow expressed in the energy unit (kWh/h).

(2) The terms that are not defined in this Act shall have the meanings such as defined by the EZ-1 and Regulation (EC) 715/2009.

# II. DEFINITION OF THE TRANSMISSION SYSTEM

# 1. Transmission System

#### Article 5 (General Provision)

- (1) The transmission system includes the entire transmission network, including the storage capacity of pipeline, and all facilities used to carry out ancillary services.
- (2) The transmission system is comprised of:
  - The transmission network;
  - The interconnected system;
  - The management system;
  - Compressor stations;
  - Regulation, metering and metering-regulation stations;
  - Facilities, devices and equipment for the operation, maintenance and management of the transmission system.
- (3) Material and other rights on real estate, which are necessary for the construction, reconstruction, development, operation, control and maintenance of buildings, devices and networks referred to in the previous paragraph are also integral parts of the transmission system.

#### Article 6 (Transmission Network)

- (1) The transmission network includes:
  - The pipeline network intended for the implementation of natural gas transmission;
  - The pipeline network which forms part of the transmission system in accordance with the law regardless of its pressure level;
  - Interconnection pipelines for the connection with other transmission systems, natural gas storages, liquefied natural gas (hereinafter: LNG) devices, and the upstream network;
  - Connections for the connection of system users;
  - Other pipelines, which are functionally a part of the transmission system and necessary for its operation.
- (2) The interconnection system is comprised of all facilities and devices connected to the pipeline system, which are necessary for its operation, maintenance, protection and control, such as bridging, channels, pipeline labels and air labels, cathodic protection, telecommunication lines along the pipeline system, warning devices, section shut-off stations and distribution stations, chromatography devices and similar.
- (3) The transmission system operator shall determine the border between the transmission system and other networks and devices together with owners or operators of such other networks and devices so as to ensure a safe and reliable operation, control and maintenance of the transmission system, and so that the transmission system does not include the pipelines and networks which are not necessary for this purpose.

- (4) The border between the upstream network and the transmission system is the external border of the transmission system's metering-regulation station.
- (5) The border between the transmission system and the distribution system or between facilities and devices of final customers is usually the insulating flange, which is located approximately 1m outside the metering or metering-regulation station in the direction towards the distribution system or the final customer in the transmission system.

# (Management System)

The management system consists of:

- A building or a part of building or premises intended for the implementation of the management system tasks, together with auxiliary premises, including the dispatch centre; in the case of a part of building or individual premises, the management system also includes the accompanying common parts of building;
- The information system for the transmission system management with the necessary software and databases;
- The telecommunication system for the transmission system management;
- The telemetric system for the transmission system management;
- Devices to ensure electric power supply;
- Devices and plants for the management system protection;
- The entire necessary equipment for the management system protection.

# Article 8

#### (Stations)

- (1) The compressor station comprises:
  - A building or several buildings intended for the installation of devices and plants for gas compression in the transmission system, the installation of equipment necessary for the operation and maintenance of these devices and plants, and for the part of the staff needed for the operation and maintenance of these devices and plants, including all connections and auxiliary facilities;
  - The entry pipeline to the separation shut-off element, and the exit pipeline, including all installations, devices and elements of the pipeline;
  - Devices to ensure the electric power supply;
  - Devices to increase the natural gas pressure;
  - Natural gas cooling devices;
  - Compressed air devices;
  - Natural gas heating devices;
  - Terminal and processing devices of the information and telecommunication system;
  - Facilities and devices for the protection of the compressor station;
  - Facilities and devices to ensure fire safety;
  - Facilities and devices for the maintenance of the compressor station;
  - All other equipment necessary for the operation, maintenance, control and protection of the compressor station.

- (2) The regulation station comprises:
  - A building or several buildings intended for the installation of devices and plants for the gas pressure regulation and the protection against exceeding the set gas pressure in a controlled process, the installation of equipment necessary for the operation and maintenance of such devices and plants, and for the part of the staff needed for the operation and maintenance of these devices and plants, including all connections and auxiliary facilities;
  - The entry and exit pipeline to the separation shut-off elements, including all intermediate installations and elements of pipeline;
  - Devices for the natural gas pressure regulation;
  - Natural gas heating devices;
  - Devices to ensure the electric power supply;
  - Facilities and equipment for the protection of the regulation station;
  - Facilities and equipment to ensure fire safety;
  - All necessary equipment for the operation and maintenance of the regulation station.
- (3) The metering-regulation station comprises:
  - A building or several buildings intended for the installation of devices, plants and equipment for the measurement of the delivered quantity of natural gas for one or more customers and for the cleaning, metering and regulation of the flow, pressure and temperature of natural gas, including all connections and auxiliary facilities, or
  - A mobile facility or several mobile facilities intended for the installation of devices, plants and equipment for the measurement of the delivered quantity of natural gas for one or more customers, and for the cleaning, metering and regulation of the flow, pressure and temperature of natural gas, including all connections and auxiliary facilities;
  - The entry and exit pipeline to the separation shut-off elements and the exit pipeline to the border between the transmission system and the distribution system or between facilities and devices of final customers;
  - Devices for the measurement of flow and other necessary parameters;
  - Devices for the natural gas pressure regulation;
  - Natural gas heating devices;
  - Devices to ensure the electric power supply;
  - Facilities and equipment for the protection of the regulation station;
  - Facilities and equipment to ensure fire safety;
  - All necessary equipment for the operation and maintenance of the regulation station.
- (4) The metering station includes:
  - A building or several buildings intended for the installation of devices, plants and equipment for the measurement of the delivered quantity of natural gas for one or more customers and for the cleaning of natural gas and the metering of the flow, pressure and temperature of natural gas, including all connections and auxiliary facilities;
  - The entry and exit pipeline to the separation shut-off elements and the exit pipeline to the border between the transmission system and the distribution system or between facilities and devices of final customers;

- Devices for the measurement of flow and other necessary parameters;
- Devices for the natural gas pressure regulation;
- Devices for the heating of natural gas;
- Devices to ensure the electric power supply;
- Facilities and equipment for the protection of the regulation station;
- Facilities and equipment to ensure fire safety;
- All necessary equipment for the operation and maintenance of the regulation station.

# (Facilities, Devices and Equipment for the Maintenance and Performance of Ancillary Services)

The transmission system also comprises:

- Buildings, parts of building or premises intended for the installation or storage of devices and equipment for carrying out urgent maintenance works in the transmission system and for the performance of ancillary services, the implementation of such work, and for the staff performing such works (call centre, premises for maintenance staff...), together with auxiliary premises; in the case of a part of building or individual premises, such premises also include the accompanying common parts of building;
- Installed and movable devices and equipment necessary for the implementation of urgent maintenance works in the transmission system and the performance of ancillary services;
- Installed and movable devices and equipment necessary for the implementation of the transmission system control;
- Information and telecommunication systems, devices and equipment for the provision of information about the condition of the transmission system if not already included in the previously indicated parts of the transmission system.

#### 2. Legal Status and Records Related to the Transmission System

Article 10

(Legal Status of the Transmission System)

- (1) All facilities, devices, networks, equipment and rights referred to in Articles 0, 0, 0, 0, and 0 herein are the transmission system.
- (2) The facilities, devices and networks of the transmission system, including the relevant rights referred to in the third paragraph of Article 5 herein, which are the infrastructure in accordance with the EZ-1 and the implementing regulation for its execution, for part of the infrastructure within the meaning of this Act and regulations.
- (3) The facilities, devices and networks of the transmission system, which are public infrastructure in accordance with the law that governs the area construction and regulations for its implementation, constitute the energy infrastructure.

#### Article 11 (Ownership of the Transmission System)

The transmission system operator must in accordance with the law that regulates the energy field or gas economy, own all facilities, devices, networks and equipment and have all the necessary rights on items referred to in Articles 5, 6, 7, 8, and 9 herein, which form part of the transmission system that he uses to carry out the activity and tasks of the natural gas transmission system operator.

### Article 12

#### (Records Regarding the Transmission System)

- (1) The transmission system operator shall keep one or more records about technical and locational properties of items and legal properties of the rights that form part of the transmission system referred to in Articles 0, 0, 0, 0, and 0 herein.
- (2) The transmission system operator shall keep the records referred to in the previous paragraph so that they ensure a safe and reliable operation of the transmission system, the control of the transmission system and safety and protected zones of pipelines, the provision of data for engineering and spatial intervention in the safety or protected zone of pipelines, the provision of data for the planning of the transmission system development and its renovation, and the provision of data for carrying out other tasks of the transmission system operator.
- (3) The records referred to in the first paragraph shall be kept and prepared in the way that enables simultaneous keeping of records of infrastructure referred to in Article 462 of the EZ-1 and the keeping of an aggregate cadastre of the public infrastructure, which is a part of the transmission system.
- (4) The transmission system operator shall enter into the aggregate cadastre of the public infrastructure all finished land survey plans for new constructions of pipelines, which will become integral parts of the transmission system, and regularly update such data.
- III. TECHNICAL AND OTHER CONDITIONS FOR SAFE OPERATION OF THE TRANSMISSION SYSTEM WITH THE AIM OF ENSURING A RELIABLE AND HIGH-QUALITY NATURAL GAS SUPPLY
- 1. Ensuring a Safe, Reliable and Effective Operation of the Transmission System

#### Article 13

(General Obligations of the Transmission System Operator)

- (1) The transmission system operator shall ensure a safe, reliable and effective operation of the transmission system with proper planning, construction and maintenance of the system and other equipment, diligent management and implementation of control over the transmission system, and the supervision of all interventions in the protected zone of pipelines.
- (2) Notwithstanding other provisions of this Act, the transmission system operator shall implement all necessary organisational and other measures to enable the earliest detection of disruptions in the operation of the transmission system, the elimination thereof and the measures for operation until the disruptions have been eliminated. The transmission system operator shall implement his organisation and operation so that he can uninterruptedly accept system users' reports about disruptions in the withdrawal of natural gas.

- (3) When carrying out their activities, the transmission system operator and system users shall always ensure with due diligence and care the maximum level of safety in the operation of the transmission system and networks, which are connected to the transmission system, and energy facilities, devices and installations.
- (4) By connecting facilities, devices and installations of natural gas customers to the transmission system, the transmission system operator shall accept no responsibility for the technically proper and safe operation of these facilities, devices and installations, such as is presented in the submitted operating permits or relevant documents, in accordance with the provisions of this Act.

### Article 14 (Obligations of System Users)

- (1) A transmission system user shall ensure to the transmission system operator free access to the pipeline, stations and metering devices, when the operator is located at his real estates.
- (2) The transmission system user who cannot accept or deliver gas in accordance with the nomination due to force majeure, unexpected maintenance works, disruptions at the acceptance or offtake point or due to other reasons, shall be obliged to immediately inform the transmission system operator about this if such situation occurs.
- (3) Before the withdrawal of natural gas, the transmission system user shall inform the transmission system operator about operators of energy devices by individual offtake points, as well as contact persons on duty who are responsible for their maintenance, and the contact data. The transmission system user shall immediately inform the transmission system operator about any changes of such data. On each call by the transmission system operator, the transmission system user shall provide all data by offtake points, which the operator needs to prepare the emergency measures plan.

# Article 15 (Actions in the Case the Transmission System is at Risk)

The transmission system operator shall prepare instructions in accordance with the regulations that govern the protection against natural disasters and other accidents, and act in accordance with them in the case the transmission system is at risk.

# Article 16

(Actions in the Case of Damage, Disruptions and Malfunctions)

- (1) The transmission system operator shall immediately and in the shortest possible time repair and eliminate any damages and disruptions that occur in the transmission system.
- (2) The dispatch centre shall immediately forward to the teams on duty any information about disruptions in the operation, damage or malfunction in the transmission system and about any sudden events that affect the operation of a part or the entire transmission system.

- (3) Together with teams on duty, the dispatch centre shall immediately carry out all possible interventions in the transmission system to prevent any material damage and injuries of people.
- (4) The transmission system operator shall have expert operational teams organised and equipped in the proper state of readiness, who are able to carry out all necessary interventions to eliminate injuries or disruptions in the transmission system and arrange the organisation of the necessary repairs to establish a balanced operation in the shortest possible time.
- (5) If any damage, disruption or malfunction occurs in the transmission system due to force majeure or actions taken by third persons and the transmission system operator acts in accordance with this Article and other regulations and general acts, he shall not be liable for damages due to temporary limitation or interruption of the natural gas transmission, if there are no other foundations for the existence of the liability for damages in accordance with the general rules of the law of obligations.

# (Ensuring Reliable Supply of Natural Gas)

- (1) To ensure reliable supply of natural gas, the transmission system operator shall carry out all the tasks arising from Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC (Official Journal of the European Union, L 295, 12 November 2010, pgs. 0001-0022; hereinafter: Regulation 994/2010), the Energy Act and plans of the competent authority of the Republic of Slovenia prepared on the basis of Regulation 994/2010.
- (2) In the case of emergency situation, the transmission system operator shall in light of ensuring the safe operation of the system enable the transmission for the supply of natural gas to protected customers and other customers, in accordance with the plan of the competent authority.

#### 2. Procedures for the Operation of the Transmission System in Crisis Situations Article 18

(Operation in Crisis Situations)

- (1) A crisis situation in the transmission system is any event or circumstance that disrupts the balanced operation of a part or the entire transmission system, interrupted transmission or stopped supply of natural gas.
- (2) In the case of crisis situations in the transmission system, the transmission system operator shall have the right and obligation to immediately implement any possible technical measures to prevent the spreading of disruptions and establish an uninterrupted transmission of natural gas.
- (3) If the transmission system operator fails to fulfil, in part or fully, the contractual obligations due to a crisis situation, he shall be free of any obligation to the users throughout the duration of such crisis situation.
- (4) During a crisis situation, a user shall pay for system use in accordance with the general act of the agency that regulates the network charge for the transmission

system use, however the user shall not be obliged to pay for system use if the crisis situation is a consequence of force majeure.

(5) The transmission system operator shall immediately and in the fastest way inform in writing the affected users of the transmission system about the occurrence of a crisis situation.

# 3. Control and Protection of the Transmission System

#### Article 19

# (Marking the Pipelines of the Transmission System)

- (1) The route of the pipeline shall be marked above ground with marking boards, markings for the control of the pipeline route from the air and warning boards.
- (2) The changes of pipeline axis direction of pipelines with operating pressure of up to 16 bar inclusive shall be marked with marking boards, which shall specify:
  - The number;
  - The diameter;
  - The depth, and
  - The distance of pipeline from a bollard.
- (3) During the construction, the pipeline shall be equipped with a warning stripe containing the sign "PLINOVOD", placed 0.50m above the pipeline.
- (4) In the case of pipelines with service pressure above 16 bar, bollards for vertical signalisation shall be placed at a minimum of every 1000m of the level part of high-pressure pipeline and in the case of any significant changes of pipeline axis direction. Such bollards shall usually be placed at a minimum distance of 0.80m from the pipeline axis.
- (5) In the case of crossings such as roads, watercourses, railway tracks and similar, markings or warning boards shall be placed at both sides of the facility that is crossed by the pipeline.

#### Article 20 (Control of the Transmission System)

- (1) The transmission system operator shall ensure regular control of the facilities and devices of the transmission system and regularly inspect the pipelines and their safety zones.
- (2) The transmission system operator shall ensure the physical protection of facilities and devices of the transmission system considering the level of risk and taking account of the risks to which they are exposed.
- (3) By means of internal instructions, the transmission system operator shall arrange in detail the obligations and procedures regarding the control, inspections and physical protection.
- 4. Ensuring Balanced Operating Conditions in the Transmission System

#### (General Obligation of the Transmission System Operator)

- (1) The transmission system operator shall ensure the balanced operating conditions in the transmission system.
- (2) Within the technical limits, the transmission system operator shall balance the flow pressure conditions in the transmission system to ensure a safe and reliable operation.
- (3) For the needs of the transmission system management, the accounting of services and the determination of the quantities of natural gas that was accepted in the transmission system or delivered from it, suitable metering devices shall be placed at all entry and exit points.

#### Article 22

# (Ensuring Gas for System Operation)

To ensure a safe and reliable operation of the transmission system, the transmission system operator shall ensure the supply of natural gas to cover his own needs in transparent, non-discriminatory and market-based procedures, taking account of the technical requirements and requirements regarding the reliability of the natural gas supply.

#### Article 23 (Dispatch Centre)

- (1) The transmission system operator shall organise a dispatch service, which will carry out an uninterrupted 24-hour control of the operation and management of the transmission system.
- (2) The control over the operation and management of the transmission system shall be implemented using the process, metering, registration, telemetric equipment and software, which enable:
  - The monitoring of the process parameters of natural gas (physical and chemical properties of natural gas, which are important for the transmission of gas) and the transmission system management;
  - The recording of entry and exit quantities and process parameters of gas in the transmissions system;
  - The determination of quantities of gas in the transmission system;
  - The simulation and nomination of flow pressure conditions in the transmission system;
  - The identification and alarming of crisis situations and unbalanced conditions of operation;
  - The control over the operation and the management of key facilities in the transmission system such as metering-regulation stations, compressor stations and other facilities.
- (3) The dispatch centre of the transmission system operator shall have suitable information connection with dispatch centres of other transmission system operators that are adjacent or linked with the transmission system operator's system. The dispatchers' work procedure is regulated with internal instructions for transmission system operator's work.

(4) The received information about disruptions in the operation of the transmission system or individual pipeline facilities or about extraordinary events is recorded in the dispatch log and analysed. Based on the findings, the necessary measures for the elimination of disruptions and the restoration of the transmission system operation are taken.

### Article 24

# (Co-ordination with Adjacent Systems)

- (1) The transmission system operator's dispatch centre shall have constant connection with operators of the adjacent transmission networks for the needs of the co-ordination with adjacent transmission systems.
- (2) When managing the transmission system, the transmission system operator shall observe the contractual provisions of transport contracts with transmission system users and balancing contracts with balancing group leaders.

# 5. Maintenance of Transmission System

# Article 25 (General Obligation of Maintenance)

- (1) The transmission system operator shall maintain the transmission system by continuously keeping it functional, operational and safe.
- (2) The transmission system operator shall supplement the transmission system by maintaining the facilities and devices of the transmission system, which means temporarily renovating them, changing the worn out component parts and/or changing their construction, thus increasing their value, extending their operational life and improving the properties of operation (investment maintenance).
- (3) The transmission system operator shall maintain the transmission system by observing the best practices and state-of-the-art technologies, paying special attention to safety, reliability and efficiency of transmission devices.
- (4) The transmission system operator shall pay proper attention to the protection of the environment and ensuring suitable ways to fulfil the environmental goals.

# Article 26

#### (Maintenance Plans)

- (1) The transmission system operator shall ensure effective maintenance of the transmission system by preparing annual plans of current maintenance including the inventory taking of planned works and interventions.
- (2) The supplements to the transmission system referred to in the second paragraph of the previous Article shall be implemented by the transmission system operator based on tentative two-year plans of maintenance works.
- (3) If certain maintenance works must be implemented due to extraordinary events, the maintenance plan shall be properly changed or amended in the planned period immediately after the occurrence of such extraordinary events.

# Article 27 (Maintenance Works)

- (1) To ensure a safe and reliable operation of the transmission system, the transmission system operator shall implement the planned and other necessary maintenance works.
- (2) In the case of malfunctions and disruptions in the transmission system, which affect or which could affect its safe and reliable operation, the transmission system operator shall implement the extraordinary and unplanned works to ensure an uninterrupted and reliable operation of the transmission system in the shortest possible time.
- (3) The works referred to in the previous two paragraphs primarily include:
  - The protection against mechanical, electrical and chemical effects;
  - Prevention inspections;
  - Repairs and reconstructions of the transmission system;
  - Maintenance of the transmission system;
  - Control over routes and activities of third parties in the protected zone;
  - Repairs and replacements of equipment.
- (4) The transmission system operator shall implement the works referred to in the previous paragraph, which cause a temporary limitation or interruption of natural gas transmission in accordance with Article 0 herein. The transmission system operator shall inform the users about any planned implementation of works in accordance with the third paragraph of Article 273 of the EZ-1.
- (5) The transport contract or another relevant contract shall set forth that the transmission system operator shall not be held responsible for any damage that the customer or system user might suffer due to the temporary limitation or interruption of the natural gas transmission, if he acts in accordance with the previous paragraph, and that he shall not be liable for damages connected with the cause for maintenance works in accordance with the general rules of the law of obligations.

Article 28 (Planned Works in the Transmission System)

- (1) The transmission system operator shall implement the planned works in the shortest possible time needed for the performance of work, and select such time, which affects natural gas customers the least. To select the appropriate time, the transmission system operator can request from system users the data about the planned use of the transmission system. The transmission system operator shall not be liable for damages in the case of the temporary limitation or interruption of the transmission or supply of natural gas.
- (2) The transmission system operator shall inform, in writing and in due time, the users or customers referred to in the previous paragraph about the planned suspension. A timely notice shall be a notice that is sent to system users or customers at least one month before the beginning of works.
- (3) If the transmission system operator is called to implement certain works in the transmission system due to the need by third parties, he shall implement such

works at their costs upon previous consideration of the eligibility of the requested works and the effect of the planned works on users. The transmission system operator shall previously conclude a written agreement or contract about the implementation of works.

- (4) The transmission system operator shall start with the works on request by a third party after such third party has submitted to him an agreement between all affected users of the transmission system. If the consequences of such works are disruptions in the operation of a part of or the entire transmission system, the person who has ordered such works shall bear the cost of eliminating such disruptions and any damage caused to users.
- (5) The transmission system operator may leave the implementation of works to a third party if such person proves that he has selected a competent performer for the implementation of such works. The works must be implemented in accordance with the operational technical instructions of the transmission system operator.

# 6. Technical Requirements and Guidelines for the Transmission System

### Article 29 (General Provisions)

- (1) In spatial placement, engineering and building of facilities that form part of the transmission system as well as when equipping them with devices, the transmission system operator shall take into consideration the latest state of the art and use the best economically viable solutions and technologies so as to ensure maximum safety, reliability and effectiveness of the transmission system and pursuit of environmental protection and improvement goals.
- (2) The transmission system operator shall also carry out the constructions, reconstructions or renovations that are not planned in a valid 10-year network development plan in the matter of:
  - Urgent elimination of the consequences of natural disasters or other accidents and other damages to the transmission system;
  - Urgent transmission system maintenance works;
  - Works that are necessary due to the allowed interventions by third parties in the transmission system's protected zone;
  - Works needed for the allowed connection of new system users;
  - The implementation of the investment for which the system user has ensured the coverage of disproportionate costs;
  - The implementation of investments necessary to eliminate local bottlenecks in the transmission system.
- (3) The transmission system operator shall conclude with due diligence and care the insurance contracts to insure the risks connected with the execution of the performance of the transmission system operator's activities. The volume and amount of insurances shall include the machinery and fire insurance and the transmission system operator's liability insurance for direct damage to third parties.

# Article 30 (Technical Requirements)

- (1) The transmission system operator shall engineer and build the facilities that form part of the transmission system in accordance with the technical regulations, and equip them with devices that meet the requirements of such regulations.
- (2) When engineering and building the transmission system and equipping facilities with devices, the solutions and measures that comply with the latest state of the art shall be considered, except if determined otherwise in the regulations referred to in the previous paragraph.
- (3) All other persons who engineer or build parts of the transmission system shall also observe the latest state of the art and technical regulations referred to in this Article.

# Article 31 (Abandoning a Part of the Transmission System)

- (1) The transmission system operator may abandon a part of the transmission system by stopping to use it for the transmission of natural gas.
- (2) A part of the transmission system can be abandoned:
  - If due to the exhaustion of this part of the transmission system, its continued operation is dangerous or impossible, and the investments in this part of the system are not necessary or economically viable due to the substitute system capacities;
  - If a new pipeline is built in the place of the abandoned pipeline due to which the current pipeline must be abandoned and deconstructed;
  - If it is a matter of a connecting pipeline or another part of the transmission system, which is intended only for one or more specified users who do not withdraw gas from this connection or connections due to the abandonment of the connection or permanent disconnection, and it is not expected that this connection or these connections could be used for new connections by customers in the time that would justify the maintenance of this part of the transmission system and the keeping of its operational state;
  - If due to the removal of a part of the transmission pipeline, the old part must be abandoned or physically removed;
  - If due to any other reason, a part of the transmission system is no longer necessary for an uninterrupted operation of the transmission system or to ensure suitable transmission capacities in accordance with the regulations, general acts and contracts.
- (3) The transmission system operator shall generally abandon a part of the transmission pipeline by taking suitable technical measures to protect it and thus enable it to be kept and maintained.
- (4) The transmission system operator shall physically remove the abandoned part of the transmission system if it cannot be expected that the abandoned part of this system can be used again and if this is necessary for the implementation of the admissible and planned spatial arrangements or for the protection of the environment.

(5) The abandoned part of the transmission pipeline, which is transferred for ownership and possession to the transmission pipeline removal investor (third party), shall no longer be an integral part of the transmission system and the transmission system operator shall no longer need to keep documentation for it.

# 7. Interventions in the Protected and Safety Zone of Pipeline, which is a Part of the Transmission System

Article 32

(Spatial Planning in the Protected Zone of the Transmission Pipeline)

- (1) The protected zone of the transmission pipeline is the land on both sides of the pipeline determined by the law or another regulation.
- (2) In preparing the spatial planning guidelines, the transmission system operator shall follow the technical requirements determined by the regulations, requirements from Appendix 1 of this Act and in the case of interventions in the natural gas transmission system also the latest state of the art.
- (3) In preparing the guidelines, the transmission system operator also determines any special safety measures that must be anticipated in accordance with the regulation of the minister who regulates the conditions of interventions in the protected zone of the transmission pipeline.

# Article 33

(Spatial Interventions in the Protected and Safety Zone of Transmission Pipeline)

- (1) For the implementation of any spatial arrangement in the sense of the law that regulates spatial planning (hereinafter: intervention) in the area of the protected zone of transmission pipeline, the investor or performer shall obtain a written consent from the transmission system operator based on the regulation that regulates the conditions for interventions in the areas of the protected zone of the transmission pipeline.
- (2) Before the start of the engineering or implementation of spatial intervention, the engineer, performer of works or investor of intervention shall obtain the necessary data about the position of the pipeline from the aggregate cadastre of the public infrastructure or from the record of infrastructure of the transmission system operator. If the engineer, performer of works or investor of new construction fails to obtain such data, he shall be liable to the transmission system operator for the damage incurred during spatial intervention.
- (3) The consent from the first paragraph of this Article for the construction of facilities for which the building permit shall be obtained in accordance with the regulations about the construction of facilities, shall be issued in the procedure of obtaining the building permit.
- (4) For the construction of facilities for which the building permit is not necessary, as well as for carrying out any other spatial arrangements for which the building permit is not necessary, the investor or performer shall obtain consent referred to in the first paragraph of this article before the start of the works.
- (5) When the intervention is implemented, the transmission system operator shall issue to the investor or performer of works a statement about the fulfilled conditions from the consent, after such person has presented the plan of performed works and

the land survey plan of the implemented intervention with drawn pipeline, if the conditions from the consent have been fulfilled during the implementation of the intervention.

- (6) The safety zone of the transmission pipeline is the land on both parts of the pipeline inside the protected zone determined by the law or another regulation.
- (7) In the safety zone, facilities, devices and installations can be built and works performed only if this is necessary for the construction, reconstruction, operation, control or maintenance of the transmission system or public infrastructure in accordance with the regulations about the construction of facilities.
- (8)

#### Article 34

(Project Conditions and Consent for Building Permit in the Protected Zone)

- (1) The transmission system operator shall determine the project conditions based on the regulations and technical requirements referred to in Appendix 1 hereto.
- (2) If the special safety measures, which in the case of intervention in the protected zone of pipeline must be anticipated in accordance with the regulation of the minister who regulates the conditions of interventions in the protected zone of the transmission pipeline, were not determined in the spatial act that regulates the space in the area of the planned construction of a facility or another intervention based on the building permit, the project conditions shall also set forth that the project documentation shall include the implementation of such safety measures.
- (3) If the removal of the transmission system is necessary due to the planned construction or another intervention that is implemented based on the building permit, and this is not already anticipated in the spatial act that regulates the space in the area of the planned construction of facility or another intervention based on the building permit, the transmission system operator shall determine in the project conditions the obligations regarding the preparation of the project documentation, which refers to the removal of the pipeline in accordance with the regulations and this Act.
- (4) If the issue of project conditions for the engineering of facility or another spatial intervention based on the building permit is not required in accordance with the construction of facilities, the transmission system operator shall follow the safety measures or obligations connected with the removal of the transmission system when deciding about the issue of the consent to the building permit. On request by the investor or engineer, the transmission system operator can inform them about the requirements for engineering referred to in this Article regardless of the obligation to issue the project conditions.
- (5) The transmission system operator can issue the consent only if the investor has observed all requirements for engineering referred to in this article.
- (6) If due to the planned construction or another intervention that is implemented based on the building permit, it is necessary to remove the transmission system, such removal shall be implemented in accordance with Article 36 herein. In such case, the transmission system operator shall issue one consent for removal and intervention in the protected zone. This provision shall also apply when special

building permit must be obtained for the implementation of the safety measure referred to in the second paragraph.

### Article 35

(Consent for Other Interventions in the Protected Zone of the Transmission System)

- (1) To obtain the consent referred to in the fourth paragraph of Article 33 herein, the investor or the performer of works shall submit to the transmission system operator the building project or plan of the implementation of other works, which is detailed enough to reliably show if the requirements from the regulations and Appendix 1 hereto shall be observed in the construction of this facility and also if the latest state of the art shall be observed in the interventions in the natural gas transmission system. If the project is not detailed enough, the transmission system operator shall request that it be supplemented.
- (2) The provisions of the second, third, fourth, fifth and sixth paragraphs of the previous Article shall also be used to decide about the issue of the consent to the intervention referred to in the previous paragraph.

# Article 36 (Removal of Transmission System)

- (1) The removal of the transmission system is the removal of the transmission pipeline or the facility that forms part of the transmission system together with the interconnected system.
- (2) If the removal of the transmission system is necessary due to the planned construction or another intervention for which an individual building permit must be obtained, the investor of the planned construction or another intervention shall obtain the building permit for the removed part of the transmission system for his own account and on behalf of the transmission system operator.
- (3) The transmission system operator shall issue the consent for the removal of the transmission system when the investor submits to the transmission system operator the complete project documentation and a signed contract of the arrangement of mutual relationships and if the competent authority gives consent to the proposed implementation of the transmission system removal. After the issue of the transmission system removal, the transmission system operator shall also issue a consent for the intervention in the protected zone for which the transmission system is removed in advance.
- (4) The investor referred to in the previous paragraph shall for his own account and on behalf of the transmission system operator obtain all necessary real and other rights on real estate where the substitute transmission system will be built. Prior to gasification of the substitute transmission system, it must be ensured that the easement of operation, maintenance and control of the substitute transmission system is entered into the land registry to the benefit of the transmission system operator for the entire substitute route of the transmission system throughout the duration of the transmission system.
- (5) Prior to the gasification of the substitute transmission system, the investor shall obtain and submit to the transmission system operator the entire necessary documentation based on which the operation of the transmission system will be

enabled in accordance with the regulations immediately after the inclusion of the substitute transmission system into the existing transmission system, including the operating permit of the removed part of the transmission pipeline (or the record of the technical inspection without restraints for the issue of the operating permit), the survey elevation shot of the situation and a proof of the reliability of the facility.

- (6) Within 30 days after gasification of the substitute transmission system, the investor of the substitute transmission system and the transmission system operator shall conclude an agreement (handover), by which the investor of the substitute transmission system hands over the substitute transmission system to the transmission system operator for ownership and possession free of charge. At the same time, the transmission system operator hands over the part of the transmission system that was substituted with a substitute transmission system to the investor for ownership and possession free of charge.
- (7) The provisions of this Article shall reasonably apply for the implementation of special safety measures, which in the case of intervention in the protected zone of pipeline must be anticipated in accordance with the regulation of the minister who regulates the conditions of interventions in the protected zone of the transmission pipeline.

# Article 37 (Performance of Works in Protected and Safety Zone)

- (1) A minimum of 10 days before the start of any works in the area of the protected zone of the transmission system, the investor or performer of works shall submit to the transmission system operator:
  - A written announcement of the start of works specifying the date of start and planned dynamics;
  - The project for the implementation of works with the legal building permit, if necessary for the implementation of works;
  - The order for the control by the transmission system operator, and
  - The data about the performer and responsible head of works.
- (2) The investor or performer of works shall submit to the transmission system operator for confirmation the location presentation of the transport routes to the construction site in order to prevent any damage to the existing transmission pipeline due to the transportation.
- (3) The transport via the transmission pipeline outside public roads can only be carried out via previously protected passages in agreement with the transmission system operator if the pipeline protection measures have been implemented and in accordance with the plan of the construction site arrangement.
- (4) Before the start of the works, the transmission system operator shall mark out the pipeline, and the marked out route shall remain visibly marked throughout the duration of works.
- (5) Works in the safety zone of the transmission pipeline are only allowed under direct control of the authorised representatives of the transmission system operator by

observing the requirements determined in the regulations and Appendix 1 hereto, and in the case of interventions in the natural gas transmission system also the latest state of the art.

(6) The previous paragraph also refers to any works in the safety zone of the pipeline, which are not part of the implementation of spatial intervention but which can affect the safe operation of pipeline.

#### Article 38

(Unpermitted Interventions in the Protected or Safety Zone of Transmission Pipeline)

- (1) If the transmission system operator finds that an intervention in the protected or safety zone has been made in contradiction with the regulations or this Act, he shall immediately directly prohibit the performance of works related to such interventions to the persons performing them, and inform about this the state authorities competent for measures related with unpermitted spatial interventions and for the prosecution of related violations.
- (2) The transmission system operator shall act the same if the permitted works in the protected or safety zone of the transmission pipeline are performed in contradiction with the building permit, works implementation project, confirmed construction site plan or the presentation of transport routes.
- (3) The transmission system operator shall ensure that the works in the safety zone are always performed under direct control by authorised representatives of the transmission system operator and in accordance with the instructions of these persons, whereby he shall act in accordance with the first and second paragraph if the works performer fails to perform the works under direct control by authorised representatives of the transmission system operator and/or fails to act in accordance with the instructions provided by such persons.

#### Article 39

(Costs of Intervention in the Protected or Safety Zone of Transmission Pipeline)

- (1) The investor or performer of works in the protection zone of the transmission pipeline shall bear the total costs incurred on the transmission system operator with spatial placement, planning and the performance of such works.
- (2) The costs referred to in the previous paragraph include direct and indirect costs of these works, such as the costs of the implementation of special safety measures or the removal of pipeline, either implemented by the investor or performer of works or the transmission system operator, as well as indirect costs (such as obligations of the transmission system operator to third parties for the intervention into the protected or safety zone), which are incurred on the transmission system operator in relation to the works in the protected zone of the transmission pipeline.
- (3) The costs related to works in the protected zone of the transmission pipeline also comprise the value of the blown out natural gas and the value of services and works which are performed by the transmission system operator in relation to the works in the protected zone of the transmission pipeline and would not be necessary without these works, such as expert work related to consents, control over the implementation of works and similar.

- (4) If the pipeline must be removed for the implementation of the intervention in the protection zone of the transmission system, the costs covered by the investor shall include the total costs connected with such removal, including the blown out gas and any related obligations to system users.
- (5) For the payment of the costs of the intervention in the protected or safety zone of the transmission system, the investor or the performer of works and the transmission system operator shall conclude a contract to arrange mutual issues related to the payment of such costs, including the suitable insurance of obligations attaching to the investor or the performer of works.
- (6) The transmission system operator can issue a consent for the intervention in the protected zone of the pipeline only if the contract referred to in the previous paragraph has been previously signed and if it has become previously effective, if determined so by the contract, and if the investor or the performer of works has ensured suitable insurance instruments for his obligations under the contract.

# IV. CONDITIONS FOR THE CONNECTION TO THE TRANSMISSION SYSTEM AND THE METHOD OF CONNECTION TO THE TRANSMISSION SYSTEM

1. Decision about the Right to Connect

# Article 40 (Right to Connect)

- (1) Everyone has the right to connect to the transmission system if they intend to build facilities and devices the use of which will make them final customers of natural gas, natural gas distribution system operators, or other system users who need to connect their facilities and devices to the transmission system, provided that there is no specific reason determined by law or other regulation due to which the transmission system operator would reject the connection.
- (2) The right to connect at a specified interconnection place using a specified connection shall be obtained when the consent for connection becomes final, and it shall be executed in the way such as determined in the connection contract.
- (3) The right to connection shall terminate if the consent for the connection terminates, and after the conclusion of the connection contract the right to connection shall terminate if such contract terminates.
- (4) The right to connection shall also terminate in the moment when the transmission system operator permanently disconnects a system user in accordance with the law and this Act.
- (5) The provisions determined in this Act about the connection to the transmission system shall not apply for the connection of two or more natural gas transmission systems.

Article 41 (One System User per One Interconnection Place)

- (1) One interconnection place can only be used to connect facilities and devices of one final customer of natural gas or one distribution system operator, except in the cases determined with this Act.
- (2) The same interconnection place can be used to connect facilities and devices of several final customers, if they obtained the connection consent or concluded a connection contract or a system access contract with the transmission system operator by 4 September 2004 or if they were actually connected to this interconnection place before that date.
- (3) If due to any status changes of the connection user or due to any legal transactions in his facilities and devices, a situation occurs in which the new owner or user of these devices withdraws gas via the interconnection place of the previous user of the connection, the previous user of connection can request to obtain the status of a closed distribution system. If the previous user of connection refuses to request to obtain the status of a closed distribution system or does not receive such permit, the new owner or user of such facilities and devices shall file a request for the issue of connection consent for his interconnection place no later than within 3 months from the entry of the status change into the court registry or from the conclusion of the contract based on which he has obtained the relevant facilities or devices.
- (4) If the new owner or user fails to act in accordance with the previous paragraph or if the connection consent has been rejected with the final effect, the previous user of the connection shall disable this new owner or user of facilities and devices to withdraw gas via the interconnection place of the previous user, otherwise the transmission system operator shall act in accordance with the authorisations he has been given for the case if the final customer enabled the connection of other system users' energy devices via his energy devices without the transmission system operator's consent.

#### Article 43 (Request for Consent)

(1) The transmission system operator shall decide about the consent for the connection on request by the person referred to in the first paragraph of Article 40 herein.

(2) The request shall include:

- The name or company name of the applicant including a copy from the court registry;
- The data about devices where the natural gas will be used;
- The desired interconnection place and flow properties of the connection and the offtake pressure;
- The maximum flow of natural gas and the minimum flow of natural gas;
- The planned beginning of the connection use;
- The period of the connection use;
- The purpose of the connection use;
- The planned volume of the connection use by individual years;
- Special features of offtake and natural gas use technology;
- The use of substitute fuel;
- The consent by the agency of the connection referred to in the sixth paragraph of Article 216 of the EZ-1.

Legally non-binding translation

- (3) The request form is determined in Appendix 3, which is an integral part of this Act.
- (4) If the transmission system operator finds that the municipality has granted the right for the provision of the transmission system operator service of public economic interest in the area where the client requests for a new connection, the transmission system operator shall cancel the procedure and refer the client to obtain a decision about the rejection of the relevant connection to the distribution system from the relevant distribution system operator. This provision shall not apply in the decision-making process about the request for the transfer of connection consent referred to in Article 0 herein, the request for the change of system user at the connection referred to in Article 56 herein, the request for the change of technical properties referred to in Article 57 herein, and for the new connection at the interconnection place where the previous user has been permanently disconnected.
- (5) If the client fails to obtain a decision from the relevant distribution system operator about the rejection of the discussed connection to the distribution system within one year from the delivery of the decision about the cancellation of the procedure, the transmission system operator shall reject the connection request.

(Conditions for the Issue of Connection Consent)

- (1) Before the transmission system operator issues a connection consent, he shall check:
  - If the request for the issue of consent meets the determined technical conditions for connection;
  - If the requested connection would cause major disruptions in the transmission system operation;
  - If the requested connection would cause non-proportionate costs (economic viability of investment).
- (2) When judging about the conditions referred to in bullets 2 and 3 of the previous paragraph, the transmission system operator shall take into consideration the condition of the transmission system such as is present at the time when the request for the issue of consent is being decided about, and the planned investments in the development of the transmission system, which are included in the valid investment plan of the system operator, and the planned dynamic of implementation within the next two years.

# Article 44

# (Change of Consent Request)

(1) If the transmission system operator finds that the determined conditions for connection at the requested connection are not fulfilled, except the condition referred to in the third paragraph of this Article, or that such connection would cause major disruptions in system operation, whilst the conditions for connection would be fulfilled under different conditions and properties of the connection or major disruptions in system operation would not occur in such case, the transmission system operator shall inform the client about this and determine the deadline in which the client can change the request. As regards the fourth and fifth paragraphs of Article 42, a changed request shall be considered a new request, if the capacity of the requested connection is changed.

- (2) If the client fails to change the request in the deadline determined in the previous paragraph, the transmission system operator shall continue with the decision-making process about the filed request.
- (3) If the transmission system operator finds that the connection will bring about nonproportionate costs, he shall calculate them in accordance with Articles 48 and 49 of this Act, inform the client about the calculation and determine the deadline in which the client must state whether or not they will cover such costs.
- (4) After the end of the deadline referred to in the previous paragraph, the transmission system operator shall continue the decision-making process about the filed request, taking account of the content of the statement about the coverage of non-proportionate costs. If the client has decided to cover the non-proportionate costs, they shall be determined in the connection consent.
- (5) In the complaint against the decision regarding the consent issue request, the client can challenge the amount of the non-proportionate costs even if the request has been rejected because the client has failed to provide the statement about covering the non-proportionate costs or not covering them in such amount.

#### Article 45 (Technical Conditions for Connection)

- (1) The general technical conditions for connection are determined with technical regulations in the area of gas devices, technical conditions for the construction, operation and maintenance of pipelines with the operating pressure up to and above 16 bar, conditions for interventions in the areas of their protected zones and other regulations that govern technical conditions for connection.
- (2) Unless it is determined otherwise in regulations referred to in the previous paragraph, the connection shall be planned and prepared by observing the latest state of the art.

# Article 46 (Connection Consent)

- (1) The person referred to in the first paragraph of Article 40 shall obtain the connection consent for each individual connection.
- (2) The connection consent shall also be obtained for:
  - An increase or decrease of the maximum or minimum allowed flow according to the valid consent and the connection contract;
  - An increase or decrease of the exit pressure according to the valid consent and the connection contract;
  - Such change or reconstruction of connection that affects or that could affect the properties of gas withdrawal;
  - The transfer of the connection to another interconnection place;
  - The bundling of several interconnection places into one interconnection place.
- (3) The connection consent shall specify:

- The interconnection place,
- The maximum and minimum natural gas flow,
- The date of the planned start of the connection use,
- The planned period and the planned extent of the connection use by individual years,
- The purpose of the connection use,
- The planned dynamic of withdrawal,
- Special features of the withdrawal and natural gas use technology,
- The use of substitute fuel,
- The deadline for the conclusion of the connection contract,
- The total amount of the connection costs (proportionate and non-proportionate, if any),

- The amount of any non-proportionate costs, including the payment terms and conditions, and

- The technical conditions for the connection determined in accordance with Article 45 herein.

- (4) The consent shall terminate if the consent holder fails to fulfil, within 24 months after the consent has become final, the terms and conditions determined in the consent or order the implementation of connection by signing the connection contract.
- (5) The connection contract can only be concluded with the holder of a valid connection consent.

# Article 47 (Transfer of Connection Consent)

- (1) If after the issue of the consent and before the conclusion of the connection contract, any of the following reasons occurs:
  - The transfer of investment in accordance with the regulations on the construction of facilities in facilities, including the consent holder's pipeline for which the connection that the consent refers to is intended;
  - The universal succession over the person whom the consent refers to (hereinafter: consent holder);
  - The universal succession due to status change of the legal person, referring to the facilities and devices for which the connection that is the subject of consent is intended;
- Due to the legal transactions in facilities and devices for which the connection that is the subject of consent is intended, on a different legal basis, the transmission system operator shall, on request by the new investor or owner, transfer the consent to such new person or persons.
- (2) The new owner or investor shall file a request for the transfer of consent no later than within 30 days from the receipt of the court or administrative decision or from the conclusion of the contract in which the reason for the transfer of consent referred to in the previous paragraph is specified. The proof about the transfer of investment, the universal succession or the acquisition of the ownership right referred to in the previous paragraph shall be attached to the request.

(3) The consent shall be transferred to a new person or persons by issuing a consent about the transfer of consent to such person or persons in the same content as the consent of the previous holder, and the previous consent shall be annulled.

# 2. Connection Costs

#### Article 48

# (Assessment of Economic Viability of Connection)

- (1) The transmission system operator shall assess the economic viability of connection based on the analysis of costs and benefits and using the method of the current value of cash flows, by observing the parameters from the general act of the agency about the methodology for the determination of the regulatory framework. To calculate the economic viability of investment in the connection, the reference economic period of the connection of 20 years shall be used.
- (2) By analysing the economic viability of the connection, the transmission system operator shall use relevant indicators to evaluate the return on investment in the connection, which shows the ability of the net income to return the cost of connection.
- (3) The analysis of the economic viability of connection takes account of:
  - The costs for the implementation of the necessary investment (investment value);
  - The planned additional costs of the transmission system operator such as the costs of maintenance and operation of the new connection;
  - The cost related to the regulated return on assets connected with the implemented investment;
  - The planned additional income of the transmission system operator considering the planned extent of use of connection by the system user.
- (4) The connection costs include all costs, which the transmission system operator has in respect of the requested connection referred to in bullets 1, 2, and 3 of the previous paragraph.
- (5) The costs for the implementation of the necessary investment include the costs of connection that refer to the implementation of the connection with the metering or metering-regulation station, such as the costs of spatial placement and engineering of the connection, metering-regulation stations and any other facilities and necessary upgrades or reinforcements of the transmission system, the costs of obtaining administrative permits and the necessary material rights, and the costs of the construction of these facilities and devices, the costs of the connection of the facilities, devices and installations and the gasification, and all other costs that the transmission system operator would not have if the relevant connection did not take place. To calculate the costs, the current market prices and the data from the contracts of previous constructions of comparable facilities are used.
- (6) The expected additional costs of the transmission system operator shall be all costs related to the regular and investment maintenance, which the transmission system operator will have considering the experience with similar energy infrastructure related to the investment referred to in the previous paragraph over the economic period of the connection use.

- (7) The costs related to the regulated return on assets shall be determined in the amount such as determined in the general act of the agency that regulates the methodology for the determination of the regulatory framework.
- (8) The depreciation periods for individual parts of the connection are calculated taking account of the depreciation periods and rates, which the transmission system operator used while preparing the most recent audited annual financial statements in accordance with Slovenian, or international accounting standards and which do not exceed the tax-deductible rates.
- (9) The expected additional income of the transmission system operator includes the total income of the transmission system operator related to the new connection, taking account of the nominated volume of the connection use by individual years, which arises from the application for the issue of the connection consent. Such income is calculated as the product of the exit annual tariff item for the exit point in the Republic of Slovenia and the rate of the exit tariff item with the nominated leased transmission capacity of natural gas by years, taking account of the rate of the exit tariff item according to the anticipated offtake group for the exit point in the Republic of Slovenia. The amount of the anticipated leased transmission capacity of natural gas in kWh/day is the entry data that is provided by the system user to the operator in the application for connection.
- (10) If the transmission system operator prepares an assessment of the economic viability for a new connection of a system user who is already connected to the natural gas transmission system (e.g. the distribution system referred to in the third paragraph of Article 128 of this Act), the transmission system operator shall consider as additional income only the part of the income that increases the total volume of use of the already existing connections from the last entire gas year before the date of the issue of connection consent. In this case, the system user shall indicate in the connection consent application the total volume of use from the existing connections and separately the anticipated volume of use of the new connection by individual years. The transmission system operator shall indicate in the operative part of the anticipated volume of use of the connection use until now and the anticipated volume of use such as nominated and established in the connection consent for the client shall also be determined in the connection contract.
- (11) The transmission system operator shall establish the additional income and expenses, which are included in the analysis of the economic viability, based on the data that apply on the date when the transmission system operator has received the complete consent application for user's connection to the natural gas transmission system.

(Determination of Proportionate and Non-Proportionate Costs of Connection)

- (3) The connection is economically justified if the expected additional income is high enough to cover the total costs of connection. The transmission system operator shall cover the total costs of connection that are economically justified (proportionate costs of connection).
- (4) If the expected additional costs are not enough to cover the total costs of connection, the system user shall be entitled to the connection only if he alone

covers the part of the costs that are not covered with the expected additional income (non-proportionate costs).

- (5) The transmission system operator shall determine the non-proportionate costs as the amount necessary to include in the reference economic period of the connection use the same expected entire internal rate of return on investment as the rate of the regulated return on assets of the transmission system operator, which is determined by the agency in accordance with the general act of the agency that governs the methodology for the determination of the network charge.
- (6) The transmission system operator shall not be obliged to start the investment until the system user has concluded the connection contract, with which the system user shall undertake to use the connection in the reference economic period in the nominated volume of the connection use, such as arises from the application for the issue of the connection consent and until he has paid the nonproportionate costs, if they were determined in the connection consent.

#### Article 50

(Failure to Fulfil the Obligations from the Connection Contract)

- (1) If the system user fails to fulfil the obligations referred to in the connection contract by not using the connection or by using it in a lesser extent than agreed, the transmission system operator shall request for substitute fulfilment of the connection contract from the system user by requesting for the time when the system user is not fulfilling the obligations from the connection contract the payment of the amount that corresponds to the amount of the network charge which the system user would have to pay if he used the connection in the anticipated extent of use of connection (non-use of connection).
- (2) The amount of the network charge that the system user should pay shall be determined for each individual month of lease using the equation that applies for the calculation of the amount of the fixed annual exit capacity in accordance with the general act of the agency that regulates the charging of the network charge.
- (3) The monthly amount referred to in the previous paragraph shall be calculated in an individual month for which the amount of the obligation for substitute fulfilment is being established, based on the volume of capacity, which is determined in the amount of 1/12 of the annual anticipated extent of the connection use. If the system user does not agree with such calculation, he shall communicate his monthly nomination of lease for the next gas year to the transmission system operator by the beginning of the gas year and in this case, the sum of monthly nominations cannot be lower than the nominated annual volume of the connection use.
- (4) The transmission system operator shall compare the amount of the actually charged lease of transmission capacities with the monthly amount established in accordance with the second and third paragraphs of this Article by the 15<sup>th</sup> day of the current month for the previous month. If the transmission system operator establishes the non-use of the connection in accordance with the first paragraph of this Article, he shall issue an invoice for the substitute fulfilment of the connection contract due to the non-use of the connection to the system

user by the end of the current calendar month. The system user shall be obliged to pay the invoice by the end of the last day of the following month.

(5) If in accordance with the first sentence of the previous paragraph the transmission system operator finds that the system user used the connection in a higher volume than nominated, he shall issue a certificate on the exceeded use of capacities for the excess of the leased capacities. The transmission system operator shall offset the established excess of the capacity use on the first or several subsequently established non-uses of connection referred to in the first paragraph of this Article, regardless of which year the non-use of the connection occurred.

# Article 51 (Return of a Part of Non-Proportionate Costs due to the Connection of New System Users)

If a new user connects to the connection for which non-proportionate costs have been paid during the depreciation period of the connection, the assessment of the economic viability of connection shall include the undepreciated part of the original investment, which is covered with the income from the already charged non-proportionate costs. If based on such assessment of the economic viability non-proportionate costs are incurred on the new user, he shall pay them in accordance with this Act. The transmission system operator shall refund the share of the paid non-proportionate costs of the new user to the previous user. The share is determined in proportion with the share of the transmission capacity lease of the previous user according to the joint lease of transmission capacities at the connection. The transmission system operator shall refund the part of the non-proportionate costs to the user within 30 days after he has received the total payment of the non-proportionate costs from the user who has requested a new connection.

# 3. Connection

#### Article 52 (Connection Contract)

(1) The transmission system operator and the holder of the valid connection consent shall conclude the connection contract to regulate mutual rights and obligations related to the connection, in the period determined in the consent after its finality and before the engineering of the connection or before a possible extension or upgrading of the transmission system, metering-regulation station or other facilities and devices necessary for the connection to the transmission system.

(2) The parties shall especially agree about the following in the contract:

- The volume of works that must be implemented for the connection to the transmission system;
- The maximum and minimum flow of natural gas;
- The offtake pressure and the allowed deviations (tolerance) of the offtake pressure;
- The main technical properties of the connection, such as the interconnection point, the metering place code, the handover place and the ownership of the metering point;
- The border of the connection ownership and the method of measuring the accepted or delivered quantities;
- Mutual relationships regarding the maintenance of the connection;

- The deadline for the implementation of the investment and the beginning of the connection use, the metering-regulation station or other facilities and devices;
- The period and obligation of the connection use in the nominated volume such as stated in the connection consent;
- The purpose of the connection use;
- The amount and method of payment of non-proportionate costs of connection;
- The method and conditions for establishing and paying the substitute fulfilment in accordance with Article 50 herein.
- (3) On the basis of the concluded connection contract, the transmission system operator shall not ensure the transmission capacities for the connection user.
- (4)

#### Article 53 (Connection)

- (1) On the basis of the concluded connection contract, the transmission system operator shall start carrying out the preparation work that is necessary for the implementation of the connection.
- (2) The transmission system operator shall connect the energy facilities, devices and installations to the transmission system by upgrading them, if necessary, in order to increase the transmission capacity or expanding the transmission system, building the necessary connection or a part of it, a suitable metering-regulation station and any other necessary facilities of the transmission system that enable the technical implementation of the connection and its use in accordance with the connection contract.
- (3) The transmission system operator shall implement the connection of the energy facilities, devices and installations to the transmission system at the most appropriate point, which is determined by the transmission system operator in the time and way that ensures a minimum impact on the operation of the transmission system.
- (4) Before connecting his pipeline, a system user shall submit to the transmission system operator the following documents:
  - A valid license for the construction of the user's pipeline in accordance with the regulations governing the construction of facilities;
  - A statement signed by the supervisor in charge and the responsible head of the construction of the user's pipeline, stating that:
    - a) All the works related to the construction of the user's pipeline have been completed, except the physical connection to the transmission system,
    - b) The entire construction was carried out in accordance with the valid legislation, regulations and standards,
    - c) The user's pipeline has successfully passed the strength and tightness tests, and can therefore be gasified and used safely and reliably, which is proven with the record(s) about the implemented pressure tests;
    - d) Facilities, devices and installations, which are integral parts of the user's pipeline or are connected with the user's pipeline, meet the determined technical requirements, which ensure their uninterrupted operation and the safety of people and property;
  - The plan of the implemented user's pipeline with a clearly marked first blocking element from the direction of the transmission system and the plan of the anticipated linking of the user's pipeline with the

interconnection place, including the procedure of implementing the connection and welding, which is approved in writing by the responsible supervisor or works;

- The statement of the user that his pipeline is entirely closed and shall remain such until the physical connection, specifying the date of the planned physical connection;
- The statement of the user that he will not perform or order the performance of any works, except the physical connection, before the connection and gasification at the user's pipeline;
- The user's statement that after the physical connection he will inform the authority which has issued the building permit about the completion of the connection and call the authority to issue the operating permit or decisions for start-up tests and settings.

# Article 54

# (Gasification)

- (1) The transmission system operator shall implement the gasification in cooperation with the system user based on the technological procedure for the implementation of exceptional works.
- (2) Prior to the gasification, the user and the transmission system operator shall conclude a transport contract for the interconnection place, enabling the transmission of natural gas to the user, and the contract to ensure the balancing to the user.
- (3) Gasification shall be implemented up to the first blocking element of the user's pipeline, while the pipeline is still in the closed state.
- (4) Prior to the gasification, the system user shall submit to the transmission system operator the following documents:
  - A valid operating permit for the user's pipeline or a decision of the administrative authority for the start-up test and settings of parameters; if the system user fails to submit the operating permit after the end of the trial operation deadline, the transmission system operator shall have the right to cancel the gas transmission;
  - A proof about the competencies of the user's staff for the management of gas devices in accordance with the regulation about professional training and testing of knowledge about the operation of energy devices;
  - If the electronic transmission of the data about meter indications at the metering place has not yet been enabled, the record signed by the user and representative of the transmission system operator about the handover of the metering or metering-regulation station for control and recording of the withdrawal, including attachments;
  - In the case of a countdown metering point during new gasification, if necessary, a valid contract of the determination of delivered quantities;
  - A record on the balance at the metering point signed by the user and representative of the transmission system operator.
- (5) If works were carried out at a connection that was already in operation or if changes were made to it, the system user shall also submit to the transmission system, operator the documents referred to in the fourth paragraph of Article 53 herein before new gasification.

#### (Devices of System Users and Gas Customers)

- (1) The devices and plants, which are not a part of the transmission system and are owned by transmission system users (e.g. the transfer of data about offtake, metering or odorizing plants) shall be regularly controlled and maintained.
- (2) The gas customer or transmission system user who wants to place metering or odorizing plants or equipment for the transfer of data about measurements in the transmission system, facilities and stations for his needs, shall previously obtain the conditions for the installation and the relevant building right from the transmission system operator.
- (3) The gas customer or transmission system user and the owner of these devices shall communicate the contact person on duty, as well as a contractual maintenance worker, to the transmission system operator before the start-up for each device for the case if any disruptions in the operation of the device are detected.

# 4. Changes and End of Connection

#### Article 56 (Changes of System User at the Connection)

- (1) If based on the universal succession or due to status changes of a system user any change of the person withdrawing gas at the connection occurs after the conclusion of the connection contract, the new owner of these facilities and devices shall inform the transmission system operator about the change of the person withdrawing gas at the connection no later than one month after the entry of the status change into the court registry or after the conclusion of the contract based on which he has received the relevant facilities or devices. This provision shall also apply in the case of the universal succession of a natural person who is a system user.
- (2) If due to the legal transactions in facilities and devices of the system user any change of the person to withdraw gas at the connection occurs after the conclusion of the connection contract, the new owner or user of such facilities and devices shall file a request for the transfer of the connection contract to the new owner of connection no later than one month after he has started using the connection.
- (3) The new owner or user shall enclose to the notice from the first paragraph or the request from the second paragraph of this Article the documents that prove the status change or the executed legal transaction.
- (4) In the case referred to in the first paragraph of this Article, the transfer of connection shall be performed with the conclusion of an annex to the connection contract, which is the subject of legal succession, between the transmission system operator and the new owner or user of facilities and devices, confirming the fact that based on the universal succession the new system user shall enter all rights and obligations from the connection contract.
- (5) In the case referred to in the second paragraph of this Article, the transfer of connection shall be performed with the conclusion of a contract of the transfer of the previous connection contract between the previous system user, new system user and the transmission system operator, or by arranging mutual contractual

relationships in another way so as to ensure that the new system user has a valid connection contract.

- (6) In the case of the transfer of connection to another person as a result of the singular legal succession, the provisions about the refund of non-proportionate costs of connection referred to in Article 51 herein shall not apply.
- (7) Should the new owner or user fail to inform the transmission system operator about the occurred change in accordance with the first or second paragraph of this Article, or should he fail to conclude an annex to the connection contract or an agreement about the transfer of the connection contract in a suitable period of time, the transmission system operator shall perform the shut-off on the basis of point c) of the first paragraph of Article 274 of the EZ-1.

#### Article 57 (Change of Basic Parameters of Connection)

- (1) The system user shall request for a new connection consent should he wish that the basic parameters of the connection change (technical properties).
- (2) A change of technical properties shall be any change in the construction, volume, technical properties of withdrawal at the connection or the purpose of the connection use, which affects the gas offtake at the connection, and in particular:
  - An increase or decrease of the maximum or minimum permitted flow according to the valid consent and the connection contract;
  - An increase or decrease of the exit pressure according to the valid consent and the connection contract;
  - A change or reconstruction of connection, which affects or which could affect the gas offtake properties;
  - The bundling of several interconnection places into one interconnection place.
- (3) If the natural gas flow is outside of the flow determined in the connection contract, the customer shall immediately file an application to obtain the consent for the change of technical properties of the connection.
  - (4) On request by the system user, changes to technical properties of the connection can only be implemented after the new connection consent, which refers to the new technical properties of the connection, has been obtained and after the new connection contract has been concluded.
  - (5) The consent for the change of technical properties of the connection shall be issued by issuing a new connection consent to the holder of the connection or connections. On the basis of the new consent, a new connection contract shall be concluded with the system user. If based on the new application for the issue of consent for the change of connection the transmission system operator finds that the volume of connection use will decrease as compared with the already issued connection consent and the reference economic period of the original connection has not terminated yet, the system user shall also assume with the new connection contract all obligations from the previous connection contract that refer to the obligation of the connection use until the end of the reference economic period.

(6) If the change of the technical properties of connection includes works that required an interruption of gas offtake at the interconnection place, the provisions of Article 54 herein shall apply for new gasification.

# 5. Rules Regarding the Disconnection

#### Article 58 (Temporary Disconnection)

- (1)The transmission system operator can temporarily disconnect a user at a connection for reasons determined in Article 273 of the EZ-1.
- (2) In the case of disturbances or malfunctions of the transmission system resulting from force majeure, the transmission system operator shall perform extraordinary and unplanned works to ensure an uninterrupted and reliable operation of the transmission system in the shortest possible time.
- (3) The transmission system operator shall immediately inform the transmission system users about the temporary disconnection referred to in the previous paragraph, specifying the expected time for the elimination of the disturbances.
- (4) The transmission system operator shall perform the anticipated works in the shortest possible time needed for the performance of works, and select such time, which affects the users the least.
- (5) The transmission system operator shall provide in due time a written notice to the users referred to in the previous paragraph about the planned temporary disconnection or limited transmission. A timely notice shall be a notice sent to users a minimum of one month before the start of works.
- (6) The users can propose the most convenient date for the implementation of works to the transmission system operator within seven days after the receipt of the notice referred to in the previous paragraph. If the works performance plan cannot be completely agreed between all affected users due to their different wishes, the transmission system operator shall alone set the date.
- (7) The notice about works shall specify:
  - The part of the transmission system under work,
  - The beginning and the planned completion of works,
  - A plan of limitations or interruptions of the natural gas transmission,
  - A list of the offtake places which will be affected.
- (8) If a user wants to reschedule the performance of works during the year for various reasons, it can be done after it is agreed with the transmission system operator, but the works cannot be rescheduled by more than 15 days from the previously agreed date. The user who has requested the rescheduling shall cover the costs resulting from the rescheduling of works. In no case shall the works in the transmission system be carried out in the time when, due to the season or low outdoor temperatures, a higher withdrawal of natural gas is expected.
- (9) If the transmission system operator identifies the need for the performance of works in the transmission system during the year and such works are not considered as extraordinary, he shall immediately inform the affected system users about this and propose the most convenient date for the performance of works. The users can

coordinate the exact date of the implementation of works with the transmission system operator, but the performance cannot be realised later than two months after the date determined by the transmission system operator in the written notice.

(10) If the works performance date cannot be agreed with the affected users in accordance with the previous paragraph and the nature of the necessary works becomes extraordinary during this time, the transmission system operator shall carry out such works in the shortest time possible.

### Article 59

# (Disconnection on Previous Notice)

- (1) The transmission system operator can only disconnect a system user for reasons referred to in Article 274 of the EZ-1 if the system user fails to fulfil his obligation to eliminate the cause or causes of disconnection in the deadline determined in the notice. The deadline for the fulfilment of obligations, which is determined by the transmission system operator in the prior notice, shall be at least eight days starting from the notice receipt date.
- (2) The notice provided by the transmission system operator shall be produced in writing and it shall specify the reasons that can lead to the disconnection and the deadline for their elimination.
- (3) After the end of the deadline determined in the notice, the transmission system operator shall, if the system user fails to eliminate the cause, disconnect the system user by disabling any further withdrawal of gas from the relevant connection, and immediately inform the system user about this. In the notice, the transmission system operator shall also inform the system user about the legal consequences referred to in Article 62 herein should he fail to eliminate the cause or causes of temporary disconnection within the deadline referred to in the same Article.
- (4) If the disconnection referred to in the previous paragraph prevents the supply of natural gas to other system users who withdraw natural gas at the same interconnection place, the disconnection shall, if this is not appropriate under the circumstances, not be implemented, and the transmission system operator shall urge the system user who should be disconnected in the notice referred to in the first paragraph of this Article, to stop withdrawing natural gas after the end of the deadline referred to in the notice. After the end of the deadline specified in the notice, the system user shall be deemed disconnected, and any withdrawal of natural gas after the disconnection shall be considered as unjustified withdrawal.
- (5) The supplier who has rescinded the supply contract or the supplier who has received a notice by a final customer about rescinding the contract shall inform the transmission system operator about the rescission no later than within 15 days before the end of the notice period or, if the notice period is shorter, immediately after the rescission from the contract. In this case, the transmission system operator shall disconnect the system user if he fails, within the deadline determined in the previous notice about disconnection, to change the supplier or conclude a new contract of supply with the existing supplier.
- (6) If in the case referred to in the previous paragraph, the customer has several contracts of supply concluded at the relevant offtake point, he shall be obliged to
provide to the transmission system operator the changed proportion between balancing groups at the offtake point within 24 hours after the receipt of the previous notice about disconnection. Should he fail to do so, the most recent communicated proportion without the contract or contracts that have terminated shall be proportionately applied for the remaining valid contracts. If such proportion was not communicated the first time, the withdrawal shall be considered as unjustified and disruptive for the supply of natural gas to other customers. The transmission system operator shall provide the information about the changed proportion between the balancing groups to the leaders of such balancing groups.

(7) The system user to whom the connection was disconnected on prior notice shall cover the costs of such disconnection and of new connection determined in the price list of additional services of the transmission system operator.

#### Article 60 (Disconnection without Prior Notice)

- (1) The transmission system operator shall shut-off the system user without prior notice for reasons referred to in Article 275 of the EZ-1 by disabling further withdrawal of gas from the relevant connection.
- (2) The transmission system operator shall immediately inform the system user about the disconnection. In the notice, he shall also inform the system user about the legal consequences referred to in Article 0, if he does not eliminate the cause or causes of disconnection within the deadline determined in the same Article.
- (3) The system user who was disconnected shall cover the costs of disconnection and the costs of new connection determined in the price list of additional services of the transmission system operator.

#### Article 61

#### (Disconnection on System User's Request)

- (1) The system user who wants to temporarily or permanently stop withdrawing natural gas can request the transmission system operator to disconnect him. The transmission system operator and the system user shall agree on the date when the natural gas withdrawal from the connection shall stop and the disconnection shall be made.
- (2) The system user's right regarding disconnection under this Article shall not affect:

- The obligations of the system user arising from valid transport contracts, which were concluded for this offtake place, and which refer to the payment of the leased transmission capacities until the end of such contracts, and

- The obligations of the system user arising from the connection contract, which refer to the obligation to use the connection until the end of the reference economic period of the connection.

(3) If the system user requests to be disconnected, the connection contract or the transport contract shall not terminate, except if the contracting parties agree on its termination. During disconnection, the contractual rights and obligations of the parties from the connection contract or the transport contract, except the system user's obligations referred to in the previous paragraph, shall be suspended.

- (4) If the disconnection lasted more than three years, the system user shall obtain a new consent for re-connection and conclude a new connection contract to be reconnected. The conclusion of a new connection contract shall annul the previous connection contract, if it has not been cancelled already based on the agreement between the parties.
- (5) The transmission system operator can reject the re-connection or the issue of connection consent at this connection until the system user has settled all obligations arising from the transport contract and the connection contract and reimbursed the total damage resulting from the violation of such obligations.
- (6) If the system user wants to re-connect to the transmission system within a period that is shorter than one year, he shall also pay the fixed network charge for the time of disconnection in the amount of the contractually agreed minimum volume of natural gas transmission.
- (7) The system user who has requested the disconnection shall cover the costs of disconnection and re-connection such as determined in the price list of other services of the transmission system operator.

#### Article 62 (Permanent Disconnection)

- (1) If in the case of disconnection referred to in Articles 0 and 0 herein the system user fails to eliminate the cause or causes for disconnection within three years from the receipt of the notice about disconnection, the transmission system operator can permanently disconnect the connection.
- (2) Each connection to a permanently disconnected connection shall be new connection within the meaning of this Act.

#### 6. Connection of Storages, Upstream Networks and Liquefied Natural Gas Plants

Article 63

(Connection of Gas Storages and Liquefied Natural Gas Plants)

To connect to the system of gas storages and liquefied natural gas plants, the provisions of this Act that govern the connection of system users shall reasonably apply.

Article 64

(Connection of Upstream Pipeline Network)

To connect the upstream pipeline network used by a producer to the transmission system, the provisions of this Act that govern the connection of system users shall reasonably apply.

#### Article 65

(Implementation of Connection and Gasification of the New Part of the Transmission System)

The provisions from Articles 54 and 66 herein shall reasonably apply for the implementation of connection and gasification of the new part of the transmission system or interconnection line.

# V. TECHNICAL CONDITIONS FOR BUNDLING AND OPERATION OF SYSTEMS OF VARIOUS SYSTEM OPERATORS

#### Article 66 (Connection with Another Transmission System)

- (1) No later than before adopting the decision to make an investment in the interconnection pipeline with another system operator's transmission system and after submitting a notice to the agency, the transmission system operator shall conclude an agreement with such operator about the bundling of both transmission systems, which among others includes at least the following component parts:
  - The conclusion that both system operators meet the conditions necessary for the planning and construction of the interconnection line (any consents from a competent state institution government, ministry, energy regulator, etc.);
  - The provisions ensuring the coordination of the spatial placement, the audit of environmental impacts and compliance of technical elements and rules;
  - The provisions about the implementation of the procedure to establish the interest of system users;
  - The provisions about the method of sharing the costs of planning, construction and operation of the interconnection pipeline;
  - The schedule of planning, construction and obtaining of the operating permit;
  - The provision about the method of fulfilling the liabilities to enable twoway capacity of the interconnection pipeline pursuant to Regulation (EU) No 994/2010.
- (2) The interoperability of both transmission systems must be ensured in the engineering, construction and operation of the interconnection line.

#### VI. METHOD OF ENABLING ACCESS TO THE TRANSMISISON SYSTEM

#### 1. General Provisions About the Conditions of Access to the Transmission System Article 67

(Application of General Acts by the Transmission System Operator)

- (1) The access to the interconnection points of the transmission system is implemented in accordance with the Rules on terms and conditions for capacity allocation mechanisms at interconnection points of the transmission system (Official Gazette of the Republic of Slovenia, No. 67/14).
- (2) The access to the entry and exit points in the Republic of Slovenia is implemented in accordance with the Rules on the procedure for the allocation of capacity of the transmission system for the entry and exit points in the Republic of Slovenia, the congestion management procedure and capacity trading on the secondary market (Official Gazette of the Republic of Slovenia, Nos. 80/2014, 81/2014 corr.).

(3) The congestion management procedure and capacity trading on the secondary market is implemented in accordance with the Rules on the procedure for the allocation of capacity of the transmission system for the entry and exit points in the Republic of Slovenia, the congestion management procedure and capacity trading on the secondary market (Official Gazette of the Republic of Slovenia, Nos. 80/2014, 81/2014 - corr.).

#### Article 68 (Bundled Capacities)

- (1) In accordance with Commission Regulation (EU) No 984/2013, system access services at interconnection points are offered in the form of a bundled capacity, if the available capacity is at disposal at both sides of the interconnection point and if the transmission system operators agree about this on both sides of the interconnection point.
- (2) The bundled capacity is offered to system users as the firm and interruptible access service. The bundled capacities are offered at auctions for each interconnection point in accordance with the general act of the transmission system operator, which governs capacity allocation at auctions.
- (3) If there is less available firm capacity on one side of an interconnection point than on the side of the transmission system in the Republic of Slovenia for any period considered, the transmission system operator may offer the extra capacity on his side of the interconnection point as unbundled capacity for a maximum period until the end of the transport contract for the capacity on the other side of the interconnection point.
- (4) The transmission system operator shall co-operate with transmission system operators on the other side of the interconnection point in order to coordinate the offer of standard bundled products. The objective of co-operation is also the formation of common bundled capacity allocation mechanisms and nomination procedures for the execution of transport contracts for bundled capacities.
- (5) On system users' request, the capacities allocated to them on both sides of the interconnection point as unbundled capacities shall be transformed into bundled capacities, if the system users have reached an agreement about bundling and if the transmission system operator on the other side of the interconnection point approves such bundling. In such case, the transport contract for the bundled capacity shall be concluded taking account of the valid conditions from the existing transport contracts, but the contract shall in no case exceed the period of duration of the shortest among the original transport contracts at the relevant interconnection point.

#### Article 69

(Determination of the available Capacity at Interconnection Points)

- (1) In co-operation with adjacent transmission system operators on the other side of the interconnection point, the transmission system operator shall ensure that by observing the integrity, safety and effective operation of the system, system users have the maximum possible capacity available at all interconnection points of the transmission system.
- (2) The transmission system operator shall coordinate with adjacent transmission system operators the criteria about the determination of the common methodology for the

calculation of the maximum possible capacity of interconnection points in accordance with the requirements from Article 6 of Commission Regulation (EU) No 984/2013.

- (3) In accordance with the sixth paragraph of Article 8 of Commission Regulation (EU) No 984/2013 and in agreement with the agency, the transmission system operator shall determine the share of technical capacity for each interconnection point, which is kept and offered as short-term firm capacity. Prior to determining the share, consultation with the interested system users and transmission system users on the other side of the interconnection point shall be carried out.
- (4) The transmission system operator shall regularly calculate and publish the technical capacities of individual entry and exit points and their limitations at his website.

#### Article 70

(Investments in Incremental Capacity at Interconnection Points)

- (1) The transmission system operator shall offer the access to incremental capacity in the form of standard capacity products at interconnection points. In the case of competing investment on both sides of the interconnection point or if there is an available capacity on the other side of the interconnection point and if this is enabled by the transmission system operator on the other side of the interconnection point, the access to the new technical capacity shall be offered as bundled capacity referred to in Article 68 herein.
- (2) The provisions from Articles 8(1) to (7), Articles 11 to 18, Article 19(2) and Articles 21 to 27 of the Commission Regulation (EU) No 984/2013 shall not apply for the first allocation of new technical capacity on the primary market, apart for the capacity which remains unsold after it has been offered in another market based procedure.
- (3) In the case referred to in the previous paragraph, the transmission system operator shall use other transparent and non-discriminatory procedures compatible with market mechanisms for the allocation of new capacities, such as the open allocation procedure, based on which the transmission system operator collects binding bids from the interested system users for the conclusion of transport contracts for new capacities.
- (4) Based on these procedures, incremental capacity can be allocated to the interested system users even before the start of investment. In such case, the transmission system operator can request the bidders to fulfil the minimum conditions concerning the financial fitness and, when appropriate, to submit suitable guarantees for the event if they later on do not conclude transport contracts or if they breach the contract.
- (5) In the case of competing investment on both sides of the interconnection point or in the case of capacity bundling on both sides of the interconnection point, the allocation procedure for new bundled capacities can be carried out in co-operation with the adjacent transmission system operator.
- (6) As part of the preparation of the text of the 10-year development plan, one of the subjects of consultation with the interested parties in the planning of the investment in new technical capacity for interconnection points is the share of new capacity, which cannot be lower than 10% of new technical capacity.

#### 2. Virtual Point of the Transmission System

#### Article 71 (Virtual Point Services)

- (1) In accordance with this Act, the transmission system operator shall offer the following virtual point services:
  - Enabling the execution of natural gas transactions;
  - Notice board services.
- (2) Virtual point services can only be used by virtual point members.

#### Article 72

#### (Natural Gas Transactions in the Transmission System)

- (1) Gas companies and final customers (hereinafter: natural gas market operators) execute all transactions in amounts of natural gas in the transmission system at a virtual point.
- (2) Transaction is any legal transaction concluded by a natural gas market operator based on which the right to disposal of a certain quantity of natural gas in the transmission system changes in one or more charging intervals, including all legal transactions that may lead to such change, even if the entire sequence of such legal transactions from the delivery to the withdrawal of natural gas has not resulted in a change of the final customer.
- (3) It shall be considered that all transactions in natural gas quantities in the transmission system are executed between individual transaction participants at the virtual point and at the level of the accounting interval, regardless of the entry or exit point of the transmission system and regardless of the provisions of individual contracts of delivery.
- (4) As part of the transactions in quantities of natural gas at the virtual point, a permitted transaction is also the transaction in natural gas quantities if a transaction participant did not conclude a contract of natural gas transmission, but a suitable contract of the transmission at the entry point and a suitable transport contract at the exit point must be concluded for the quantities, which are the subject of transaction, for the charging period or periods for which the transaction refers.

#### Article 73 (Bulletin Board Services)

- (1) The bulletin board is a service that is carried out directly via a web application protected with a suitable protection of the transmission system operator, which enables transparent information about the offer and demand for natural gas quantities published for virtual point members.
- (2) The transmission system operator shall not be held responsible for the authenticity of the published data.
- (3) The website of the transmission system operator shall only present the aggregate data from the notice board (type of publication, quantities of natural gas and the period).

#### Article 74 (Registration of Virtual Point Membership)

- (1) A natural gas market operator shall register to a virtual point by concluding a membership contract with the transmission system operator. The transmission system operator shall publish a contract membership sample at his website.
- (2) A natural gas market operator who becomes a member of the virtual point can start using the virtual point services for which he has concluded a membership contract no sooner than on the fifth day from the date when the transmission system operator has received a returned signed membership contract. The membership contract is concluded for an indefinite period of time.
- (3) The person who is a member of the virtual point can cancel the virtual point membership at any time based on a written statement. The virtual point membership shall terminate on the day determined by the virtual point member, which cannot be shorter than five working days from the date when the transmission system operator has received the membership termination statement.
- (4) The transmission system operator can cancel the virtual point membership if a member:
  - Has failed to duly settle his outstanding liabilities to the transmission system operator for the performed virtual point services,
  - Has not fulfilled the requirement despite the call by the operator to submit a suitable guarantee for liabilities in accordance with the third paragraph of Article 0 herein.

#### Article 75

#### (Notification of Transactions at the Virtual Point)

- (1) Virtual point members can execute transactions in natural gas quantities at a virtual point if they notify such transactions to the transmission system operator. Members of balancing groups shall be obliged to notify all natural gas transactions to the transmission system operator. For individual offtake places, which are included in one or more balancing groups, virtual point members can authorise the balancing group leader to notify natural gas transactions in the transmission system at the virtual point on their behalf.
- (2) Notifications of transactions are provided to the transmission system operator through the web application referred to in Article 0 herein, specifying the following data:
  - Contact data of notification sender;
  - Quantity of natural gas in transaction;
  - Date of gas day which the notification refers to;
  - Members involved in the relevant transaction;
  - Type of notification (sale or purchase).
- (3) The transaction participants shall notify the transaction that refers to the day-ahead supply on the previous gas day of delivery "D-1" within the deadlines that apply for the submission of daily nomination, i.e. by 2:00 pm.
- (4) The transaction participants shall notify the transaction that refers to the delivery during a gas day "D" by 4:00 pm.
- (5) Each of the participants in an individual transaction shall provide their notification for each legal transaction in the transaction.

(6) Any notification that is not submitted in the above-determined way shall be considered as non-existent.

#### Article 76

#### (Rejection of Notification)

- (1) The transmission system operator can reject the notification if:
  - An individual transaction or a chain of transactions are not in accordance with the concluded transport contract at the entry point and the concluded transport contract at the exit point, or
  - An individual transaction or a chain of transactions have not been completed, or
  - If the compliance of quantities of each individual notification in the chain of transactions and the compliance of quantities of the entire chain of transactions has not been provided.
- (2) In the case referred to in the previous paragraph, such transaction shall be entirely rejected. The execution of contracts of supply under transactions reported in such way is not possible.
- (3) The transmission system operator shall provide to each virtual point member who has submitted the notification of transaction, and their authorised person, if any, the information about the approved quantities no later than:
  - For a transaction referring to day-ahead delivery: within two hours after the end of the deadline for the notification of transaction;
  - For a transaction during a gas day "D": within two hours after the end of the deadline for the notification of transaction.

#### Article 77 (Quantity Allocation)

- (1) The allocation of quantities at the virtual point is implemented following the principle where the allocated quantity equals the approved quantity.
- (2) The transmission system operator shall prepare a monthly report of the allocated quantities of natural gas in five working days of the current calendar month for the previous month.
- (3) The monthly report shall include an overview of the executed transactions by individual days and it shall be attached to the invoice for the amount of the executed transactions issued by the transmission system operator to transaction participants.

#### Article 78 (Price of Virtual Point Services)

- (1) Virtual point members shall pay to the transmission system operator the costs of registration and the price for each executed transaction at the virtual point.
- (2) The transmission system operator shall determine the cost of registration and the cost of individual transaction on prior consent by the agency and issue and publish the price list at his website.
- (3) Should a virtual point member fail to settle his liabilities in time, the transmission system operator shall have the right to demand immediately a suitable payment guarantee from him.

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#### VII. BALANCING THE TRANSMISSION SYSTEM

#### 1. Application of the Act

#### Article 79 (Subsidiarity)

- (1) The provisions of the Act in this Chapter shall define the rules for the implementation of the Commission Regulation (EU) no. 312/2014.
- (2) The provisions of this chapter shall apply with regard to the issues of balancing the transmission system, which are not governed by the Regulation referred to above.
- (3) The provisions of this Chapter shall not apply in emergency situations, when the transmission system operator carries out specific measures, defined by EZ-1 or the Regulation on the emergency plan for natural gas supply (Official Gazette of RS, no. 43/14 and 2/15), this Act, or on the basis of the Regulation (EU) no. 994/2010, insofar as the application of the rules hereunder would be incompatible with the measures adopted in emergency situations.

#### 2. Organization of the gas balancing system

#### Article 80 (Balancing zone)

- (1) For a safe and reliable operation of the transmission system it is important that for every accounting interval the quantity of the natural gas, which system users deliver to the system on entry points of the transmission system, is equal to the quantity of natural gas, which system users accept on exit points of the transmission system.
- (2) The balancing zone pursuant to this Act includes all entry and exit points of the transmission system and the virtual point.

Article 81

(Primary Responsibility of System Users for Balancing in the Balancing zone)

- (1) System users hold the primary responsibility for balancing quantity deviations between intake and offtake of natural gas from the transmission system by concluding a balancing contract, and to make sure there is the least required for the transmission system operator to perform balancing measures referred to in Article 92 hereunder.
- (2) In accordance with this Act, system users shall be encouraged to make use, within the balancing zone, of the possibilities for trading with natural gas for balancing in the virtual point.
- (3) If a system user fails to ensure that the sum of accepted quantities of natural gas at entry points of the transmission system for every accounting interval is equal to the sum of delivered quantities of natural gas at exit points from the transmission system, which are included in his balancing group, the operator of the transmission system

shall charge him with the costs of balancing daily deviations in accordance with the provisions hereunder.

#### Article 82

#### (Role of the Transmission System Operator)

- (1) In accordance with the provisions set forth in this chapter, the transmission system operator shall perform the following tasks in the gas balancing system:
  - Organizes balance scheme for the balancing zone set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder;
  - Performs active balancing measures set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder;
  - Performs tasks of an trading platform operator set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder;
  - Adopts and confirms nominated intake and offtake of natural gas;
  - Accounting of costs for balancing of daily deviations and balancing differences.
- (2) For the purposes of quantity deviations balancing, the transmission system operator, in accordance with the provisions of Articles Napaka! Vira sklicevanja ni bilo mogoče najti. through Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder, in the virtual point of the transmission system, ensures conditions for marketing the quantities of natural gas, which are required for balancing deviations during an accounting day and a day ahead.
- (3) In accordance with the rules set forth in Article 5 of the Commission Regulation (EU) no. 312/2014, the transmission system operator shall perform transfer of gas between balancing groups as delivery from the balancing group, which notified the transaction for delivery in accordance with Article 0 of this Act, and assigns it as an intake to the balancing group, which notified the respective transaction.
- (4) The transmission system operator shall attempt, within technical and economically efficient possibilities, to ensure the highest volume of demand for deviations balancing possible by trading with short-term standardized products in the balancing market. The remainder of deviations that cannot be levelled in the market or this would be economically inefficient, shall be balanced by the transmission system operator to the extent needed and enabled by the availability of transmission capacities, with the use of the balancing system service.

#### Article 83 (Neutrality Principle)

- (1) The transmission system operator shall make sure that, in relation to the execution of balancing tasks in accordance with this Act and the Commission Regulation (EU) no. 312/2014, he shall not hold any benefit or suffers los. All net benefits or costs, which originate from the execution of these tasks, shall be transferred by the transmission system operator to system users, whereby he shall pay the user the surplus of receipts over costs or shall charge them with the deficit in accordance with the provisions of this Act.
- (2) The transmission system operator ensures transparency of data on total costs and revenue arising from the execution of balancing tasks, and posts them on his website monthly within fifteen working days for the previous months.

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#### 3. Integration of System Users into Balancing Groups

#### Article 84 (Integration of System Users into Balancing Groups)

- (1) In relation to the balancing zone set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder, the transmission system operator, by concluding balancing contracts with systems users, organizes a hierarchically structured balance scheme for the purposes of the integration of system users into balancing groups.
- (2) Before using transmission capacities at entry and exit points, system users must be included in the balance scheme in the balancing zone.
- (3) A system user is included in a balancing scheme by concluding a balancing contract, on the basis of which he forms his own balancing group (hereinafter also: balancing group leader), or by concluding a contract set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder with another system user, who is a leader of a balancing group or a balancing sub-group (hereinafter also: balancing group members).
- (4) Quantity daily imbalances of natural gas intake and offtake is determined by the transmission system operator for every balancing group separately. For the purpose of accounting quantity imbalances of natural gas intake and offtake, a balancing group is considered as a single transmission system user.

#### Article 85 (Establishment of Balancing Group)

- (1) The transmission system operator concludes a balancing contract with a system user, if the user meets the conditions set forth in Article **Napaka! Vira sklicevanja ni bilo mogoče najti.** hereunder, independently of whether the balancing group leader has concluded a transmission agreement.
- (2) The natural gas supplier, from which the transmission system operator accepts natural gas at the entry point of the transmission system, shall conclude a balancing contract with the transmission system operator in order to establish a balancing group, which shall include consumption points of system users, who are intended for the natural gas supply at exit points from the transmission system.
- (3) The balancing group leader must conclude a balancing contract with the transmission system operator within 10 working days before the start of the operation of the balancing group at the latest.
- (4) Balancing contract between the transmission system operator and a balancing group leader shall contain at least:
  - Name and address of contracting parties;
  - Description of the method of data capture and communication;
  - Obligation of contracting parties to use the data obtained indirectly and directly during the calculation of imbalances only for the purposes related to the calculation of imbalances, and shall not disclose them to third persons, other than for fulfilling obligations defined by the law or a statutory instrument;
  - Rights and obligations of contracting parties upon withdrawal from the contract;

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- Method of dispute resolution;
- Method of insurance for the event of non-payment of contractual obligations;
- Provisions on the duration of contract validity and reasons for its termination;
- Appendix in which the parties name balancing sub-groups leaders, complete with their titles and addresses, entry and exit points, which are included in the balancing group. If the data in the appendix change, the parties shall substitute the appendix with a new one, which contains updated information.

### Article 86

#### (Balancing Sub-Group)

- (1) A balancing group member can establish a balancing sub-group and thus become a balancing sub-group leader.
- (2) A balancing sub-group is established so that a balancing group leader or a leader of a superior balancing sub-group concludes a balancing contract with a leader of a hierarchically lower balancing sub-group.
- (3) Leader of a superior balancing sub-group shall inform the leader of a balancing group, in which the balancing sub-group is included, about each change of membership in the respective sub-group, and which balancing sub-groups and which exit points to final customers are included in his sub-group.
- (4) A balancing group leader shall inform the transmission system operator about the establishment of a balancing sub-group.

#### Article 87

(Inclusion of Entry and Exit Points in the Balancing Group)

- (1) For each entry and exit point in the balancing zone a system user must define to which balancing group or groups it belongs.
- (2) If the transmission agreement refers to the lease of joint capacity at the interconnection point, before the enforcement of the balancing contract the system user must ensure appropriate organization of the implementation of the balancing contract on both sides of the interconnection point.
- (3) Leased capacities on entry and exit points, other than exit points to a final customer or the distribution system, can also be included by the system user in several balancing groups. In this case the system user must inform the transmission system operator about the ratio between capacities, which are included in an individual balancing group on this entry and exit point.
- (4) Exit point to the final customer can be included only in one balancing group or subgroup, with the leader of which the final customer concludes an open supply contract regarding the balancing of imbalances of the consumption point on this exit point.
- (5) Irrespective of the previous paragraph, under the condition referred to in Article 240, Paragraph 5 of EZ-1, the exit point to the final customer can also be included in more balancing groups, with the leader of which the final customer has concluded an open supply contract. In this case, the final customer shall, for every accounting interval, inform the transmission system operator about the quantitative relation between

individual balancing groups to which the entry point belongs, otherwise the transmission system operator shall observe the final communicated relation.

(6) If the final customer, to which the exit point belongs, does not get included into any balancing group, the final customer shall ensure balancing of deviations by concluding a balancing contract, whereby all provisions of this Act and the Commission Regulation (EU) no. 312/2014, which apply to balancing group leaders, shall apply to that final customer mutatis mutandis.

#### Article 88 (Tasks of Balancing Groups)

- (7) A balancing groups leader is responsible to the transmission system operator for completing the following tasks of the balancing group:
  - To give forecasts of natural gas intake and offtake quantities on all entry and exit points of his balancing group, which are subject to the submission of forecast in accordance with this Act;
  - To level volume imbalances of natural gas intake and offttake in the balancing group by applying appropriate measures;
  - Active participation in the balancing market of short-term standardized products;
  - To notify the transmission system operator about all information, which might affect his ability regarding gas balancing;
  - To notify the transmission system operator about concluded supply contracts with final customers at the transmission system;
  - To keep a record of consumption points and timely communication of data on the changes of balancing group members to the transmission system operator;
  - To pay the costs of daily imbalances.
- (8) Upon the conclusion of the contract or no later than two working days prior to the change of membership in their balancing groups, balancing group leaders shall inform the transmission system operator in writing or via e-mail which system user and his transmission capacities within the leased transmission capacities at individual entry and exit points belong to his balancing group.

#### Article 89

(Responsibility of the Balancing Group Leader for Gas Balancing)

- (1) By applying appropriate measures, a balancing group leader shall ensure levelling of volume imbalances of his balancing group, in order to minimize the need for the transmission system operator to perform measures for gas deviation balancing in the transmission system.
- (2) If a balancing group leader does not supply natural gas to his balancing group members on his own, or does not supply it in full, he shall ensure with a contract that appropriate quantities of natural gas for every accounting interval are delivered to the transmission system by other suppliers. The data about these contracts shall be sent by the balancing group leader to the transmission system operator at least two working days prior to the start of an individual accounting interval.
- (3) If daily deviations between intakes and offtakes occur in a balancing group due to short-term oscillations in the supply and demand of natural gas, the balancing group

leader must attempt to balance deviations with appropriate measures, which include, in particular, conclusion of natural gas supply contracts for balancing purposes with other system users or the transmission system operator in the balancing market of short-term standardized products.

(4) If a balancing group leader fails to ensure balancing of deviations referred to in the previous paragraph and the transmission system operator is unable to balance them, the transmission system operator shall invite the balancing group leader to perform appropriate balancing measures. If the balancing group leader also fails to ensure balancing of deviations when asked to do so, the transmission system operator can limit his consumption or limit the delivery of natural gas.

#### Article 90 (Conditions the Balancing Contract Leader must Meet)

- (1) The system user, who wants to become a balancing group leader, shall meet the following conditions:
  - that he is not subject to any compulsory settlement or bankruptcy proceedings or that no proposal for compulsory settlement or bankruptcy proceedings was initiated against him;
  - provisions of a 24/7 support system;
  - to submit a financial guarantee in the form of a bank guarantee or funds on a special account of the transmission system operator as an insurance for meeting the liabilities set forth in the concluded balancing contract.
- (2) The amount of financial guarantee set forth in paragraph 1, indent 3 of this Article for balancing groups, which include the exit points in the Republic of Slovenia, shall be calculated as follows:

ZJ=10.000+3,2/100\*Q<sub>p,m</sub>\*c<sub>plina</sub>\*2

Where:

ZJ (EUR)... is the amount of financial guarantee, which must be submitted

 $Q_{p,m}$  (kWh)... is the average monthly quantity of natural gas, which was transferred to the respective system user within the last consecutive 12 months prior to the submission of the application for the balancing group leader. In case the proposer was using the transmission system prior to the submission of the application less than 12 months or didn't use it, the average monthly quantity, which will presumably be transferred to the applicant by his estimate for the following 12 months, shall apply.  $c_{plina}$  (EUR/kWh)... is the price of gas, calculated on the day of the submission of the application, in accordance with Article 110, Paragraph 4, point (b) of this Act.

For balancing groups, which don't include the exit points in the Republic of Slovenia, the amount of financial guarantee shall be calculated as follows:

ZJ=30.000

ZJ (EUR)... is the amount of financial guarantee, which must be submitted

- (3) The amount of financial guarantee set forth in the previous paragraph is checked at the end of every calendar month, according to the performed calculation of natural gas consumption and delivery imbalances.
- (4) If the check reveals that the amount of monthly imbalances exceeds the currently submitted financial guarantee, the balancing group leader is obliged to appropriately increase the financial guarantee within 30 days after the system operator sends him a written request to do so, otherwise the transmission system operator may withdraw from the balancing contract. In case the check of monthly imbalances reveals that they are lower than the currently submitted financial guarantee, the balancing group leader may reduce his financial guarantee. The amount of financial guarantee shall in no case be lower than calculated on the basis of Paragraph 2 of this Article.
- (5) The bank guarantee shall be issued by the bank acceptable to the transmission system operator in the form of unconditional, irrevocable and payable upon the first application in writing and with a period of validity of at least one year. The balancing group leader shall renew the validity of the bank guarantee within 30 days before the expiry of the valid bank guarantee, otherwise the transmission system operator may withdraw from the balancing contract.

#### Article 91

#### (Balancing Group Members)

- (1) Every system user must be included in a balancing group or must conclude a balancing contract on his own. The system user is included in the balancing group by concluding a balancing contract or an open supply contract, which he concludes with a balancing group leader or a balancing sub-group leader.
- (2) Through mutual agreements referred to in the previous paragraph, balancing group members internally organize the distribution of burdens and responsibilities for managing and controlling risks regarding volume imbalances of a balancing group.
- (3) The final customer shall ensure the balancing of deviations at the exit point in the Republic of Slovenia by concluding an open supply contract, which sets forth balancing affiliation of consumption point at the exit point in accordance with Article 86, Paragraph 4 and 5 hereunder.

#### Article 92

#### (Records of Balancing Group and Sub-Group Leaders)

- (1) The transmission system operator keeps the records of balancing group leaders and their sub-groups. The records also comprise the collection of concluded balancing contracts and amendments to these contracts.
- (2) The data on the identity of balancing group and sub-group leaders are public and the transmission system operator shall publish them on his website.

#### 4. System Balancing Actions of the Transmission System Operator

#### Article 93 (Balancing Actions)

- (1) To achieve the objectives of the balanced transmission system referred to in Article 6, Paragraph 1 of the Commission Regulation (EU) no. 312/2014, due to which the transmission system operator must achieve the changes of natural gas flow in or from the transmission system, the transmission system operator may perform one or more balancing actions, whereby he:
  - Buys or sells short-term standardized products in the balancing market; and/or
  - Uses a balancing system service for transmission system balancing set forth in Article 97 hereunder.
- (2) When and to the extent necessary for the achievement of objectives referred to in the previous paragraph, the transmission system operator as a rule gives advantage to the use of short-term standardized products prior to the use of balancing services.
- (3) If a balancing service is more cost efficient than short-term standardized products, the transmission system operator as a priority uses the balancing service, whereby he observes the criteria set forth in Article 8(2) of the Commission Regulation (EU) no. 312/2014.

#### Article 94 (Trading Platform)

- (1) In the virtual point of the transmission system the transmission system operator establishes an electronic trading platform as a virtual point service, which, for the purposes of deviations balancing, enables the transmission system operator and a balancing group leader (trading participants) to carry out transactions with quantities of natural gas for the supply within a day or a day ahead. The transmission system operator performs the tasks of a trading platform operator, which are defined by the Commission Regulation (EU) no. 312/2014 in relation to the platform.
- (2) The transmission system operator trades on the trading platform under the same conditions as apply to other system users, which are trading participants at the trading platform. Trading products are used with the purpose of encouraging system users to the highest possible levelling of deviations in the market, in order to minimize the need for the use of balancing service for transmission system balancing.
- (3) Trading platform services, which enable conclusion of transactions with short-term standardized products, can also be used by system users, who become members of the virtual point, in accordance with Article 0 hereunder, and conclude a contract on membership for these services with the transmission system operator.

#### Article 95 (Rules of Trading on the Trading Platform)

(1) Natural gas transactions on the trading platform are concluded via trading electronic application, which enables trading participants an anonymous input of offer for sale or a purchase of short-term standardized products continuously throughout the gas day, 7 days a week. The input of offer for sale or a purchase of a specific short-term

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standardized product delivers a binding offer for the trading participant, who entered the offer, and its adoption concludes the transaction on the sale or purchase of this product. The transmission system operator posts the instructions for the use of the trading electronic application on his website.

(2) In trade on the trading platform, the trading participants shall act as good experts and shall not limit competition in conflict with the regulations of the competition law or in conflict with the rules on the prohibition of energy market manipulation referred to in the Regulation (EU) no. 1227/2011 of the European Parliament and the Council of 25 October 2011 about the integrity and transparency of the wholesale energy market. Actions of a market participant, which are in conflict with the actions in the market, give reason to the transmission system operator to cancel membership of the market participant in the virtual point.

#### Article 96 (Short-Term Standardized Products)

- (1) Types of short-term natural gas products to trade on the trading platform are defined by the transmission system operator, taking into account particularly technical conditions for flawless operation and reliability of the transmission system operation. In establishing appropriate short-term standardized products, the transmission system operator also cooperates with the operators of adjacent transmission systems.
- (2) In trade with short-term standardized products, the transmission system operator gives advantage, when and to the extent appropriate, to the use of products within a day as opposed to the products for the day ahead, and within this gives advantage to the use of title products in the sense of Article 7, Paragraph 3 of the Regulation (EU) no. 312/2014 as opposed to other available short-term standardized products.

#### Article 97

#### (Publication of Information about Trading on the Trading Platform)

Trading participants on the trading platform shall be given the following information:

- The current buy and sell bidding prices and natural gas quantities;
- The price and quantity of natural gas for every concluded transaction, which is published within a reasonable time after the conclusion of transaction;
- The trend of marginal buy and sell price of natural gas, which are published immediately after every performed transaction.

#### Article 98

(Purchase of Balancing System Services for Transmission System Balancing)

- (1) When, in accordance with Article 8, Paragraph 1 of the Commission Regulation (EU) no. 312/2014, the transmission system operator cannot fulfil his needs for transmission system balancing with the purchase or sale of short-term standardized products in the market, he shall obtain access to natural gas for system balancing by ordering a balancing system service, by concluding with the selected provider:
  - Contract on the basis of which he is entitled to ask the bidder to re-purchase or sell at the invitation natural gas on the interconnection and/or virtual point; and/or
  - Contract on the lease of storage capacity or capacity for UZP.

- (2) Order for the purchase of a balancing system service shall be submitted by the transmission system operator on the basis of the implementation of a transparent and non-discriminatory tender, with taking into account technical and economic criteria.
- (3) Duration of the contract on the provision of the balancing system service shall be no more than one year, unless the agency allows a longer period of duration at the proposal of the transmission system operator.
- (4) For the purposes of performing balancing system services, the transmission system operator, to the extent referred to in the previous paragraph of this Article, reserves an appropriate share of technical capacity on interconnection points, which is directly kept for the purposes of performing balancing system services. The share of technical capacity kept this way is not included in the calculation of the volume of the highest possible capacity on these interconnection points, which is put up for auction, in accordance with Article 69 hereunder.

#### Article 99 (Own Use)

- (1) Under competitive and impartial conditions, in respect of technical and economic criteria, the transmission system operator annually issues a call for tenders for the purchase of natural gas for own use. In the purchase of natural gas for the needs of the transmission system operator, attention is given particularly to technical criteria, flawless operation of the transmission system, reliability of natural gas transmission performance and economic standards.
- (2) The transmission system operator concludes a contract on the purchase of natural gas quantities for own use with the best bidder, selected in a transparent and impartial procedure.
- (3) In respect of the criteria referred to in paragraph 1 of this Article, the transmission system operator shall attempt, with due diligence, to conclude the contract referred to above under the best possible market conditions.

Article 100 (Reduction or Interruption of Transmission)

- (1) If the transmission system operator determines that for an individual balancing group consumption and delivery of natural gas deviate to the extent that such deviation cannot be balanced with balancing actions without jeopardizing the balanced activity of the transmission system, he shall call the balancing group leader to fulfil the nominated offtake of natural gas quantities, in order to harmonize the delivery and consumption of natural gas, and define a deadline for the fulfilment.
- (2) If the called balancing group leader fails to ensure deviation balancing, one or more members of his balancing group still consumes natural gas from the transmission system, and a member or more members endangers the assets, life or health of people with the operation of their energy facilities and devices, the transmission system operator shall act in accordance with Article 60 hereunder.

#### Article 101

#### (Imposition of the Within Day Obligations relating to Deviation Balancing)

- (1) With the purpose of ensuring system integrity of the transmission system and minimize the need for balancing actions, which must be carried out within an accounting day, the transmission system operator may, on the basis of Articles 24 through 27 of the Commission Regulation EU no. 312/2014, propose to the agency to allow him to introduce within day obligations, which would allow him to ask a balancing group leader to meet certain obligations with regard to the balancing of natural gas intake and offtake within a day for the gas day "D".
- (2) For the event of deviation from within day obligations, the transmission system operator can predict the obligation to pay the amount for the within day obligations, which reflects costs of balancing of deviations within a day and is high enough to encourage balancing group leaders to balance their positions within a day.
- (3) With the introduction of within day obligations, the transmission system operator provides system users with the required information on measured quantities of natural gas flow and other information, which are important for meeting these obligations.

#### 5. Accounting Interval and Nominations of Natural Gas Consumption and Delivery

#### Article 102 (Accounting Interval)

- (1) Accounting interval for balancing in the balancing zone is a standardized daily interval from 6 a.m. the current day to 6 a.m. the following day (hereinafter also accounting day or also gas day "D").
- (2) Irrespective of the previous paragraph, the transmission system operator may, in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder, as an exception, also define a shorter accounting interval for an individual category of system users.
- (3) Quantitative imbalance of a balancing group, which has accumulated during each accounting interval on the basis of the difference between accepted quantities on entry points and delivered quantities on exit points, which are included in an individual balancing group, shall be charged to balancing group leaders, in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder.
- (4) After the calculation for daily imbalances it shall be deemed that for this accounting interval the balance of the balancing group is levelled and its position at the start of the following accounting interval equals zero.

#### Article 103

(Preliminary Nomination of the Use of Transmission Capacities)

(1) System users can execute the rights set out in transmission agreements provided that, prior to the start of performance of supplies within the deadlines defined hereunder,

they submit to the transmission system operator the forecast of the use of allocated capacities at entry and exit points, which are subject to the obligation of forecast in accordance with this Act.

(2) The rights to transmission can be executed by system users on a specific natural gas day in the amount of quantities, which are confirmed by the transmission system operator in accordance with this Act.

## Article 104

- (Obligation of Nomination)
- (1) For every accounting gas day, the balancing group leader shall inform the transmission system operator in advance about the quantities of natural gas intake and offtake for the balancing group.
- (2) The nomination is mandatory for all entry points and all interconnection exit points, which are included in the balancing group, but for the exit points in the Republic of Slovenia from the balancing group the forecast is only mandatory, if:
  - There is more than one supply contract for an individual exit point; and
  - The contractual capacity for an individual exit point to the final customer is required for flawless operation of the transmission system.

The nomination is not mandatory for exit points to the distribution system.

- (3) The exit points referred to in the last indent of the previous paragraph shall be notified by the transmission system operator to the leader of the balancing group, into which the exit point is included.
- (4) In giving forecasts, the balancing group leaders must observe:
  - That forecasts of intake and offtake quantities are within the leased contractual obligations at exit and entry points, which are subject to the obligation of forecast;
  - Other technical limitations of leased entry and exit points, which originate from the transmission agreement;
  - Possible operating restrictions of the transmission system, which are adopted by the transmission system operator in accordance with this Act and other regulations, and are valid on gas day "D", to which the forecast is related.
- (5) A balancing group leader must ensure a 24-hour availability to be accessible to the transmission system operator for communication and exchange of information in the event of possible higher deviations or operating interventions on the transmission system, which may influence the execution of supply contracts.

#### Article 105

#### (Daily Nomination)

- (1) Balancing groups leaders shall be obliged to submit a daily nomination of natural gas consumption and delivery for an individual balancing group.
- (2) A balancing group leader shall submit daily nomination for a specific gas day ("D") no later than by 2 p.m. the following day (hereinafter also "D-1 day").

#### Article 106 (Content of Nomination)

- (1) The nomination of quantities submitted by balancing groups leaders for entry points and interconnection exit points shall contain the information referred to in Article 13 of the Commission Regulation (EU) no. 312/2014 and Article 243 of EZ-1.
- (2) Nomination of quantities for non-interconnected exit points, for which the nomination is required in accordance with Article 103, Paragraphs 2 and 3 of this Act, must contain the following information:
  - Time of start and end of gas flow, for which the nomination is submitted;

- Gas day "D";

- The gas quantity requested to be transported, which must be given separately for an individual supply contract.

#### Article 107 (Procedure of Confirming Nominations)

- (1) In the nomination confirmation procedure for every accounting gas day, the transmission system operator observes daily nominations that he receives from a balancing group leader by the deadline set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder.
- (2) The transmission system operator sends a message on confirmed quantities to leader of balancing groups no later than by 4 p.m. on "D-1" day.
- (3) The transmission system operator may reject a nomination, if any of the reasons contained in Article 17, Paragraph 1, of the Commission Regulation (EU) no. 312/2014, is given.
- (4) System users may not execute the rejected nominations.

#### Article 108 (Changing Confirmed Nominations)

- (1) A balancing group leader may change the nomination confirmed in advance, which is related to the interconnection entry or exit point, in accordance with the conditions and within the deadlines referred to in Article 15 of the Commission Regulation (EU) no. 312/2014.
- (2) The transmission system operator may reject a re-nomination, if any of the reasons contained in Article 17, Paragraph 1 and 2 of the Commission Regulation (EU) no. 312/2014, is given.
- (3) The change of the daily nomination confirmed in advance for the entry or exit points in the Republic of Slovenia may be submitted by a balancing group leader no later than two hours before the start of the changed transmission. The transmission system operator performs such transfer only if the flow pressure conditions in the transmission system allow so.

#### Article 109

#### (Provision of System Services in the Electricity Sector)

- (1) In order to provide system services in the area of electricity, a system user may, as an exception, as soon as he receives a request for the provision of system services in the area of electricity, inform the transmission system operator of the nomination of the natural gas consumption and delivery within a time interval, which equals the time interval the user himself accepted the request for the provision of system services in the area of electricity.
- (2) The system user, who informs the transmission system operator of the nomination set out in the previous paragraph, may send such a nomination as the leader of his own independent balancing group and shall not include in this balancing group consumption points of other system users.
- (3) The nominations of quantities submitted by the system user as the leader of the balancing group referred to in the previous paragraph must for entry points contain the information referred to in Article 13 of the Commission Regulation (EU) no. 312/2014, whereby the nomination of consumption quantities requested to be transported must be given separately for an individual supply contract.
  - (4) Nominations of quantities for non-interconnection exit points, for which the nomination is required in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti., Paragraph 2 and 3 of this Act, must contain the following information:
    - Time of start and end of gas flow, for which the nomination is submitted;
    - Hourly offtakes for gas day "D";
    - The gas quantity requested to be transported, which must be given separately for an individual supply contract.
- (5) If upon sending the nomination of natural gas transmission the system user referred to in Paragraph 2 of this Article doesn't have the required quantity of natural gas, as a leader of an independent balancing group he shall, simultaneously with the nomination to the trading platform, set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder, send the offer for purchase of short-term standardized products.
- (6) The transmission system operator confirms the nomination of the system user referred to in the second paragraph, insofar as this is enabled by flow pressure conditions in the system and if all requirements set forth in paragraphs 2 through 5 of this Article are met.

#### 6. Calculation of Daily Balancing Costs

#### Article 110 (Incurrence of Liabilities to Pay Daily Imabalance Costs)

(1) Leaders of balancing groups, who have an unbalanced position of their balancing group at the end of an accounting day for gas day "D", shall be obliged, for the determined quantity of negative daily imbalances, to pay the transmission system operator the amount at a price for negative imbalances or are entitled to receive payment for the determined quantity of positive daily imbalances or receive credit note at a price for positive imbalances.

- (2) Quantitative imbalances of natural gas consumption and delivery for an individual balancing group are determined on the basis of the difference between accepted quantities at entry points and delivered quantities at exit points, which are included into this balancing group.
- (3) The amount for daily imbalance, which must be paid by and to which a balancing group leader is entitled, is calculated by the transmission system operator, whereby the quantity of the determined daily imbalance for an individual balancing group is multiplied with the valid price for the costs of daily imbalance, which is determined on the basis of Article 110 of this Act.

#### Article 111

(Methodology for Determining the Valid Price for the Calculation of Daily Imbalance Costs)

- (1) The valid price, in accordance with which the transmission system operator calculates the liabilities relating to daily imbalance costs, shall be defined as a marginal sell price, if the quantity of daily imbalance is positive, or as a marginal buy price, if the quantity of daily imbalance is negative.
- (2) The marginal sell price and the marginal buy price for every accounting gas day are shaped on the basis of reference market prices from trading with title products on the trading platform, whereby:

(a) The marginal sell price is lower of:

- The lowest sell price of a title product, at which the transmission system operator sold natural gas on the trading platform on the gas day; or

- Weighted average price of title products for the gas day, reduced by 10%.

(b) The marginal buy price is higher of:

- The highest buy price, at which the transmission system operator purchased natural gas on the trading platform on the gas day; or

- Weighted average price of title products for the gas day; increased by 10%.

- (3) The weighted average price referred to in the previous paragraph is calculated on the basis of sold quantities (weighted average sell price) or purchased quantities (weighted average buy price) of the weighted average price of title products.
- (4) If, in an individual accounting gas day, the transmission system operator failed to perform any transaction with title products on the trading platform, the valid price for the calculation of daily imbalance costs shall be determined:(a) For positive quantitative imbalances: as an average of last five weighted average

sell prices from trading of the transmission system operator with title products, reduced by 10 %;

(b) For negative quantitative imbalances: as an average of last five weighted average buy prices from trading of the transmission system operator with title products, increased by 10 %.

(5) Prices for the calculation of daily imbalances valid each time are expressed in EUR/kWh and are rounded to six decimal points using the mathematical rounding principle.

#### Article 112 (Monitoring Quantitative Imbalances)

- (1) After a completed accounting day for the gas day "D", the transmission system operator shall determine and provide the balancing group leaders with the following temporary information by 10 a.m. on gas day "D+1":
  - How much natural gas was accepted to the system for system users;
  - How much natural gas was delivered from the system for system users;
  - Allocation of natural gas quantities on consumption and delivery points with more suppliers or consumers, and joint measurement;
  - Natural gas quantity, which was delivered to final customers, connected to the transmission system;
  - Natural gas quantity, which was used for compressor drive;
  - Daily quantitative imbalance for individual system users;
  - Exceeding contractual transmission capacities at an individual user.
  - (2) After the expiry of the "M" month, the transmission system operator shall determine and provide the balancing group leaders with the following information within 10 working days after the expiry of the "M" month:
  - Natural gas quantity, which was accepted to the network for the users every day in the "M" month;
  - Natural gas quantity, which was delivered from the system for users every day in the "M" month;
  - Natural gas quantity, which was used for own use in the "M" month;
  - Information on daily imbalances for every accounting day for individual users of the transmission system;
  - Allocation of daily quantities at consumption points with more suppliers or consumers, and joint measurement;
  - Information on costs and revenues, which originate from the carried out balancing actions, and are separately structured by the order of the executed balancing actions set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder.
- (3) It is considered that the findings and measurements, realized after the expired "M" month, are final and are used as such for each calculation of natural gas transmission.

#### Article 113 (Method of Calculating Daily Imbalance Costs)

- (1) The costs of daily imbalances calculated in accordance with this Act are used as follows:
  - a balancing group leader shall be deemed to have sold sold to the transmission system operator, at the valid price, determined for positive imbalances, in accordance with Article **Napaka! Vira sklicevanja ni bilo mogoče najti.** hereunder, natural gas in the quantity, which is for gas day "D" equal to the quantity of positive daily imbalance, so shall be entitled to receive from the transmission system operator the payment of costs for the positive daily imbalance quantities in the amount, defined in accordance with the following formula:

$$Z_{PDO,d} = C_{PDO} \times \Delta Q_{PDO,d}$$
 (v EUR)

where:

 $Z_{PDO,d}$  ......is the amount of positive daily imbalance;

 $C_{PDO}$  .....is the price determined for positive imbalances, defined in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder;

 $\Delta Q_{{\scriptscriptstyle PDO,d}}$  ......is the quantity of daily imbalance in the gas day "D";

a balancing group leader shall be deemed to have purchased from the transmission system operator, at the valid price, determined for negative imbalances, in accordance with Article **Napaka! Vira sklicevanja ni bilo mogoče najti.** hereunder, natural gas in the quantity, which is for the gas day "D" equal to the quantity of daily imbalance, so he is obliged to pay to the transmission system operator the costs of negative daily imbalance quantities in the amount, defined in accordance with the following formula:

$$Z_{NDO,d} = C_{NDO} \times \Delta Q_{NDO,d}$$
 (v EUR)

where:

 $Z_{{\rm NDO},d}$  .....is the amount of negative daily imbalance,

 $C_{\rm NDO}$ .....is the price determined for negative imbalances, defined in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder,

 $\Delta Q_{\scriptscriptstyle NDO,d}$  ......is the quantity of negative daily imbalance in the gas day "D";

(2) The balance of costs of daily imbalances, determined in the method set out in the previous paragraph, shall be cleared by the transmission system operator once a month for the previous accounting month. The balance of items for all days of the accounting month represents the final amount the transmission system operator charges upon or pays to the balancing group leader, and is determined in accordance with the following formula:

$$Z_{O} = \sum_{d=1}^{n} Z_{PDO,d} - \sum_{d=1}^{n} Z_{NDO,d}$$
 (v EUR)

where:

 $Z_{\text{o}, \dots, \text{is}}$  the amount the transmission system operator charges upon or pays to the balancing group leader;

n.....number of days in a month.

#### 7. Calculation of Costs for Balance Differences (un-accounted for gas)

#### Article 114 (Costs of Balance Differences)

(1) Balance differences in the transmission system are excess or deficit of energy and are a result of metering uncertainty. Balance differences as such cannot be metered and represent a calculation correction as an excess or deficit of energy in the transmission system. The transmission system operator determines balance differences by using the system equation:  $Q(pred) - Q(prev) - \Delta LP - BR - IZ = 0$ 

(2) Where the notations in the previous paragraph refer to:

Q(pred)	Energy delivered from the transmission system in kWh
Q(prev)	Energy accepted to the transmission system in kWh
ΔLP	Changes of total energy in the transmission system in kWh
BR	Balance differences in kWh
IZ	Losses of natural gas in the transmission system in kWh

- (3) Losses of natural gas on metering points are non-registered quantities of natural gas, which may occur during the transmission system operation or during maintenance works on the transmission system.
- (4) Calculation of costs of the transmission system operator arising from the settlement of balance differences is carried out once a month for the previous accounting month.

Article 115 (Distribution of Costs of Balance Differences among System Users)

- (1) The costs for determined balance differences are distributed among balancing group leaders proportionally to the energy the transmission system operator has accepted to the transmission system from an individual balancing group in the month for which the balance differences are calculated.
- (2) Balance differences may appear as surplus of energy in the transmission system (positive balance differences) or as deficit of energy in the transmission system (negative balance differences). In case balance differences appear as surplus in the transmission system, it is considered that the transmission system operator purchased it from balancing group leaders at a price determined in accordance with the paragraph 5 of this Article. In such case balance differences represent the cost of the transmission system operator.
- (3) The transmission system operator shall, within 10 working days in the following month from the month related to the surplus of energy in the transmission system with reference to balance differences, send a notification on balance differences and a simplified excise duty document. Balancing group leaders are obliged to issue to the transmission system operator an invoice for balance differences immediately after receiving a notification on balance differences and a simplified excise duty document, no later than within 20 days after the end of the month, which is related to the surplus of energy in the transmission system with reference to balance differences. If balancing group leaders fail to issue the invoice for balance differences, the surplus of energy in the transmission system with reference to balance differences shall be considered granted to the transmission system operator.
- (4) If balance differences appear as deficit of energy in the transmission system (negative balance differences), it shall be considered that the system operator sold these to balancing group leaders, in accordance with the determined energy set out in the first paragraph of this Article, at a price determined in accordance with the fifth paragraph of this Article. In this case balance differences represent revenues of the transmission system operator.
- (5) To calculate balance differences is applied the average monthly price of natural gas at which the transmission system operator purchased or sold natural gas for balancing on the basis of the purchase or sale of short-term standardized products in the market or

on the basis of concluded contract on the transmission system balancing services referred to in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder, and which shall be determined in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder.

#### 8. Calculation for Costs for Balancing Neutrality

#### Article 116 (Quarterly Calculation of Neutrality Costs)

- (1) In case the transmission system operator, in relation to the balancing of deviations, at the end of every quarter, registers higher revenues than the charges thereof, which originate from
  - (a) Costs for the calculation of daily imbalances;
  - (b) Costs for executed balancing actions;
  - (c) Weighted average costs of capital before taxation, calculated in accordance with the general act of the Energy Agency on the methodology for determining the network charge and the criteria for determining eligible costs for the natural gas transmission network, which are calculated to the average value of the quantity of natural gas for balancing,

he shall return the amount of the surplus of revenues over the stated expenses to the leaders of those balancing groups, for which balancing of daily imbalances was performed in the respective quarter. The surplus is distributed among eligible balancing groups leaders in proportion to the sum of absolute amounts of calculated imbalances of individual balancing groups leaders in the respective quarter.

- (2) In case the transmission system operator, in relation to the balancing of deviations, at the end of every quarter registers higher expenses set out in the previous paragraph than the revenues thereof, the transmission system operator shall charge the deficit in the following quarterly period to those balancing group leaders, for which the balancing of daily imbalances was performed in the respective quarter. The deficit is distributed among eligible balancing groups leaders in proportion to the sum of absolute amounts of calculated imbalances of individual balancing groups leaders in the respective quarter.
- (3) In case the transmission system operator at the end of every quarter, in relation to the calculation of balance differences costs, registers higher revenues than the expenses thereof or registers higher expenses than revenues thereof, the respective surplus or deficit shall be calculated in proportion to the transferred quantities.

#### Article 117

(Annual Account Settlement of Imbalances on the Basis of Information on the Offtake on Distribution Systems)

On the basis of the information of distribution system operators, the transmission system operator shall clear the imbalances at an annual level. Distribution system operators shall inform the transmission system operator of the annual reading of meters of final customers with metering devices without mounted tariff memory units, on the actual offtake of these customers in the previous calendar year separately by balancing groups and subgroups. On the basis of this information, the transmission system operator clears the imbalances at an annual level.

#### 9. Calculation of Balancing Costs and the Invoicing Method

#### Article 118 (Calculation of Balancing Costs)

- (1) The transmission system operator shall charge upon or approve the following costs to a balancing group leader no later than within 20 days after the completion of the accounting interval to which the calculation refers:
  - (a) For every accounting month:
    - Amount of the balance of costs of daily imbalances, determined in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder;
    - Amount of the balance of costs for determined balance differences, defined in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder;
  - (b) For every accounting quarter:
    - Amount of surplus or deficit of costs for neutrality, determined in accordance with Article **Napaka! Vira sklicevanja ni bilo mogoče najti.** hereunder.
- (2) Individual items of charged costs set out in the previous paragraph shall be provided by the transmission system operator on the invoice separately, and an appropriate specification shall be enclosed to the invoice.

#### Article 119

#### (Compulsory Duties)

The amounts referred to in the previous Article, unless otherwise provided in this Article, do not include taxes, fees, excise duties, and other levies, and the user of the transmission system is obliged to settle them in accordance with the regulations on taxes, fees, excise duties and other levies.

#### Article 120 (Maturity of Obligations Relating to the Balancing Costs)

- (1) The transmission system operator issues an invoice set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder with a maturity of 30 days after the occurrence of claim or on the last day of the month for the month of February. The date of the occurrence of claim equals the last day of the accounting month or the quarter which the invoice refers to.
- (2) In case a balancing group leader fails to settle his obligation by and including the due date of invoice, the transmission system operator shall charge the balancing group leader with legal penalty interest from and including the 31<sup>st</sup> day after the occurrence of claim and until the payment.
- (3) In case a balancing group leader fails to settle his obligations in accordance with the first paragraph of this Article, the transmission system operator shall be entitled to immediately ask the balancing group leader to produce other instruments acceptable to the system operator for the insurance of payments, or a different method of payment. The transmission system operator may ask the balancing group leader to

insure the average calculated amount of a two-month payment of the invoice set out in Article **Napaka! Vira sklicevanja ni bilo mogoče najti.** hereunder. If the balancing group leader doesn't meet this requirement, the transmission system operator may, after the expiry of 72 hours from the preliminary written notification and the receipt thereof, reject the nominations of natural gas offtake and intake quantities from that balancing group leader.

#### 10. Linepack Flexibility Service

#### Article 121 (Linepack flexibility service)

- (1) The transmission system operator may offer the provision of linepack flexibility service to transmission system users, if this capacity is available in the transmission system according to current flow pressure conditions, and if the transmission system operator assesses that this service doesn't endanger its gas transmission function and doesn't hinder functioning of the balancing market.
- (2) The linepack flexibility service is enabled, insofar as system users balance their intake and offtake over a gas day (day D), and the linepack, which, even if it was exploited, still doesn't threaten the transmission function and hinder the functioning of the balancing market, is still available to the transmission system operator despite the realized or nominated balancing. The transmission system operator can provide the linepack flexibility service, insofar as all conditions referred to in Article 44 of the Commission Regulation (EU) no. 312/2014 are met in advance.
- (3) The quantity of natural gas, which is supplied or accepted within the provision of the linepack flexibility service, is observed in the calculation of their quantity of daily imbalance.
- (4) The provisions on the calculation of costs for neutrality are not observed in the provision of the he linepack flexibility service. The revenues of the transmission system operator generated from the realization of the linepack flexibility service are other revenues of the transmission system operator.
- (5) The transmission system operator shall not be obliged to observe the nominations and re-nominations in the use of the linepack flexibility service, which are sent to the transmission system operator by users, if he has sufficient information at disposal in order to ensure accurate assignment of the use of this service for the following gas day (D+1).
- (6) The linepack flexibility service, as the sale thereof, is offered by the transmission system operator to users at a price, which is equal to the weighted daily arithmetic mean of marginal sell and marginal buy price of natural gas, calculated in accordance with the methodology for determining the valid price for the calculation of costs of daily imbalance, in accordance with the Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder, whereby this price shall not be lower than the purchase price of the transmission system balancing solution is to the transmission system operator.
- (7) The linepack flexibility service, as the purchase thereof, is offered by the transmission system operator to users at a price, which is equal to the half of the weighted daily arithmetic mean of the marginal buy price of natural gas, calculated in accordance

with the methodology for determining the valid price for the calculation of costs of daily imbalance, in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder.

- (8) System users shall inform the transmission system operator about the desired scope of the linepack flexibility service via electronic means of communication, as defined in the balancing contract.
- (9) The requests for the sale or purchase of linepack flexibility services are handled by the transmission system operator according to the order of the receipt of requests. In the event of more simultaneously received requests and the lack of sufficient scope of available service, they shall be distributed proportionally to the request or purchase.
- (10) The transmission system operator shall issues an invoice for all the provided linepack flexibility service for an individual user once a month for the previous month with a maturity and payment conditions referred to in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder.
- (11) The transmission system operator on his website, within half an hour after the start of gas day "D", publishes the scope of available linepack flexibility service and the price of this service expressed in EUR/kWh. The price is calculated in accordance with the previous paragraph and is based on the information on trading on the trading platform for the gas day "D-1". The transmission system operator on his website updates the published scope of the available linepack flexibility service at least once a day and no later than by 6.30 p.m. In the event the scope of the available linepack flexibility service significantly changes, the transmission system operator shall immediately post such change on his website.

#### 11. Provision of Information

Article 122

(Obligation of the Transmission System Operator regarding the Provision of Information to System Users)

- (1) The information, which are provided to system users by the transmission system operator in terms of balancing, refer to:
  - Information on the complete state of the transmission system in accordance with point 3.4(5) of the Annex I to the Regulation (EC) no. 715/2009;
  - Information on the balancing actions, which that the transmission system operator shall adopt in accordance with the provisions hereunder, including the following information for an individual accounting month:
    - Total quantities and amounts of calculated imbalances, separately for positive and negative imbalances;
    - Total quantities and amounts of charges and revenues relating to execution of balancing service;
  - Information on balance differences, including the following information for an individual accounting month:
    - Natural gas quantities as a result of balance differences;
    - Total transferred quantities of natural gas;
    - Losses in the transmission system;
    - Natural gas quantities in the transmission system at the beginning and the end of an accounting month;
    - Price of natural gas for the purpose of calculating balance differences;

- Information on natural gas intake and offtake quantities, in accordance with Articles 33 through 42 of the Commission Regulation (EU) no. 312/2014.
- (2) The information referred to in the previous paragraph are sent to system users in an electronic form in a uniform way, as defined by the transmission system operator, and are available to users free of charge.

#### Article 123

(Provision of Information on Flow and Intake and Offtake Quantities)

- (1) The transmission system operator shall provide to the balancing group leaders free of charge sufficient, timely and reliable information on quantitative imbalances of their balancing groups, measured within each accounting day within technical capacities of the transmission system, so that they can timely adopt appropriate actions for balancing quantitative imbalances.
- (2) The transmission system operator shall monitor the data on quantitative imbalances in an individual accounting day for final customers, who are directly connected to the transmission system.

#### Article 124

(Notifying the Transmission System Operator about the Allocation of Quantity Offtake on the Distribution System among Balancing Groups)

- (1) Distribution system operators and operators of closed distribution systems shall, by applying Article 39 of the Commission Regulation (EU) 312/2014, provide the transmission system operator at least twice a day for the gas day "D" with the informarion on quantitative offtake in an individual accounting interval at the exit point to the distribution system, which are structured separately for individual balancing groups or sub-groups, whose members are connected to their distribution system. As regards the obligation of notifying the transmission system operator about the allocation of quantitative offtake on the distribution system among balancing groups, the provisions of the Commission Regulation (EU) no. 312/2014 from Article 34(2) through (6) and Articles 35 through 37, shall apply, selected variant 1, time of second update is 8 p.m.
- (2) If the transmission system operator doesn't timely receive the information referred to in the previous paragraph, it shall be deemed that the ratio of offtake among individual balancing groups or sub-groups matches the last communication ratio.
- (3) The information are provided via electronic method of communication, in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder.

#### Article 125 (Notification of Natural Gas Supply Contracts)

- (1) The transmission system operator shall be obliged, in accordance with Article 240, paragraph 7 of EZ-1, to register all natural gas supply contracts on the transmission system.
- (2) The buyer of natural gas, for the purposes of which the transmission system operator performs the transfer of natural gas, shall be obliged, immediately after concluding

the supply contract or no later than 30 days after the signing thereof, to send to the transmission system operator at least the following information from the supply contract, which the transmission system operator shall keep in his supply contract records:

- Name and title of buyer;
- Name and title of the natural gas supplier;
- Date of start and end of the supply contract validity;
- Annual quantities of natural gas, defined in the supply contract with entry and exit point in or from the natural gas transmission system;
- Particularities of the supply contract, such as interruptibility, the highest daily quantity of natural gas, etc.
- (3) Buyers shall be obliged to send to the transmission system operator all changes to the information referred to in the previous paragraph within 30 days from the change.
- (4) Buyers may provide the transmission system operator with the information referred to in second paragraph of this Article by sending him photocopies of supply contracts. The information the transmission system operator receives shall be deemed to be true. When in doubt regarding the integrity of information, the burden of proof shall be upon the buyer, so the transmission system operator may call the latter to prove the accuracy or precision of the provided information.
- (5) The transmission system operator shall be obliged, with all due diligence, to keep record natural gas supply contracts and regularly update it upon every change.
- (6) The transmission system operator shall be obliged to send the information from the supply contract records once a year to the Energy Agency, but no later than by 31 October for the previous gas year. The transmission system operator shall be obliged to provide the Energy Agency with information also during a year, if the Agency requested so.
- (7) The transmission system operator is obliged to safeguard the data referred to in this Article in accordance with the obligations set forth in Article 214 of EZ-1.

#### VIII. GENERAL CONDITIONS FOR THE DELIVERY AND OFFTAKE OF NATURAL GAS

#### 1. General Provisions on the Conditions of Access to the Transmission System

#### Article 126 (Execution of Access to the Transmission System and Change of Supplier)

- (1) A system user may, in respect of the operating restrictions, request for transmission of natural gas through the transmission system for the purposes of executing supply contracts, if the transmission system operator has assigned him with the right to use transmission capacities on a specific entry or exit point of the transmission system by virtue of the transmission agreement.
- (2) On the basis of the transmission agreement and in accordance with the general acts of the transmission system operator set forth in Article 0 hereunder, the transmission system operator shall be obliged to accept natural gas from the system user at the entry point or shall be required to deliver natural gas to the system user at the exit

point, only to the extent of the maximum contractual capacity and the maximum allowed natural gas flow, specified with the contract for an individual intake or offtake point. Transmission of natural gas between entry and exit points is performed within the technical capacities of the transmission system and an individual entry or exit point on the transmission system.

- (3) The right to system access may be, in part or fully and against his will, taken from the system user, who fails to exploit his contractual capacities, particularly by limiting the competition in opposition to the valid regulations by hindering capacities, and assigned to other system users, in accordance with the general act of the transmission system operator, which regulates the management of occupancy of the transmission system.
- (4) The system user, who has been given access to the transmission system at the entry point by virtue of the contract, shall ensure the compliance of the accepted natural gas with the requirements on the quality referred to in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder.
- (5) If not expressly provided otherwise in the transmission contract for an individual case, the transmission system operator shall not obtain ownership right on natural gas, which is transmitted through the transmission system in accordance with the system user's order.
- (6) A system user is entitled to change the supplier, which is performed by the transmission system operator in accordance with EZ-1 and an executive act of Article 162, paragraph 7 of EZ-1.

#### Article 127 (Payment Terms and Reminders)

- (1) The transmission system operator shall issue an invoice for an individual access service, in accordance with this Act, with a maturity of 30 days after the occurrence of claim or the last day in the month for the month of February. The date of the occurrence of claim equals the last day of the accounting month in which the service was rendered.
- (2) In case the system user fails to settle his obligation by the day of invoice maturity, the transmission system operator shall charge him with legal penalty interest from and including the 31<sup>st</sup> day or for the month of February from 1 March after the occurrence of claim and until payment.
- (3) In the event of untimely payment the transmission system operator shall accrue all payments of the system user by the order of the maturity of claims, whereby he shall first pay off costs, then interest and finally the principal value.
- (4) In case the system user fails to settle his obligations and neither the execution of the insurance from the given financial guarantee, if given, is not sufficient for their payment, the transmission system operator shall be entitled to ask the system user to produce other instruments for the payment of insurance, which is acceptable to the transmission system operator, or another method of payment. When the system users meets a requirement of the transmission system operator in accordance with the payment insurance instrument or another method of payment, the transmission system operator and the system user shall conclude an agreement on the repayment of due obligations, which does not represent the novation of these.

- (5) In case the system user fails to settle his due obligations in a method in accordance with the previous paragraph, or if he fails to conclude an agreement on the repayment od due obligations referred to in the previous paragraph within 15 days from the receipt of the agreement offer by the transmission system operator, the transmission system operator may, after the expiry of 72 hours from the preliminary written notification, cancel the transmission of natural gas, whereby he rejects the nominated natural gas offtake and intake quantities from that balancing group leader.
- (6) The provisions of this Article are applied, if the general acts of the transmission system operator referred to in Article 0 hereunder don't regulate payment terms and reminders in any other way.

#### 2. Measurement of Natural Gas Flow and Quantities

#### Article 128 (Metering Points)

- (1) The transmission system operator shall provide the measurements of natural gas flow and quantities from or to the transmission system on all entry and exit points.
- (2) The transmission system operator shall ensure the measurements of flow, quantities, pressure, and, if required, other natural gas parameters on all connections of the transmission system to other transmission systems (system entry and exit points), if this is not provided by the system operator of another transmission system in advance.
- (3) If the interconnected natural gas distribution system is connected to the transmission system with two or more connections (interconnected exit points) in the same local community, in order to determine the delivered quantities of natural gas from the transmission system, all interconnected exit points to this distribution system of this local community, irrespective of their number, are observed as one exit point, where the purpose of the use of this exit point is observed. The provision of this paragraph is not applied in determining the fulfilment of obligations set forth in Article 0 hereunder.

#### Article 129 (Requirements for Metering Points)

- (1) Every metering point must be equipped with a meter and a corrector, which enable continuous measurement of natural gas flow and quantities for calculation purposes.
- (2) A metering point measures the quantity of flown natural gas in normal cubic meters (Nm<sup>3</sup>). To convert natural gas quantities from normal cubic meters to standard cubic meters, divide the quantity in normal cubic meters with a conversion factor 0.9476.
- (3) In the event of defect on metering devices it shall be deemed that during a defect such natural gas quantity was delivered or accepted as was the average delivered or accepted natural gas quantity in three comparable periods before the defect, which is duly recorded.

- (4) All metering devices must be executed, installed and controlled in accordance with the regulations, which govern the implementation and control of these devices.
- (5) In the event the system users prevents proper registration of consumed quantities of gas, or when he uses gas without the metering devices required or agreed upon, or when the user evades them, the transmission system operator shall disconnect him on the basis of Article 274 of EZ-1. In the calculation of network charge and imbalances it shall be considered that the system user realized natural gas offtake on the respective connection, in accordance with the highest contractual capacity.

#### Article 130 (Electronic Data Transfer)

- (1) Metering data from metering points via electronic data transfer system are transferred to the central information system of the transmission system operator, where they are used for determining the transferred quantities and for the calculation of natural gas transmission.
- (2) For metering points, which are not included in the electronic data transfer system, users enter read data via a web application of the transmission system operator. With this web application, the transmission system operator also gives users access to the available data on measurements and readings of metering points.
- (3) Measurement data from metering points are the property of the transmission system operator.

#### 3. Natural Gas Quality

#### Article 131 (Quantity of Accepted Natural Gas)

- (1) The transmission system operator shall transmit natural gas of such quality as is accepted at the entry point to the transmission system that he controls and manages.
- (2) The quality of accepted natural gas shall be daily established and documented by the transmission system operator, either on the basis of measurements of characteristics of gas of the operator of the adjacent transmission system or on the basis of own measurements, or both. On entry points, where upstream natural gas network, devices for the delivery of bio-gas and UZP terminal are connected to the transmission system, the transmission system operator shall determine the quality of delivered gas on the basis of measurements.
- (3) Every supplier, who supplies natural gas to consumers, connected to the transmission system, shall be obliged to submit to the transmission system operator a specification on gas composition delivered for transmission, when and as invited to do so.
- (4) Natural gas in the transmission system is not odorized.

#### Article 132 (Quality Requirements for Natural Gas)

- (1) The transmission system operator shall be obliged to accept for transmission only the natural gas with the features defined in Appendix 2, which is a component part of the Act. If any feature of the natural gas deviates from the allowed, the transmission system operator shall not be obliged to accept natural gas for transmission.
- (2) Tolerances in the composition of acceptable gas, which is accepted for transport via the transmission system, shall enable transport of natural gas, which resulted from the gasification of liquefied natural gas and biogas, within the specifications set forth in Appendix 2 hereunder.
- (3) Users shall personally ensure the suitability of their appliances with the composition of natural gas.
- (4) The transmission system operator shall provide the data on transmitted quantities of natural gas in energy units. In determining the calorific value of transmitted natural gas he shall use the results of measurements of gas characteristics at entry points in the transmission system. Within the transmission system the transmission system operator shall define the calorific value of natural gas with analytical procedures. Daily quantity in the energy unit shall be defined on the basis of average daily value of calorific value of natural gas.

#### 4. Natural Gas Offtake from the Transmission System

#### Article 133 (Assumption on the Accuracy of Quantities)

- (1) It shall be deemed that the system user delivers or consumes natural gas at entry or exit points in the same quantity as was measured on the metering point for this entry or exit point.
- (2) If the system user does not agree with the quality or quantity of natural gas as was measured at the entry or exit point, the burden of proof shall be upon the system user.
- (3) Gas flow must be within the operating limits of the gas meter, as set out in the connection contract.
- (4) To the extent the natural gas flow is beyond the operating limits of the gas meter, the transmission system operator shall not be responsible for the prescribed measuring accuracy. In this case it shall be deemed the consumer accepted the measured quantities of natural gas, irrespective of possible measurement faults of the metering device.

#### Article 134 (Undue Offtake of Natural Gas)

- (1) Every offtake of gas from the transmission system, which is not measured with an appropriate metering device or the metering device doesn't contain the prescribed stamp displaying its suitability, shall be considered unjust offtake of natural gas.
- (2) Likewise, offtake of gas without the concluded transmission agreement may be regarded as unjust offtake.
- (3) If, for an individual customer, the system user fails to ensure coordination of consumption and delivery of natural gas within a time limit, despite being called upon by the transmission system operator in accordance with Article Napaka! Vira sklicevanja ni bilo mogoče najti., paragraph 1 hereunder, and the customer nevertheless consumes natural gas from the transmission system, this shall also be regarded as undue offtake of natural gas.
- (4) In case the customer, referred to in the previous paragraph, concluded more supply contracts at the respective consumption point, the customer shall be obliged to inform the transmission system operator of the changed relationship of balancing groups at the consumption point within 24 hours after the receipt of the notification by the system user. If he fails to do so, the transmission system operator shall observe the last communicated relationship.

# Article 135 (Responsibility for the Unjust Offtake of Gas)

- (1) If it is not possible to determine the duration of unjust offtake of natural gas, the unjust offtake shall be accounted from the last reading of the metering device.
- (2) For the period of unjust offtake, the transmission system operator shall charge the unjust use of transmission capacity and the quantities of natural gas consumed within this period of time at prices, which apply to the calculation of network charges and the balancing of daily imbalances on the day of the calculation.
- (3) The obligation to pay for unjust offtake of natural gas shall be borne by the customer, and jointly and severally with him also the leader of the balancing group into which the consumption point of the customer is included, if he, despite being called upon by the transmission system operator, set forth in Article 99, paragraph 1 hereunder, fails to deliver natural gas or sufficient quantities of natural gas to this customer for transmission to the transmission system operator.
- (4) If the supplier notified the transmission system operator that he will cease supplying natural gas to the customer at a time defined in advance, and the customer still continues to consume natural gas, the customer shall be fully responsible for the unjust offtake of natural gas to the transmission system operator, and he shall be deemed to hinder the supply of natural gas to other customers, except in the case the customer has concluded more supply contracts at the respective consumption point. In case the customer concluded more supply contracts at the respective consumption point, the customer shall be obliged to inform the transmission system operator of a new relationship among balancing groups at the consumption point within 24 hours after the receipt of the notification by the supplier. If he fails to do so, the last communicated relationship without a contract or contracts, which are no longer valid, shall be observed, proportionally to the remaining valid contracts.

# IX. PRELIMINARY AND FINAL PROVISIONS

Article 136 (Regulation of Legal Ownership Relations on Relocated Parts of the Transmission System) The investors, who relocated the parts of the transmission system because of planned construction or because of other actions affecting the safety zone of the natural gas transmission system, shall be obliged, in accordance with Article 191, paragraph 2 of EZ-1, to conclude with the transmission system operator an agreement on the change of ownership of such constructed substitute (relocated) parts of the natural gas transmission system. For the purposes of concluding the agreement, the conditions contained in the consent of the transmission system operator for the relocation of a part of the transmission system and the functional purpose of the relocated part of transmission system shall apply.

#### Article 137 (Metering points of System User)

- (1) If metering and regulation stations or installations, required for measuring natural gas flow and quantities at the delivery point, are owned by the system user upon the enforcement of this Act, the transmission system operator and the system user shall be obliged to make a written agreement on the performance of measurements on these metering points.
- (2) Irrespective of Article 127 hereunder, the transmission system operator shall be obliged to set up measurements of natural gas flow and quantities in the metering and regulation stations and on installations, which are not owned by him, only if an agreement between the parties referred to in the previous paragraph is achieved or if so agreed upon by the connection contract.
- (3) If a user sets up a metering point with measurements of natural gas flow and quantities on his own, he shall provide the transmission system operator with the data on natural gas flow and accepted quantities. Data on the flow and accepted quantities of natural gas shall be, in accordance with the previous agreement between the user and the operator, sent to the transmission system operator.
- (4) For control purposes of the metering equipment, the transmission system operator shall have the possibility of unhindered access to the metering point.
- (5) The owner of the metering equipment shall be obliged to carry out maintenance and regular official controls of metering equipment in accordance with the rules. The owner of the metering equipment must also perform extraordinary controls at the request of the contracting party or the transmission system operator. In the implementation of extraordinary controls of measurements the costs thereof shall be borne by the owner of the metering equipment, if the extraordinary control of measurements shows that the extraordinary control was just and that prior to the extraordinary control the measurements were incorrect. Otherwise, the costs of extraordinary control shall be borne by the party who requested extraordinary control.
- (6) When the system user is the natural gas distribution system operator at the connected zone referred to in Article Napaka! Vira sklicevanja ni bilo mogoče najti., paragraph 3 hereunder, all delivery points for determining the delivered quantities of natural gas from the transmission system, irrespective of their number, shall be regarded as one point of delivery, whereby the intended use of this delivery point is observed. The data from the measurements the system user set up on his own shall be organized by individual delivery points and as a collection of all data, as defined in the second paragraph of this Article.

(7) Irrespective of the provision in the previous article, the transmission system operator shall charge the amount for implementation of measurements for every individual metering point in an individual exit point, in accordance with the Act determining the methodology for charging for the network charge for the gas transmission network.

## Article 138

## (Start of Application of Article 0 hereunder for New Connections)

The provisions of Article 0 hereunder on the reimbursement of a share of nonproportionate costs shall be applied to new connections of customers to the connections, which will be built on the basis of connection consents, issued after the enforcement of this Act.

#### Article 139

# (Preliminary Period for Determining Gas Prices (c<sub>plina</sub>) set forth in Article Napaka! Vira sklicevanja ni bilo mogoče najti., Paragraph 2 hereunder)

The provision on the method of determining the price of gas ( $c_{plina}$ ) for the calculation of the amount of financial guarantee set forth in Article **Napaka! Vira sklicevanja ni bilo mogoče najti.**, Paragraph 2 hereunder shall enter into force on 1 January 2016, but by then the price of gas ( $c_{plina}$ ) shall be determined as an average of basic prices of natural gas (C(B)) within the last 12 months prior to the submission of application, calculated in accordance with the Rules for the balancing market of natural gas (Official Gazette of RS, no. 23/11, 31/11 - corr.).

#### Article 140

# (Deadline for Establishing a Trading Platform)

Operating of the trading platform referred to in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder shall be ensured by the transmission system operator by 1 October 2015 at the latest.

#### Article 141

### (Start of Application of the Adopted Rule for Determining the Valid Price for the Calculation of Daily Imbalances Costs)

- (1) The provision of Article Napaka! Vira sklicevanja ni bilo mogoče najti., Paragraph 4 hereunder, which lays down the adopted rule for determining the valid price for the calculation of daily imbalance costs for cases, when the valid price is not formed on the trading platform, shall enter into force on 1 January 2016.
- (2) In the period from 1 October 2015 to the start of the application of the rule referred to in Article Napaka! Vira sklicevanja ni bilo mogoče najti., Paragraph 4 hereunder, the adopted price for the calculation of costs of daily imbalance shall be determined as the basic price of natural gas (C(B)), calculated in accordance with the Rules for the balancing market of natural gas (Official Gazette of RS, no. 23/11, 31/11 corr.), which shall be reduced (positive imbalances) or increased (negative imbalances) by 10 %.

### Article 142

# (Preliminary Provisions for the Calculation of Daily Imbalances)

- (1) The provisions for Articles Napaka! Vira sklicevanja ni bilo mogoče najti. through Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder for calculating daily imbalance quantities and balancing differences shall enter into force on 1 October 2015.
- (2) Until the application of the provisions referred to in the previous paragraph, the transmission system operator shall calculate imbalances and balancing differences in accordance with the currently valid general acts:
  - The rules for calculating deviations of the intake and offtake of natural gas (Official Gazette of RS, no. 23/2011);
  - The rules for the balancing market of natural gas (Official Gazette of RS, no. 23/2011).
- (3) The provision of Article Napaka! Vira sklicevanja ni bilo mogoče najti., Paragraph 1, point (c) hereunder for quarterly calculation of costs for neutrality shall enter into force as of 1 January 2016 onwards.

# Article 143

# (Date of Application of the Linepack Flexibility Service)

The provisions of Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder shall enter into force within three months after the adoption of the consent of the Energy Agency. The transmission system operator shall publish on his website the information on the date of the consent of the Energy Agency and the date of entry into force of the provisions of Article 125 hereunder.

#### Article 144

#### (Setting of Metering Devices to the Unit of Measurement Nm<sup>3</sup>)

Within three months after the enforcement of this Act, the transmission system operator shall carry out the required settings of metering devices on the transmission system, in order to set up the measurement of natural gas quantities in the units of measurement referred to in Article Napaka! Vira sklicevanja ni bilo mogoče najti. hereunder, and shall duly notify the system users.

#### Article 145

### (Termination of use)

The effective date of this Act shall cease to apply System operating instructions for the transfer of natural gas (Official Gazette of RS , no. 89/05 )

# Article 146 (Entry into Force)

This Act shall enter into force 15 days after its publication in the Official Gazette of the Republic of Slovenia.

Ljubljana, 18 June 2015

Plinovodi d.o.o. Managing Director Marjan Eberlinc univ.dipl.inž.str.

Deputy Managing Director Mag. Sarah Jezernik

# **APPENDIX:**

Appendix 1 - Technical requirements for the construction and other interventions in the protected and safety zone of the transmission pipeline

Appendix 2 - Technical specifications of natural gas quality

Appendix 3 - Form of requirement for the issue of consent

**APPENDIX 1** 

TECHNICA REQUIREMENTS FOR THE CONSTRUCTION AND OTHER INTERVENTIONS IN THE PROTECTED AND SAFETY ZONE OF THE TRANSMISSION PIPELINE

- A. <u>Requirements for project conditions for the confirmation of project solutions for</u> <u>actions affecting the protected zone of the natural gas transmission system</u>
- 1. Deviation of activities in the protected zone of the transmission system must be coordinated with regulations;
- 2. In the project documentation related to the actions in the protected zone of the transmission system, all project solutions referring to transmission pipelines and the belonging protected or safety zone shall be processed and coordinated with the transmission system operator, within the scope of regulations. The project documentation details the natural gas transmission system, municipal and road infrastructure, facilities and required other spatial planning works. It is required to make a geological report on possible influences of predicted facilities and other activities in the existing transmission pipeline, predict pipeline protection, if required, and mark the closest deviations. In the case of crossings with the transmission pipeline with marked allowed deviations and a technical description shall be made. All solutions shall be done in accordance with the valid legislation and the rules for transmission pipelines;
- 3. Before project design it is required to check the position and depth of the transmission pipeline and other parts of the transmission system, such as elements of cathode protection, signal cables, electrical supply cables, cable channels, with a locator or a test excavation. Marking-out for the purposes of project design shall be performed by the transmission system operator's authorized representative;
- 4. On the site it is required to predict the construction of the planned transmission system, as is predicted in the valid 10-years development plan of the transmission system operator or the valid spatial acts;
- 5. The lowest allowed deviation at crossings of municipal lines with the transmission pipeline shall be in accordance with the regulations on the construction of pipelines of appropriate pressure level. If municipal lines run under the transmission pipeline, the project shall also detail the protection of the transmission pipeline (subsidence of material, protection of isolation of the transmission pipeline from damage, support of excavation walls). If the sewage system crosses the transmission pipeline from above, gas-tight sewage system (for example, concreted plastic pipes with seals) between inspection chambers and perforated covers of both chambers shall be predicted. When performing maintenance on the sewage system, fire safety regulations and measures shall be observed. In crossing with the transmission pipeline, municipal lines, such as public lightning, electric and telecommunication cables shall be placed in the protective pipe, at least 3 m long, to each side of the transmission pipeline axis. If the transmission pipeline with cathodic protection crosses the metal installation (such as electrical cables with a metal braiding, etc.), a protective measure shall be predicted (such as, metering point for voltage interferences and implementation of measurements after completed works), or indicated why this is not required. Possible grounding system shall be at least 3 m from the transmission pipeline. For a part of the transmission pipeline under eventual new trafficable surfaces it is required to make a statistical calculation of the transfer of loads in the direction towards the transmission pipeline, according to traffic loads and loads in the phase of implementation, according to the geological composition of the ground in cooperation with geology experts. If the calculation shows loads of the transmission pipeline, an appropriately dimensioned protection of the transmission pipeline is processed, where the lowering of ground above the transmission pipeline and thus the decrease of the depth of excavation of the pipeline is not allowed;

- 6. In the execution of works in the 2 x 5 m zone from the axis of the transmission pipeline it is required to predict special work conditions applying to marking out and protection of pipeline, manual execution of earthmoving works, static solidification of bulk material above the pipeline without vibrations and control of the transmission system operator;
- 7. Data on existing transmission pipelines are available in the Cadastre of public infrastructure kept by the Surveying and Mapping Authority of the Republic of Slovenia, in accordance with the valid regulations, and by the transmission system operator. Data on planned transmission pipelines are available from the transmission system operator;
- 8. In horticultural works (tree-lined alleys or planted trees), installation of fences and its posts, poles, logos and the like) at least a deviation of 2.5 m from the transmission pipeline shall be observed;
- 9. At least 10 days prior to the beginning of works the investor shall submit to the transmission system operator a written report, a detailed design, order supervision and send data on the contractor and the responsible works manager. The investor or the contractor shall deliver to the transmission system operator for confirmation a situational design of transport routes to the construction site in order to prevent damage to the transmission pipeline;
- 10. Prior to the start of activities, transmission system operator's authorized person shall mark out the transmission pipeline with a locator, and the marked-out route shall be visibly indicated during the implementation of works;
- 11. All works within the 2 x 5 m of the transmission pipeline zone must be performed under the control of the transmission system operator's representative and in accordance with his instructions. Within this zone of the transmission pipeline any landfill sites for construction or other material as well as the installation of any temporary construction facilities shall not be allowed. Earthmoving works on crossings with municipal lines shall be performed manually, solidification of bulk material above the transmission pipeline is only allowed statically. Transport through the transmission pipeline on the ground with a low load capacity and away from public roads shall only be performed through protected passageways over the transmission pipeline, all in agreement with the representative of the transmission system operator;
- 12. Protection of transmission pipeline and all other works in its safety zone are performed in accordance with the submitted project confirmed by the transmission system operator. If new issues arose during the implementation of works, which are not discussed in the project documentation, project solutions shall be prepared by the authorized project engineer and coordinated with the transmission system operator. For municipal lines or other actions in the safety zone of the transmission pipeline, which are not discussed in the submitted documentation, it is required to obtain consent of the transmission system operator on the basis of solutions discussed in the project;
- 13. Filling up of excavated transmission pipeline can be done after it has been confirmed by the transmission system operator's authorized person in writing that insulation is flawless or that a possible damage has been remediated, if the measurements reveals that it has been damaged during works. Bulk material must not contain aggressive components;
- 14. After completed works the investor shall submit to the transmission system operator a plan and description of the executed state and obtain from the transmission system operator a written statement or consent to the executed state. With a statement, the transmission system operator shall confirm the fulfilment of his conditions and requirements, his control during construction, and compliance of executed works with valid technical conditions, regulations and standards.

- B. <u>Requirements for project conditions for actions affecting the natural gas</u> <u>transmission system - natural gas transmission system removal</u>
- 1. Deviation of facilities from the new location of the natural gas transmission system or its part must be compliant with the regulations;
- 2. Before project design it is required to check the position and depth of the transmission pipeline and other parts of the transmission system with a locator or a test excavation. Marking-out of pipeline for the purposes of project design shall be performed by the transmission system operator's authorized representative;
- 3. The investor shall make a detailed design of transmission pipeline relocation, which is a part of the project documentation, where all project solutions relating to the transmission pipeline and the belonging safety zone must be processed and coordinated with the transmission system operator. The documentation shall discuss the transmission pipeline relocation phase separately from the phase of construction of other facilities, whereby it is possible to obtain an operating permit only for the relocated part of the transmission system it is required to submit to the transmission system operator an operating permit for the relocated part of the transmission system it is required to submit to the transmission system (or the minutes of technical inspection without reservations regarding the issue of the operating permit);
- 4. Detailed design of the relocation of the transmission system shall also contain the situation with the drawn transmission system, municipal and road infrastructure, facilities and other interventions. It is required to make longitudinal profile or a cross-section of crossing of the transmission pipeline with the dimensioned allowed deviations and a technical report. All solutions shall be done in accordance with the valid legislation and regulations relating to pipelines. The lowest allowed deviation at crossing of municipal lines with the transmission system shall be in accordance with the regulations in the area of the construction of transmission pipelines. If the municipal lines run under the pipeline, the protection of the transmission pipeline shall be predicted (subsidence of material, protection of isolation of transmission pipeline from damage, support of excavation walls). If the sewage system crosses the transmission pipeline from above, gas-tight sewage system (for example, concreted plastic pipes with seals) between inspection chambers and perforated covers of both chambers shall be predicted. When performing maintenance on the sewage system, fire safety regulations and measures shall be observed. If the transmission pipeline with cathodic protection crosses the metal installation (such as electrical cables with a metal braiding, etc.) it is required to deal with possible negative influences and their elimination (such as, installation in a protective plastic pipe at least 3 m long to each side of the transmission pipeline axis, placing metering point and execution of measurements). Possible grounding system shall be at least 3 m from the transmission pipeline;
- 5. Project documentation for the issue of consent shall also contain a safety plan for the relocation of transmission system and a land surveying report (coordinates, cadastral plan, list of plot owners where the relocated part of the transmission system runs over, with easement zone, which is 5 m to each side of the transmission pipeline);
- 6. The investor must provide the transmission system operator with a notification on the start of works (heating off-season) with the following information: works operator, construction control, underground cadastre maker, information on super control over welding and anti-corrosion protection;
- 7. On the entire section of the relocated transmission system above the transmission system a warning strip for natural gas shall be placed;
- 8. Special work conditions are predicted in the  $2 \times 5$  m zone of the transmission pipeline, which are related to marking out the transmission pipeline during the

execution of works, manual execution of earthmoving works, control of the transmission system operator and static solidification of filling material. It is required to discuss the protection of the transmission pipeline under trafficable surfaces according to the predicted traffic load and loads in the phase of implementation in cooperation with a geology expert (make a static calculation of loads and protection of transmission pipeline), where the possible lowering of the ground above the transmission pipeline and the decrease of the depth of excavation of the transmission system is not allowed. In horticultural works, such as tree-lined alleys or planted trees, installation of fences and its posts, shafts, poles, logos, overhead traffic signs and the like, at least a deviation of 2.5 m from the transmission pipeline shall be observed;

- 9. Data on existing transmission pipelines are available in the Cadastre of public infrastructure kept by the Surveying and Mapping Authority of the Republic of Slovenia, in accordance with the valid regulations, and by the transmission system operator. Data on planned transmission pipelines are available from the transmission system operator;
- 10. The transmission system operator shall issue a consent for the relocation of transmission system, when the investor submits to the transmission system operator a complete project documentation and the signed contract on the arrangement of mutual relations, and if the competent authority issues a consent to the proposed execution of the transmission system removal. After issuing the consent for the transmission system relocation, the transmission system operator shall also issue a consent for the actions in the protected zone;
- 11. At least 10 days prior to the beginning of works the investor shall submit to the transmission system operator a written report, a detailed design, construction permit, order supervision and marking out, and send the data on the contractor and the responsible works manager. The investor or the contractor shall deliver to the transmission system operator for confirmation a plan of arrangement of the construction site, which will also indicate transport routes along and through the transmission pipeline in order to prevent damage to the transmission pipeline. Protection of the transmission pipeline shall be performed in accordance with the requiremenets of the transmission system operator's authorized representative and the confirmed plan of the arrangement of the construction site. For the made, and the construction site shall be restricted by an appropriate stable fence;
- 12. Prior to the start of activities, the transmission system operator's authorized person shall mark out the position and the depth of the transmission pipeline. Works must be announced to the transmission system operator at least 5 days before the start;
- 13. Possible technical changes in the execution of works in the safety zone of the transmission pipeline must be prepared by a designer and delivered to the transmission system operator for confirmation. For interventions, which are not the subject of construction permit amendments, it is required to obtain a consent of the transmission system operator on the basis of the performed solutions;
- 14. Within the 2 x 5 m belt of the transmission pipelines it is not allowed to deposit any construction or other material nor install any temporary construction facilities. In the execution of works in the safety zone of the transmission pipeline, additional requirements of the transmission system operator's authorized representative must be met. In the event of the execution of works contrary to the appendix hereto, the transmission system operator shall be obliged to perform all works along or on the transmission pipeline at the expense of the investor or immediately check the suitability of the executed works with project conditions;
- 15. The investor or the contractor shall organize the implementation of technical inspections and obtain an operating permit;

- 16. Before gasification of the relocated part of the transmission system the investor shall obtain and deliver to the transmission system operator all the required documentation, which will enable the operation of the transmission system in accordance with the regulation immediately including the relocated part of the transmission system to the existing natural gas transmission system, among others also signed contracts on transmission pipeline easement for plots where the easement zone of the relocated transmission pipeline runs, permit of use or the proof of successfully completed technical inspection of the newly-built transmission pipeline without reservations regarding the issue of the permit of use, a land surveying image of the executed state, proof of reliability of facility;
- 17. The technological procedure of the preparation of the transmission pipeline for cutting and the time of reconnection is performed or defined by the transmission system operator in accordance with the previous programme. During the execution of all machine works and the commissioning of the newly-built transmission pipeline, the transmission system operator's authorized representative shall be present. Connection and commissioning of the newly-built transmission pipeline shall be performed on the basis of the regulated documentation and after preliminary agreement with the expert service of the transmission system operator;
- 18. Relocation shall be performed before the construction of facilities, which are the reason for the relocation of the transmission system;
- 19. Filling up of excavated transmission pipeline can be done after it has been confirmed by the transmission system operator's authorized person in writing that insulation is flawless or that a possible damage has been remediated, if the measurements reveal that it has been damaged during works. Bulk material must not contain aggressive components;
- 20. Handover is performed in accordance with the contract on the organization of mutual relations, where the relocated part of the transmission system is delivered for possession to the transmission system operator.

Appendix 2 - Technical specifications of natural gas quality

Natural gas, which will be supplied for transport, shall have the following features:

		Value		
Size	Code	Unit		
			min	max
		11111	10.00	
Wobbe index	WI	kWh/m <sup>2</sup>	13.79	15.7
Upper calorific value	H <sub>s</sub>	kWh/m <sup>3</sup>	10.7	12.8
Relative density	d	m³/m³	0.555	0.7
Total sulphur	Total S	mg/m <sup>3</sup>		30
Hydrogen sulphide and	$H_2S + COS$	mg/m <sup>3</sup>		5
carbonyl sulfide				
Mercaptan sulphur	RSH	mg/m <sup>3</sup>		6
Oxygen	<b>O</b> <sub>2</sub>	mol %		0.02
Carbon dioxide	CO <sub>2</sub>	mol %		2.5
Water dew point	H <sub>2</sub> O DP	°C at		-8
		p <sub>a</sub> = 40 bar		
Hydrocarbons dew point	HC DP	°C at		0
		(1 bar < <i>p</i> <sub>a</sub> < 70 bar)		
Highest gas temperature	t	°C		42
Methane number	MN	/	78	

### Notes:

- $\triangleright$   $p_{a}$ ... is absolute pressure;
- > Wobbe index is given at a reference temperature of natural gas combustion 25 °C;
- Volumes of natural gas in m<sup>3</sup> refer to reference conditions at a temperature of 0 °C and at an absolute pressure of 1.01325 bar;
- Methane number is calculated on the basis of algorithms in the SIST EN ISO 15403-1:2008 standard or other valid standards EN;
- Natural gas contains no mechanical matters, resins, liquid hydrocarbons or components, which form resins.

Appendix 3 - Form of requirement for the issue of consent

Legally non-binding translation

APPLICANT	OF THE REQUEST F	OR CONSENT	* Applicant states the deliv the extract from the regis	very address and <u>encloses</u> ter of business entitites	
Company name:		** In the event of the transfer of connection the current user as an applicant provides his data and the same data for the new user			
Head Office:					
Legal/auth	orized representati	ive:			
			* Applicant/representative	encloses authorization	
DATA ON T	HE CONNECTION				
Location of	connection:				
Time of predicted start of use of connection:			<ul> <li>* Applicant states the municipality and the local address and, if required, <u>encloses</u> a diagram with the indicated location of planned appliances</li> <li>** In the event of transfer of connecting point the applicant also states the name and code of the existing point</li> </ul>		
Delivery pr	ressure: b	ar <u> </u>			
Period and scope of use of connection		<ul> <li>* Applicant fills out a table, expectedly for a 20-year period of use</li> <li>** In the event of desired shorter period of use the applicant fills out a table for the desired period</li> </ul>			
Year	Maximum flow [Nm³/h]	Minimum flow [Nm³/h]	Lease of transmission capacity [Nm <sup>3</sup> /dan]	Predicted transmitted quantities [Nm <sup>3</sup> /leto]	
1.				-	
2.					
3.					
4. 5					
<u> </u>					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
10.					
17.					
19.					
20.					

# INFORMATION ON APPLIANCES

# Characteristics of offtake and technologies of the use of connection

Applicant (unless in the case of distribution) fills out a table; in the column Technological process enters an appropriate number (1-13) observing the lower classification referred to in Article 9 of the Act on the emergency plan for natural gas supply (Official Gazette of RS, no. 43/14 in 2/15)

Consumer		Use and scope of production [Nm <sup>3</sup> /h]			Substitute fuel	
Name	Tehn. process	Q min	Q max	Q of standstill	Туре	Switchin g time

- 1. Appliances of customers other than protected customers, who are using gas as an energy source for production of steam or hot water for heating purposes, where substitute fuel is at disposal;
- 2. Appliances of customers, other than protected customers, who are using gas for electricity production, where substitute fuel is at disposal;
- 3. Appliances of customers, other than protected customers, who are using gas for the production of technological steam, which enables a more reliable and purer production;
- 4. Appliances of customers, other than protected customers, where the use of gas in technological procedures enables higher energy efficiency, but doesn't significantly influence the quality of product;
- 5. Appliances of customers, other than protected customers, where the use of gas in technological procedures directly influences the quality of product (direct transfer of the heat of flame to the subject of production, reduction and shift to substitute fuel cause changes to the quality of product or production);
- 6. Appliances of customers, other than protected customers, who are using gas as a raw material and where the loss of gas supply causes production stoppage;
- 7. Appliances of customers, other than protected customers, who are using gas for electricity production and where the loss of gas supply causes stoppage of electricity production;
- 8. Appliances of customers, other than protected customer, where for technological reasons it is not possible to use substitute fuel and stopped supply would cause greater damage;
- 9. Appliances of customers, other than protected customer and customers, who are using gas as a source of energy for production of steam and hot water for heating purposes, when substitute fuel is not at disposal;
- 10.Appliances of customers, other than protected customers, who are using gas as a source of energy for production of steam or hot water for heating purposes, when no substitute source is at disposal;
- 11.Appliances of system operators, who are using gas for the operation of technological equipment for performing the transfer and distribution of gas for purposes of protected consumers;
- 12. Appliances of protected customers other than household customers;
- 13. Appliances of household customers.

Particularities of offtake and technology of the use of connection

Legally non-binding translation

\* Applicant describes specifics of the technological process, which claim special regimes relating to natural gas transfer

In the event of distribution an applicant shall submit a proof on concession or another appropriate document (by stating contractor, zone and period) in relation to the implementation of activities of the natural gas distribution system operator.

Date: \_\_\_\_\_

Stamp and signature with title

Number of enclosures: \_\_\_\_\_