

Pursuant to the sixth paragraph of Article 242 of the Energy Act (Official Gazette of the Republic of Slovenia, No. 60/19 - official consolidated text) and after obtaining the consent of the Energy Agency Council No. 122-12/2020-06/245 dated 7<sup>th</sup> September 2020, the Transmission System Operator Plinovodi d.o.o. issues the following

## **RULES**

**on terms and conditions for capacity allocation mechanisms at interconnection points of the transmission system by auction, congestion management procedure and capacity trading on the secondary market**

### **I. GENERAL PROVISIONS**

#### **Article 1 (Contents)**

(1) This Act determines rules on terms and conditions for ensuring services of access and procedures for the allocation of transmission capacities at interconnection points of the transmission network, congestion management procedure and capacity trading on the secondary market.

(2) For all issues regarding the terms and conditions of access and procedures for capacity allocation at interconnection points that are not regulated by this Act, the rules from Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013, (UL L 72, 17.3.2017, pg. 1; hereinafter referred to as Regulation (EU) 2017/459), shall apply.

#### **Article 2 (Scope of Application of the Act)**

- (1) This Act shall govern:
- conditions to ensure access to interconnection points of the transmission system.
  - the allocation capacities mechanism at interconnection points,
  - trading in capacities at interconnection points on the secondary market,
  - the congestion management procedures in the event of contractual congestion,
  - the allocation of incremental capacity,
  - publishing information.

(2) The Transmission System Operator shall publish all interconnection points on its website.

#### **Article 3 (Definitions)**

- (1) The terms used in this Act shall have the following meaning:
- Agency: is the Energy Agency of the Republic of Slovenia,

- Quarterly capacity: is the capacity that a Network User books, in a given amount, at the annual auction of quarterly standard capacity products for all gas days of a particular quarter (starting on 1 October, 1 January, 1 April and 1 July),
- Working days: are days from Monday to Friday, with the exception of non-working days as defined by law,
- Daily capacity on a day-ahead basis: is the capacity that a Network User books, in a given amount, at the rolling auction of daily standard capacity products for the following gas day,
- Long-term services of access: are services of booking yearly capacities,
- Calorific value: is the upper calorific value (upper heating value) of natural gas, i.e. the entire heat released during combustion. It is expressed in the unit kWh/m<sup>3</sup>, with combustion temperature of 25 °C and natural gas temperature of 0 °C,
- Short-term services of access: are services of booking quarterly, monthly and daily capacities on a day-ahead basis, as well as intra-day capacities,
- Yearly capacity: is the capacity that a Network User books, in a given amount, at the annual auction of yearly standard capacity products for all gas days of a particular gas year,
- Monthly capacity: is the capacity that a Network User books, in a given amount, at the rolling auction of monthly standard capacity products for all gas days of a particular calendar month (starting on the first day of each month),
- gas day: means a time period of 24 straight hours from 6:00 a.m. to 6:00 a.m. of the following day,
- Gas year: is the time period from 1 October of the current calendar year until 30 September of the following calendar year,
- Transport contract on auctioned capacities: is the transport contract on those capacities which were allocated to the Network User at the auction,
- Interconnection point: means a physical or virtual point that connects adjacent entry and exit systems or connects an entry and exit system with an interconnection pipeline, provided that these points are subject to booking procedures by Network Users, with only border entry or border exit points being subject to booking procedures in the Republic of Slovenia where the transmission system in the Republic of Slovenia is connected to the transmission system in the neighbouring countries,
- Interruptible capacity: is the transmission capacity that the Transmission System Operator may interrupt in line with conditions which are determined under General terms and conditions of the Transport contract on auctioned capacities and apply to interruptible capacities,
- General terms and conditions of the Transport contract on auctioned capacities: are the integral part of the Transport contract on auctioned capacities that define mutual rights and obligations of the Transmission System Operator and Network User, according to which the Transport contract on auctioned capacities shall be executed, with the exception of those elements of the contract that are determined at the auction,
- Network User: is the Network User as defined under Item 56 of Article 159 of the Energy Act (the Official Gazette of the Republic of Slovenia, No 60/19 - official consolidated version and No 65/20; hereinafter referred to as: EZ-1) as well as the possible Network User,
- Firm capacity: is the transmission capacity for which the Transmission System Operator guarantees with the Transport contract on auctioned capacities that it is not interrupted,
- Intra-day capacity: means the capacity offered and allocated after the closing of the day-ahead capacity auctions for that day and is booked for the period from the start of the booking to the end of that gas day.

(2) Other terms not defined herein, the meaning shall be used as determined by EZ-1, Regulation (EU) 2017/459 and 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, incorporated and adapted by Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council; hereinafter referred to as Regulation (EC) No 715/2009.

## **II. CONDITIONS FOR ENSURING SERVICES OF NETWORK ACCESS AT INTERCONNECTION POINTS**

### **Article 4 (Organisation of Access According to the Entry-exit System)**

(1) The Transmission System Operator shall ensure network access at interconnection points by concluding transport contracts on auctioned capacities, separately and independently at border entry and exit points.

(2) Upon conclusion of the Transport contract on auctioned capacities for a particular border entry point, the Network User shall obtain the right that the Transmission System Operator at that entry point takes over from them natural gas.

(3) Upon conclusion of the Transport contract on auctioned capacities for a particular border exit point, the Network User shall obtain the right that the Transmission System Operator at that exit point delivers to them natural gas.

(4) Conclusion of the Transport contract on auctioned capacities is available to all Network Users under the same conditions and in the manner determined by the rules hereunder.

(5) Network Users shall pay for services of network access at the interconnection points the clearing price, taking into account the contracted capacity allocated with the Transport contract on auctioned capacities, namely notwithstanding the scope of the actual utilisation of capacities in the relevant accounting period (“take-or-pay” principle).

### **Article 5 (Standard Services of Access)**

(1) The Transmission System Operator offers standard capacity products at auctions.

(2) Standard product capacities include an offer of firm and interruptible transmission capacities that are concluded with the Transport contract on auctioned capacities for standard time periods, namely as yearly, quarterly, monthly and daily standard product capacities, except for the within day standard product capacities, which only include an offer of firm capacities.

**Article 6**  
**(Ensured Services of Access)**

(1) Network access at interconnection points shall be granted through the sale of standard products for firm capacities, namely within the extent of available capacities which also include additional capacities within the meaning of Item 2.2.1. of Annex I to the Regulation (EC) No 715/2009 that the Transmission System Operator obtains on the basis of applying the congestion-management procedures.

**Article 7**  
**(Interruptible Services of Access)**

(1) Access to the system at the interconnection points shall be offered by the Transmission System Operator as interruptible capacity for longer than a day, if

- the relevant monthly, quarterly or annual standard capacity product for the firm capacity at an individual interconnection point was sold at an auction premium,
- available firm capacity is no longer available or
- the product was not offered.

The Transmission System Operator shall offer a daily interruptible capacity product in the event that the transmission capacity provided for the days has been pre-sold or not offered.

(2) The Transmission System Operator shall offer transmission capacity in the opposite direction to the physical flow of natural gas only as an interruptible service of access. Interruptible capacities in the opposite flow may be allocated to the extent of the actual booked firm capacities in the physical flow of natural gas.

(3) The Transmission System Operator may at any time interrupt the natural gas transmission to the Network User who was allocated the interruptible capacity, by taking into account the minimum time until the beginning of the interruption from the second paragraph of Article 33 of the Regulation (EU) 2017/459, if common nominations exceeded the natural gas quantity that could be transferred through a particular interconnection entry or exit point. The minimum time until the beginning of the interruption may also be shorter if neighbouring Transmission System Operators agree thereupon and such an agreement is approved by the competent national regulatory authority. The interruption shall be conducted in the extent necessary for the execution of transport contracts on auctioned capacities.

(4) The order of interruption of the transmission shall be determined by the Transmission System Operator based in accordance with Article 35 of Regulation (EU) 2017/459.

### III. THE MANNER OF CAPACITY ALLOCATION AT INTERCONNECTION POINTS

#### **Article 8 (Procedures for Capacity Allocation)**

(1) Capacities for each individual interconnection point shall be offered at electronic auctions that are separate from and independent of each other. For the implementation of auction processes, the Transmission System Operator shall specify a web-based booking platform, which enables implementation of electronic auction processes in accordance with the rules hereof and with the Regulation (EU) 2017/459. The Transmission System Operator shall publish the selected booking platform on its website.

(2) Yearly capacities shall be auctioned at annual auctions, taking place once a year and starting on the first Monday in July of each gas year for the coming gas year or more gas years, unless otherwise specified in the auction calendar, which applies to all capacity products.

(3) At the auction for yearly capacities, the Transmission System Operator shall book out yearly capacities for minimum 5 and maximum 15 subsequent future gas years.

(4) Quarterly capacities shall be auctioned every gas year at annual auctions, taking place four times a year and starting:

- On the first Monday in August for capacities from the first to the fourth quarter of the coming gas year,
- On the first Monday in November for capacities from the second to the fourth quarter in the gas year,
- On the first Monday in February for capacities from the third to the fourth quarter of the gas year, and
- On the first Monday in May for capacities from the last quarter of the gas year.

(5) Monthly and daily capacities on a day-ahead basis shall be auctioned at rolling auctions, taking place once a month or once a day and starting:

- For monthly capacities: on the third Monday of each month for the following calendar month,
- For daily capacities on a day-ahead basis: every gas day at 4:30 p.m. for the following gas day,
- For intra-day capacities: every 4 hours up to and including 3 and a half hours before the desired start time of the booking until the end of the gas day.

(6) Auction processes relating to the standard product capacity of the same kind shall start simultaneously for all interconnection points and in accordance with the applicable auction calendar.

(7) The Transmission System Operator shall, before the beginning of each auction, inform Network Users of the scope of available capacities, which will be auctioned for each individual interconnection point, in advance and within deadlines determined by the rules of Regulation (EU) 2017/459. In doing so, it shall also take into account interdependent capacities, subject to the prior approval of the Agency.

(8) Yearly, quarterly and monthly capacities shall be allocated at auctions by applying the ascending clock auction algorithm according to Article 17 of the Regulation (EU) 2017/459, while daily capacities on a day-ahead basis shall be allocated through the

application of a uniform-price auction algorithm according to Article 18 of the Regulation (EU) 2017/459.

(9) All Network Users who were successful at the auction shall be allocated the capacity with individual transport contracts on auctioned capacities on the basis of their bids for the volume of capacities and at the clearing price of the auction.

(10) Network Users who were unsuccessful at the auction shall be informed of the fact that their bids were rejected as unsuccessful through the publication of final auction results on the web-based booking platform. It shall be deemed that the unsuccessful bidder withdrew from the auction process for capacity allocation.

## **Article 9**

### **(Accessing the Web-based Booking Platform)**

(1) For ensuring the possibility to take part in auctions, the Network User must have an adequate connection in place, which is compatible with the information system of the web-based booking platform and allows them the use of the platform.

(2) A detailed procedure for establishing access of the electronic interface to the web-based booking platform and allocation of identification elements, which enable the Network User a unique identification in accessing the web-based booking platform, shall be determined with instructions by the administrator of the web-based booking platform. The Network User must (regularly) ensure that their connection to the information system of the web-based booking platform meets the conditions and other requirements determined in the instructions.

(3) In order to obtain the right to use the services of the web-based booking platform, the Network User must fulfil the technical requirements from the first paragraph of this Article and other obligations arising from the general terms and conditions for accessing the web-based booking platform published by the administrator of the web-based booking platform.

## **Article 10**

### **(Conditions for Joining the Auction)**

(1) A Network User may join the auction for capacity allocation if, within the deadline set in the first paragraph of Article 11 hereof, the Transmission System Operator from Network User receives a signed statement of the General terms and conditions of the Transport contract on auctioned capacities and also the following conditions are met:

- if at least 5 working days prior to the date of the auction, the Network User has already obtained from the administrator of the web-based booking platform the right to use the services of the web-based booking platform or obtains such a right; and
- if, within the time limit from the previous indent, the Transmission System Operator receives financial security for the settlement of liabilities of the Network User which will arise in accordance with Article 13 hereunder.

(2) The Network User who is a foreign legal or natural person must enclose to the statement referred to in the previous paragraph a certificate of the entry of the entity in the register of professions or commercial register and on his legal representative, in accordance with the regulations of the country where they have registered their activity. Data for Network Users from the Republic of Slovenia are obtained by the Transmission System Operator itself from public records.

(3) For the fulfilment of all conditions required to join the auction, the Network User shall be obliged to start the process for obtaining the right to use the web-based booking platform in due time with the administrator of the platform.

(4) The Transmission System Operator shall refuse the Network User to join the auction in the event that the conditions under this Article have not been met in due time or have not been met correctly. In such case, the Transmission System Operator shall justify the reasons for the refusal and shall immediately communicate them to the Network User in writing.

(5) The Network User who meets all required conditions properly and in due time before the first participation in an auction shall be given leave by the Transmission System Operator to join the auctions by awarding the Network User an active status which shall allow them to place bids in auction processes for standard capacity products.

(6) The Transmission System Operator may withdraw in writing the active status from a Network User who was allowed to join the auctions, which shall prevent them from taking part in the auction:

- if the Network User failed to submit an amended GTC statement in accordance with the fourth paragraph of Article 11 of this Act in due time,
- if the Network User failed to settle the liabilities due to the Transmission System Operator in connection with the concluded transport contracts on auctioned capacities provided that outstanding liabilities exceed the amount of the posted financial security, and the Network User fails to provide any collateral security upon request of the Transmission System Operator within a reasonable period.

(7) The active status shall be withdrawn until the Network User has eliminated the reasons leading to the withdrawal. The Transmission System Operator shall explain in writing the reasons for the withdrawal of the active status, and shall promptly communicate them to the Network User.

## **Article 11**

### **(General Terms and Conditions of the Transport Contract on Auctioned Capacities)**

(1) At least 10 working days prior to the auction, the Network User who would like to join the auction for capacity allocation must submit to the Transmission System Operator a signed statement of the General terms and conditions of the Transport contract on auctioned capacities which also includes an unconditional written declaration of the Network User that they are familiar with the contents of the General terms and conditions and accept their binding nature as an integral part of the Transport contract on auctioned capacities. By signing the statement of the General terms and conditions of the Transport contract on auctioned capacities, the Network User shall not assume the obligation to join and take part in the auction.

(2) General terms and conditions of the Transport contract on auctioned capacities define the rights and obligations in accordance with which the Contracting Parties will implement transport contracts on auctioned capacities that are to be allocated to the Network User through successfully conducted auctions. General terms and conditions lay down all contractual elements of the Transport contract on auctioned capacities, except the standard capacity product which is the subject to the booking at auction, clearing price, scope of the booked capacity and balancing group membership, which are each time determined at auction where the Network User has been successful with its bid.

(3) General terms and conditions of the Transport contract on auctioned capacities, which are the Annex 1 of this Act, shall be published by the Transmission System Operator on its website and shall lay down at least the following:

- Definition of the purpose and legal effects of the General terms and conditions of the Transport contract on auctioned capacities,
- Procedure of concluding the Transport contract on auctioned capacities,
- Definition of mutual rights and obligations regarding carrying out natural gas transmission,
- Conditions and order of interruption of the transmission of interruptible capacities,
- Charging of the booked capacities, payment method and payment terms,
- Managing and disposing of proceeds from financial security,
- The duty of safeguarding confidential information,
- Definition of regulations governing specific questions deriving from the Transport contract on auctioned capacities.

(4) If the General terms and conditions of the Transport contract on auctioned capacities are changed, the Transmission System Operator shall inform the Network User accordingly. In case of amendment of the General terms and conditions of the Transport contract on auctioned capacities, the Network User shall within 10 working days before the date of the start of the auction to which amendment applies, provide a new signed form of amended General terms and conditions of the Transport contract on auctioned capacities.

## **Article 12** **(Transport Contract on Auctioned Capacities)**

(1) A Transport contract on auctioned capacities shall be deemed concluded between the Parties upon the publication of the final auction results, which show that the bid of a Network User to book a specific standard capacity product at the clearing price of the auction was accepted.

(2) Each Transport contract on auctioned capacities, concluded in accordance with the preceding paragraph, shall constitute an independent contractual relationship between the Parties concerned and shall include such contractual elements as derived from the General terms and conditions of the Transport contract on auctioned capacities and as separately determined for each individual contractual relationship by the Parties through the auction process.

(3) Network User shall, via the web-based booking platform, receive the confirmation that a certain Transport contract on auctioned capacities has been concluded which at the same time indicates the border entry or border exit point, scope of capacities allocated, time period for which the capacities have been booked, clearing price, and the balancing group membership.

(4) Transport contracts on auctioned capacities may also be concluded for the same or overlapping periods.

## **Article 13** **(Financial Security)**

(1) The purpose of financial security is to secure the fulfilment of obligations of Network User (to Transmission System Operator), which will arise in relation to the transport contracts on auctioned capacities.



(2) Financial security, which has to be ensured in order to join the auction, may be provided in the form of a bank guarantee, insurance credit or cash that the Network User shall deposit into the deposit account. Network User shall guarantee to the Transmission System Operator to ensure financial security in the amount the Network User has assessed to be necessary for its joint participation in auctions.

(3) Bank guarantee or credit insurance (hereinafter referred to as: financial security) must be issued by a first-class bank or insurance company and must have a form of an unconditional and irrevocable security which shall be paid upon a written first demand and shall be valid at least 90 days after the end of the period of transmission capacity booking.

(4) In case the Network User plans to book transmission capacities for several subsequent years, the validity of a financial security shall not be less than one year, while the Network User is obliged to renew the financial security at least 60 days prior to the validity expiration of a specific financial security by submitting a new financial security or depositing cash into the deposit account. If the Network User fails to post a new financial security within the required time period, the Transmission System Operator shall reject all further nominations of the Network User to intake or offtake natural gas at the concerned interconnection point.

(5) The Transmission System Operator shall open a special deposit account on its own behalf, into which all cash the Network User transfers as a financial security shall be deposited. The Network User is entitled to interest on the funds paid to the aforementioned account in the amount recognised by the bank for sight balances and covers the associated costs of the said special transaction account, insofar as the corresponding part of the interest or costs for the individual User is calculated on a monthly basis for the special transaction account of at least EUR 10.00.

(6) If the Network User requires the reimbursement of a financial security or cash held in the deposit account, the Transmission System Operator shall accede to its request but only when all due liabilities and other future contractual obligations of the Network User which are to arise in relation to the transport contracts on auctioned capacities have been or will be settled.

(7) The Network User shall ensure financial security in case of booking:

- Yearly or quarterly standard capacity product: in the amount equivalent to three times the monthly fee of the foreseen capacity booking;
- A monthly standard capacity product: in the amount equivalent to the monthly fee of the foreseen capacity booking;
- A daily standard capacity product: in the amount equivalent to the monthly fee of the foreseen capacity booking;
- An intra-day standard capacity product: in the amount equivalent to the monthly fee of the foreseen capacity booking;

(8) In auctions, the Network User may launch bids for a particular standard product only if the financial security has been made in at least in the previous paragraph mentioned amount.

(9) The available financial security of the Network User shall be lower with each bid made in the period of the duration of the auction, namely in the amount as defined in the paragraph seven of this Article. In case of taking part in several auctions at the same time, previous financial securities relating to each standard capacity product, in which the Network User participated, shall be deducted from the available financial security. In case the Network User has been successful at the auction, the available financial security of the

participant shall be reduced in the amount as defined in the paragraph seven of this Article and for the period as set in the third and fourth paragraphs of this Article, which represents a blocked financial security of the Network User.

(10) Before the start of each auction, the Network User must verify on an ongoing basis and in due time that it has enough financial security available, which will be required at the auction (in view of the prescribed maximum amounts of bids). A supplemented financial security shall be taken into account for the auction if the Network User submitted to the Transmission System Operator a new or additional financial security at least 5 working days prior to the auction, or if the Network User deposited additional funds into the deposit account within the same time limit.

#### **Article 14** **(Clearing Price of the Capacities Allocated at Auction)**

(1) Clearing price the Network User shall pay for the capacities allocated at auction shall be comprised of network charge tariffs, applicable within the period in which the booked capacity may be used, as well as of an auction premium set at the successful auction.

(2) Network charge tariffs for the booking of standard firm and interruptible capacity products at interconnection points shall be determined by the Transmission System Operator in accordance with the general act of the Agency determining the methodology for charging for the network charge for the gas transmission network. Network charge tariffs, applicable to each individual standard capacity product shall be used at auction as reserve price.

(3) Transmission System Operator shall calculate and charge to the Network User the network charge and the auction premium for the allocated capacities in the manner and under the conditions specified by the Agency with the general act determining the methodology for charging for the network charge for the gas transmission network.

(4) Transmission System Operation shall calculate amount of the auction premium by multiplying the auction premium with the booked capacity. The calculated auction premium shall be charged to the Network User under the conditions as the conditions for charging for the network charge for the gas transmission network.

(5) Transmission System Operation shall calculate the auction premium or quarterly and yearly capacities on a monthly basis, by dividing the total liability value to equal amounts and distributing them to each month of booking. It shall be deemed that the claim for the monthly liability, calculated in such a way, shall arise on the last day of each accounting month to which the yearly and quarterly capacity booking refer.

(6) It shall be deemed that the claim for the charge of the auctioned premium for the allocated monthly and daily capacities on a day-ahead basis shall arise on the last day of the accounting month to which the booking of the capacity refers.

#### **Article 15** **(Payment Terms)**

(1) The Transmission System Operator shall issue an invoice for the allocated capacities, which shall become due and payable 30 days after the liability arises. The last

day of the accounting month to which the booking of capacity relates, shall be deemed as the date when the liability arises.

## **Article 16**

### **(Expressing Capacities and Transferred Quantities of Natural Gas in Energy Units)**

(1) The capacities shall be expressed in energy units per time units, whereby the following energy units shall be applied: kWh/d or kWh/h.

(2) The use of the energy unit defined in the previous paragraph allows the Transmission System Operator to also show the information on the transferred quantities of natural gas. To define the heating value of the transmitted natural gas, the Transmission System Operator shall apply results from measurements of properties of natural gas in the transmission network. The results from measurements of properties of natural gas in the adjacent transmission networks from which natural gas at the interconnection points enters into Slovenian natural gas transmission network shall be used as control data. Within the transmission network, the Transmission System Operator shall set the heating values of the natural gas by applying analytical procedures defined on the Operator's website, or by executing additional measurements of the properties of natural gas. The daily value included in the energy unit shall be defined on the basis of the average daily calorific value of natural gas.

## **Article 17**

### **(Downtime of Web-based Auction Platform)**

(1) In case of downtime of the web-based booking platform for auctions of annual, quarterly or monthly capacities, the Transmission System Operator shall duly inform all Network Users and the Agency about the alternative term of allocation of transmission capacities for the failed auction.

(2) In case of downtime of the web-based booking platform during the current auction for daily capacities, the Transmission System Operator shall collect binding offers for the book of transmission capacities between 6:00 a.m. and 7:00 p.m. on the day of the auction and allocate available capacities for each auction according to the principle of the order of the bids received based on the time stamp of receipt. Network Users wishing to book transmission capacities shall submit their bids electronically via the web-based application of the Transmission System Operator, completed in accordance with the data referred to in the third paragraph of Article 12 of this Act.

(3) In case of downtime of the web-based booking platform for the intra-day capacity auctions, the Transmission System Operator shall collect binding offers for booking of transmission capacities it receives during the period between 180 and 150 minutes before the beginning of the desired booking, and distribute the available capacities for each auction according to the principle of the order of the bids received based on the time stamp of receipt. Network Users wishing to book transmission capacities shall submit their bids electronically via the web-based application of the Transmission System Operator, completed in accordance with the data referred to in the third paragraph of Article 12 of this Act.

(4) In accordance with this Article, the Transmission System Operator shall inform the Bidders of the result of the allocation of daily transmission capacities and intra-day capacities at the latest 135 minutes before the beginning of the desired booking, by which it is considered that the individual Transmission Contract has been concluded. An

electronic message from the Transmission System Operator shall be deemed to have been accepted by the Network User for the booking of a specified volume of the standard capacity product and at the booking price.”;

#### IV. TRADING CAPACITIES AT INTERCONNECTION POINTS ON THE SECONDARY MARKET

##### **Article 18 (Subject of Trading on the Secondary Market)**

(1) The subject of trading on the secondary market can only be transmission capacities at individual interconnection point, referred to in the Transmission Contract.

(2) The Network Users who have booked a capacity at an individual interconnection point based on the Transmission Contract concluded with the Transmission System Operator may offer on the secondary market the contracted capacity, which they are not using, namely by:

- Sublease it, or
- Reselling it (the transfer of the Transmission Contract).

(3) In accordance with this Act, the contracted capacity referred to in the previous paragraph is traded on the secondary market at market prices and by observing the rights and obligations of Network Users. The subject of offering on the secondary market is only the capacity at a certain interconnection point under the terms and conditions such as determined in the Transmission Contract concluded with the Transmission System Operator, and this does not change on the secondary market.

##### **Article 19 (Subleasing Capacities)**

(1) The Network User who is not using a part of the contractually agreed capacities may sublease such capacities on the secondary market by concluding a Sublease Agreement, whereby the user's Transmission Contract concluded with the Transmission System Operator remains valid. Subleasing capacities is performed on the web-based booking platform.

(2) In this case, the two Network Users entering into a secondary market transaction must submit the information on the desired legal transaction via the web-based booking platform.

(3) The Transmission System Operator shall, within 3 (three) working days of receipt of the notification on the submitted legal transaction data referred to in the previous paragraph, confirm through the web-based booking platform the legal transaction on the secondary market, for the intended interconnection point and for the intended beginning and end of the legal transaction, if the transaction is concluded in accordance with this Act.

If the Transmission System Operator confirms the legal transaction within the deadline from the previous paragraph, the legal transaction on the secondary market shall be considered concluded, of which the Users are notified via the web-based booking platform with a certificate of the sublease agreement, containing an indication of all contractual components. The Transmission System Operator shall realise the Sublease Agreement provided that it has been concluded in accordance with the provisions of this

Article, and that the Transmission System Operator was informed about the date of enforcement of the contract in due time.

## **Article 20 (Reselling Capacities)**

(1) In case a capacity is being resold on the secondary market the Network User (transferor) entirely transfers the Transmission Contract concluded with the Transmission System Operator to a third party (transferee), thus making the transferee the holder of all the transferor's rights and obligations arising from the Transmission Contract and the one entering the legal relationship with the Transmission System Operator instead of the transferor.

(2) A Network User who is reselling capacities shall, prior to concluding a legal transaction, inform the Transmission System Operator in writing about the proposal of the Agreement on the transfer of the Transmission Contract. When submitting the proposal of the Agreement, the Network User may hide the price information or any other commercially sensitive information.

(3) On the basis of the notice referred to in the second paragraph herein, the Transmission System Operator shall within three business days confirm or reject in writing the resale of capacities.

(4) The Network User may conclude the Agreement on the transfer of the Transmission Contract only if the Transmission System Operator has confirmed the legal transaction in accordance with the previous paragraph. The transfer of the Transmission Contract is valid only if the Transmission System Operator has confirmed it and it shall enter into effect after such confirmation has been received.

(5) The Transmission System Operator may reject the confirmation particularly for the following reasons:

- If the legal transaction has been concluded in conflict with this Act;
- If the transferee has not submitted a financial guarantee in accordance with this Act.

(6) The Network User, who has resold the capacity, shall no later than within 15 (fifteen) days after the conclusion of the Agreement on the transfer of the Transmission Contract, but at least 3 (three) business days before the Agreement has entered into force, inform the Transmission System Operator about this by submitting to the Transmission System Operator a photocopy of the Agreement on the transfer of the Transport Contract in which the price or other commercially sensitive information can be hidden.

## **V. THE CONGESTION MANAGEMENT PROCEDURES IN THE EVENT OF CONTRACTUAL CONGESTION**

### **Article 21 (Monitoring the Actual Use of Contractual Capacities)**

(1) The transmission system management tasks, performed by the Transmission System Operator include the monitoring of the nominated use of transmission capacities and the booked firm transmission capacities.

**Article 22**  
**(Scope of Contractual Congestion Management Procedures)**

(1) The congestion management procedures are implemented for the interconnection points of the transmission system.

(2) In case of the contractual congestion, the Transmission System Operator shall perform the congestion management procedures in order to return the spare capacities to the market and reallocate them in the regular allocation procedure as firm capacities.

(3) On the occurrence of the contractual congestion, the Transmission System Operator shall announce on the website the period of the contractual congestion at an individual interconnection point, and accordingly inform the Agency.

**Article 23**  
**(Congestion Management Measures)**

(1) In the event of the contractual congestion, the following congestion management procedures shall be used:

1. The surrender of contractual capacities,
2. The long-term capacity use-it-or-lose-it mechanism,
3. The day-ahead firm capacity use or loss mechanism,
4. The increase in capacity through the oversubscription and buy-back mechanism.

(2) The Transmission System Operator shall carry out congestion management procedures, which are independent of each other, when the conditions for the implementation of each procedure, defined by this Act, are met. The Transmission System Operator shall firstly allocate additional capacities obtained based on congestion management procedures in case of contractual congestion referred to in item 1 of the previous paragraph, followed by item 2 of the previous paragraph, and in the end the Transmission System Operator shall allocate other additional capacities.

(3) In the event of the contractual congestion, the Transmission System Operator shall establish and offer all additional capacities resulting from the application of the congestion management procedures, in the regular procedure of capacity allocation at the interconnection points.

(4) The Transmission System Operator shall allocate additional capacities arising from the application of the congestion management procedures in the case of the contractual congestion only when all firm capacities within the technical capacity have been allocated.

**1. Surrendering Contractual Capacities**

**Article 24**  
**(Right to Surrender Contractual Capacities)**

(1) In the event and for the entire duration of contractual congestion a network user can surrender to the Transmission System Operator the booked firm capacities at a interconnection point for a period longer than one day, at least three business days before the planned surrender date. The draft of the notice about the surrender is published on the website of the Transmission System Operator.

(2) The network user shall keep his rights and obligations arising from the Transmission Contract until the Transmission System Operator has actually reallocated the surrendered firm capacities, and up to the volume of capacities which the Transmission System Operator has not reallocated.

(3) The network user shall immediately inform the Transmission System Operator if he has concluded a contract about the surrendered firm capacities on the secondary market after having received a notice about the surrender from the Transmission System Operator.

(4) The Transmission System Operator shall reallocate the surrendered capacities in the same order as the surrender notices were received.

#### **Article 25 (Annex on Reallocation)**

(1) Capacities are reallocated by concluding the Transmission Contract for the surrendered capacities with another user. When the Transmission Contract is concluded for the surrendered capacities, it is considered that the Transmission System Operator has accepted a network user's offer for the surrender of capacities and that an Annex on reallocation has been added to the Transmission Contract; the Transmission System Operator shall immediately inform the user about this by providing the Annex on reallocation.

(2) The Annex on reallocation concluded between the Transmission System Operator and the network user sets forth that the volume of capacities from the Transmission Contract be decreased by the volume that was reallocated due to the congestion management procedure and for which the Transmission Contract was concluded with another network user.

#### **Article 26 (Prohibition of Transmission on the Secondary Market)**

(1) After the Annex on reallocation has been concluded, the network user no longer disposes with the surrendered and reallocated firm capacities and therefore he cannot trade in them on the secondary market anymore.

### **2. Long-Term Capacity Use or Loss Mechanism**

#### **Article 27 (Cancellation of Contractual Capacity)**

(1) The Transmission System Operator shall provide to the Agency the data for an individual interconnection point about the daily volume of used contracted capacities from the valid Transmission Contracts that were concluded for a period of more than one year, and the Transmission Contracts concluded for a shorter period of time, which are together concluded for an uninterrupted minimum period of two years. The Transmission System Operator shall send such information to the Agency by 15 November each year for the period from 1 April to 30 September of the same year, and by 15 May for the period from 1 October of the previous year to 31 March of the same year.

(2) After receiving the Agency's decision, the Transmission System Operator shall cancel, partly or in whole, the contracted capacities at individual interconnection points, which are systematically not used enough; the Transmission System Operator shall accordingly inform all network users who have been allocated such capacities based on the Transmission Contract.

(3) The cancellation may apply only for a part of the capacities or for whole capacities, as well as for a fixed term or until the end of the valid contractual period.

(4) The network user shall keep his rights and obligations arising from the Transmission Contract until the Transmission System Operator has actually reallocated the cancelled capacities, and up to the volume of capacities which the Transmission System Operator has not reallocated.

(5) The cancelled capacities are reallocated by means of concluding the Transmission Contract for the cancelled capacities with another user. When the Transmission Contract is concluded for the cancelled capacities, it is considered that an Annex on reallocation of the cancelled capacities has been concluded; the Transmission System Operator shall immediately inform the user about this by providing the Annex on reallocation of cancelled capacities.

(6) The Annex on reallocation of cancelled capacities concluded between the Transmission System Operator and the network user sets forth that the volume of capacities from the Transmission Contract be decreased by the volume that was cancelled and reallocated due to the congestion management procedure and for which the Transmission Contract was concluded with another network user.

### 3. Day-ahead Firm Capacity Use or Loss Mechanism

#### **Article 28 (Change in Initial Forecast)**

If, on the basis of the ACER Annual Report on Congestion Monitoring at the Interconnection Points, in accordance with Point 2.2.1(2), amending Annex I to Regulation (EC) No 715/2009 (hereinafter referred to as: the "ACER Annual Report on Congestion Monitoring"), finds that the demand at the interconnection points is higher than the supply and that the auction premium has been reached in auctions, the Transmission System Operator must use the use of loss mechanism of the firm capacity for the day ahead from 1 March for a period of one year and inform the System Users and the Agency accordingly.

(2) Following the notification referred to in the preceding paragraph, the Network User may make a correction for an individual interconnection point, for the duration of the contractual congestion, to a timely initial day-ahead forecast for the contracted firm capacity within the following restrictions:

- Downwards to a minimum of 10% and upwards to a maximum of 90% of the booked contractual capacity at an individual interconnection point;
- Notwithstanding the previous indent, the Network User who has made an initial forecast of more than 80% of the contracted booked capacity may modify the initial forecast upwards by half of the unannounced volume and downwards to at least 10% of the booked contracted capacity at an individual interconnection point;
- Notwithstanding the first indent, the Network User whose initial forecast does not exceed 20% of the contracted capacity may modify the initial forecast downwards by half of the announced volume and upwards to a maximum of 90% of the booked contracted capacity at an individual interconnection point;



(3) The provisions of the preceding paragraph shall not apply to Network Users who had on average less than 10% of the average technical transmission capacity booked on the interconnection point in the previous calendar year.

(4) A Network User who is not entitled to use a part of the firm booked transmission capacity on the basis of the forecasts made may, within the limits of the existing firm capacity contract, revise the forecast in the form of interruptible capacities for the limited part.

(5) If, based on the ACER Annual Report on Congestion Monitoring, the conditions set out in the first paragraph of this Article are unlikely to recur within the next three years because of the availability of capacities, the Transmission System Operator may suspend the day-ahead firm capacity use or loss mechanism.

(6) The additional capacities arising from the application of this congestion management procedure shall be those contractual capacities for which the Network User cannot, subject to the restrictions referred to in the second paragraph of this Article, make the correction of the forecasts and which shall be offered by the Transmission System Operator in accordance with the third paragraph of Article 22 of this Act.

#### 4. Oversubscription and buy-back mechanism

##### **Article 29**

##### **(Obligation to Offer Capacities from Oversubscription and Buy-back Mechanism)**

In addition to the firm capacities within the technical capacities at an interconnection point, the Transmission System Operator offers firm capacities from the oversubscription and buy-back mechanism, taking account of the technical conditions such as the calorific value, temperature and expected consumption.

##### **Article 30**

##### **(Offer of Additional Firm Capacities within the Program)**

(1) For an individual day in a year, the Transmission System Operator offers additional firm capacities at an individual interconnection point as daily capacities, provided that statistical data for an individual day of a year show that the following conditions have been met:

- The relevant interconnection point was contractually congested in the last five years,
- Transmission Contracts for interruptible capacities have been concluded for the relevant connection point every year in the last three years, in accordance with which the transmission was implemented and which were not cancelled by the Transmission System Operator, and
- Spare capacity was available at the relevant interconnection point every year in the last five years in the minimum amount of 10% of the technical capacity.

(2) When determining additional capacities from the overbooking and repurchasing program, the Transmission System Operator accordingly takes into consideration the additional capacities that are available from other contractual congestion management measures.

(3) Irrespective of the previous provisions of this Article, the Transmission System Operator may announce additional capacities in the first year after the relevant congestion management procedure has been introduced, but only in such a volume that

the total capacities which the Transmission System Operator offers in connection with the contractual congestion management measures do not exceed 5% of the technical capacity of the relevant interconnection point. The limit of 5% referred to in the previous sentence increases to 10% in the second year after the start of the relevant congestion management procedure, and in the third and subsequent years it increases to 15%.

### **Article 31 (Capacity Buy-back)**

(1) If based on received nominations or by another appropriate means the Transmission System Operator establishes that network users are planning to use, at a certain interconnection point in a certain day or a longer period of time, all booked firm capacities in accordance with Transmission Contracts which together exceed the technical capacity of such interconnection point, the Transmission System Operator shall inform all network users who have Transmission Contracts for firm capacities concluded for the relevant period and at the relevant connection point about the valid repurchase procedure, and invite them to submit their offers for the repurchase of capacities.

(2) The Transmission System Operator shall also indicate in the invitation the deadline for the submission of offers.

(3) Network users' offers shall include the quantity of offered firm capacities and the price per unit.

(4) After the end of the offer submission deadline, the Transmission System Operator shall choose the offers containing the lowest prices. If several offers have the same price, the Transmission System Operator shall make a decision based on the order in which offers were received.

(5) If the Transmission System Operator repurchases from a network user the transmission capacity offered this way, the Transmission System Operator shall offset, partly or in whole, the contractual obligation for such repurchased transmission capacity with the network user's obligation arising from the Transmission Contract. The debtor shall settle any outstanding liability. The payment conditions on invoices issued this way shall be equal to those specified in the act regulating the charging for network charges.

(6) If the volume of received offers is insufficient to realise Transmission Contracts for additional capacities, the Transmission System Operator shall reject the part of nominations for additional capacities that are technically impossible to realise, using the pro rata method. For the rejected part of nominations, the Transmission System Operator shall allocate natural gas from the imbalance position system in the extent and in the way as enabled by the imbalance position system. The allowed exceeded quantities and any unpermitted exceeded quantities are charged at the price for allowed exceeded quantities.

### **Article 32 (Method of Charging)**

(1) The Transmission System Operator shall charge additional capacities in accordance with this Act in the same way as other firm capacities on the primary market.

## **VI. INCREMENTAL CAPACITY IMPLEMENTATION PROCEDURES**

### **Article 33 (Incremental Capacity)**

(1) The Transmission System Operator implements the incremental capacity procedures in accordance with the Regulation (EU) 2017/459. The additional terms of the incremental capacity transmission contracts concluded on the web-based booking platform are further specified in the general terms and conditions of the incremental capacity transmission contract.

(2) The Transmission System Operator, in the framework of the incremental capacity procedure, adopts, in accordance with Regulation (EU) 2017/459, the general terms and conditions applicable to the conclusion and implementation of incremental capacity contracts, approved by the Agency in the framework of an incremental capacity project. The general terms and conditions are an integral part of the incremental capacity contract.

## **VII. PUBLICATION OF INFORMATION**

### **Article 34 (Publication)**

(1) The Transmission System Operator ensures the publication of information in accordance with the requirements of the Regulation (EC) No 715/2009.

(2) The published information is provided in a clear and transparent way and available to all users equally.

## **VIII. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 35 (Option to Shorten the Existing Long-term Transmission Contracts for Interconnection Points)**

(1) If, on the day when this Act enters into force, a Network User holds a long-term Transmission Contract for the interconnection points concluded with the Transmission System Operator, which was concluded before 11 November 2014 and ends on a date after 30 September of the last calendar year of the Contract's validity, a Network User can conclude an Annex to such a Contract with the Transmission System Operator shortening the validity period of the long-term Transmission Contract to 30 September of the last calendar year in which the Contract is still valid. Such a Network User shall submit a written request for the shortening of the duration of such a Contract to the Transmission System Operator by 10 January of the last calendar year in which the Contract is still valid.

**Article 36**  
**(Execution of Secondary Market Transactions for Existing Long-term Transmission Contracts for Interconnection Points)**

(1) The Network Users who have, on the day when this Act enters into force, concluded with the Transmission System Operator a long-term Transmission Contract for the interconnection points concluded before 11 November 2014, do not implement procedures for subleasing on the secondary market, as defined Article 19 of this Act, via a web-based booking platform. The notification of the intended legal transaction shall be sent by the Network User to the Operator in writing. The Transmission System Operator may also submit a written rejection in writing within 3 (three) working days of receipt of the notification.

(2) Unless the Transmission System Operator rejects the legal transaction, the Sublease Agreement shall be deemed to have been concluded. The Network User who concluded a Transmission Contract and subleased a capacity, shall no later than within 15 (fifteen) days after the conclusion of the Sublease Agreement, but at least 3 (three) business days before the date of implementation of the Agreement inform the Transmission System Operator about this by presenting to the Transmission System Operator a photocopy of the Sublease Agreement in which the price or any other commercially sensitive information can be hidden.

(3) The sample documents are published on the website of the Transmission System Operator.

**Article 37**  
**(Termination of Use)**

(1) On the day this Act enters into force, the Rules on terms and conditions for capacity allocation mechanisms at interconnection points of the transmission system through auctions (Official Gazette RS, Nos. 67/14 and 79/16) and points V. TRADING CAPACITIES AT INTERCONNECTION POINTS ON THE SECONDARY MARKET and VI. THE CONGESTION MANAGEMENT PROCEDURES IN THE EVENT OF CONTRACTUAL CONGESTION of the Rules on the procedure for the allocation of capacity on transmission system for the entry and exit points in Republic of Slovenia, congestion management procedure and capacity trading on the secondary market (Official Gazette of RS, No 80/14, No 81/14-corr. and 62/16 shall cease to apply.

**Article 38**  
**(Validity)**

(1) The Act shall enter into force on the 15<sup>th</sup> day following its publication in the Official Gazette of the Republic of Slovenia.

## **GENERAL TERMS AND CONDITIONS OF THE TRANSPORT CONTRACT ON AUCTIONED CAPACITIES**

### **1. GENERAL PROVISIONS**

#### **1.1. Validity and Scope of the General Terms and Conditions**

1.1.1. These General terms and conditions of the Transport Contract on auctioned capacities (hereinafter referred to as: the “General terms and conditions”) are an integral part of the Transport Contract on auctioned capacities concluded at an auction between the Network User and the Transmission System Operator Plinovodi, d.o.o., Cesta Ljubljanske brigade 11b, 1000 Ljubljana, Slovenia (hereinafter referred to as: the “Transmission System Operator”).

1.1.2. The General terms and conditions shall govern the procedure for concluding the Transport Contract on auctioned capacities, and lay down the mutual rights and obligations of the Transmission System Operator and Network User arising from the booking of transmission capacities at interconnection points of the transmission system; they shall apply to the following standard capacity products which are the subject of capacity booking through auction:

- Yearly capacities;
- Quarterly capacities;
- Monthly capacities;
- Daily capacities on a day-ahead basis, and
- Intra-day capacities.

Standard capacity products are being booked out as firm and interruptible capacities at interconnection points, while a standard intra-day capacity product may only include the provision of firm capacities.

1.1.3. The General terms and conditions are also an integral part of the Sublease Agreement concluded by the Network User in accordance with the regulations in force via the web-based booking platform. The rights and obligations of the Contracting Parties to the Sublease Agreement are defined in Chapter 4 of these General terms and conditions.

1.1.4. The interconnection points of the transmission system are published on the website of the Transmission System Operator.

#### **1.2. Definitions**

1.2.1. The terms used herein shall have the meaning as set out in Articles 4 and 159 of the Energy Act (EZ-1), Article 3 of the Rules, Article 3 of Regulation (EU) 2017/459, and Article 2 of Regulation (EC) No 715/2009; however, apart from the aforementioned, the following definitions shall apply:

- *Agency*: means the Energy Agency;

- *Natural gas supplier*: means a legal or natural person that sells natural gas to the Network User;
- *Intake of natural gas*: is the flow of natural gas into the network at the entry point;
- *Offtake of natural gas*: is the flow of natural gas out of the network at the exit point;
- *Transmission*: is the transport of natural gas through the natural gas transmission system;
- *Transmission system*: is the transmission system managed and owned by the Transmission System Operator.

- 1.2.2. The abbreviations of regulations used herein shall have the following meaning:
- *EZ-1*: is the Energy Act (Official Gazette of the Republic of Slovenia, No. 60/19 - official consolidated version);
  - *Regulation (EU) 2017/459*: is the Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (Official Journal of the European Union, L 72/1 of 17 March 2017);
  - *Regulation (EC) No 715/2009*: is the Regulation (EC) No 715/2009 on conditions for access to the natural gas transmission systems and repealing Regulation (EC) No. 1775/2005 (Official Journal of the European Union, L 211/36 of 14 August 2009), incorporated and adapted by Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (Official Journal of the European Union, L 328/1 of 21 December 2018);
  - *Rules*: are the Rules on terms and conditions for capacity allocation mechanisms at interconnection points of the transmission system by auction, congestion management procedure and capacity trading on the secondary market;
  - *SON*: is the Network Code for natural gas transmission system (Official Gazette of the Republic of Slovenia, No. 55/15 and 80/17).

## 2. PROCEDURE FOR CONCLUDING THE TRANSPORT CONTRACT ON AUCTIONED CAPACITIES

### 2.1. General provisions

- 2.1.1. Transport Contracts on auctioned capacities shall be concluded in accordance with Article 8 of the Rules based on electronic auctions. In order to carry out electronic auction processes, the Transmission System Operator shall designate an administrator of the web-based booking platform (hereinafter referred to as: the "Auctioneer") and publish their name on its website.
- 2.1.2. Auctions for transmission capacities to which these General terms and conditions apply may be joined by any Network User meeting the following conditions:
- It is validly registered on the web-based booking platform;

- It has submitted to the Transmission System Operator in due time a completed and signed statement of the General terms and conditions of the Transport Contract on auctioned capacities;
- It has provided the Transmission System Operator in due time with appropriate financial security.

2.1.3. The Network User shall be obliged to ensure a timely fulfilment of the required conditions to join the auctions, and shall therefore take into account all circumstances on their side which could cause a delay or obstruct them in the fulfilment of conditions.

## **2.2. Establishing access to the web-based booking platform**

2.2.1. In order to be able to take part in auctions, Network Users shall be obliged to register in advance with the Auctioneer. The registration procedure to obtain access to the web-based booking platform shall be initiated by the Network User on the website of the Auctioneer. The conditions for registration and the rules for using the services of the web-based booking platform shall be laid down by the Auctioneer in the General terms and conditions published on its website.

2.2.2. The Network User who has registered successfully shall receive a registration confirmation from the Auctioneer.

2.2.3. The Network User taking part in an auction for the first time shall be obliged to register itself validly at least 5 working days prior to the date of the auction. The registration shall be deemed to have been arranged on time if the electronic message on successful registration was sent to the Network User at least 5 working days prior to the start of the auction which the Network User wishes to join in.

## **2.3. Submission of a signed statement of the General terms and conditions**

2.3.1. Prior to its first participation in an auction, the Network User shall submit to the Transmission System Operator a duly completed and signed statement of the General terms and conditions of the Transport Contract on auctioned capacities (hereinafter referred to as: the “GTC statement”).

2.3.2. By signing the GTC statement, the Network User shall unconditionally declare to the Transmission System Operator that it is familiar with the content of the General terms and conditions, and accepts their binding nature as an integral part of each Transport Contract on auctioned capacities, which the Network User will conclude in the course of the auction.

2.3.3. The GTC statement must be signed by the statutory representative of the Network User and submitted to the Transmission System Operator at least 10 working days prior to the date of the auction, allowing the GTC statement to be delivered to the address of the Transmission System Operator prior to the expiry of the above time limit. In case of any subsequent amendments to these General terms and conditions, the Network User shall submit to the Transmission System Operator a signed GTC statement of the amended General terms and conditions no later than 10 working days prior to the date of the auction to which the amended General terms and conditions shall apply.

- 2.3.4. The GTC statement and any amendments thereto shall be decided by the Transmission System Operator and published on its website.
- 2.3.5. The signed and completed GTC statement, along with any enclosures from the preceding point, may be submitted to the Transmission System Operator in a physical or electronic form.
- 2.3.6. If the GTC statement is submitted to the Transmission System Operator in a physical form, it has to carry a handwritten signature of the statutory representative, while the Transmission System Operator may, irrespective of how the GTC statement was submitted (by post or e-mail), when in doubt about the authenticity of the signature, request the authenticity of the submitted GTC statement to be confirmed by way of a signature provided at the seat of the Transmission System Operator or by means of a duly certified handwritten signature.
- 2.3.7. If the GTC statement has been submitted electronically, it has to carry a secure electronic signature verified by means of a qualified certificate. The GTC statement sent electronically or via electronic means shall be deemed to have been submitted in due time if received into the information system of the Transmission System Operator prior to the expiry of the time limit set out in point 2.3.3 hereof.

## **2.4. Providing financial security**

- 2.4.1. Prior to its first participation in an auction, the Network User shall, not later than 5 working days before the date of the auction, submit to the Transmission System Operator a financial security which may be furnished in accordance with Article 13 of the Rules either in the form of:
- An unconditional, irrevocable bank guarantee payable upon a written first demand or insurance guarantee, or
  - Funds deposited by the Network User into a special current account of the Transmission System Operator (hereinafter referred to as: the “deposit account”).
- 2.4.2. The financial security is aimed to guarantee the fulfilment of obligations of the Network User towards the Transmission System Operator assumed in connection with the transport contracts concluded during the auctions.
- 2.4.3. The bank guarantee or insurance guarantee (hereinafter referred to as: financial security) used by the Network User to guarantee its obligations shall include the following particulars:
- Bank guarantee number;
  - The period of validity of the bank guarantee including the time limit for calling the guarantee;
  - The maximum amount from the preceding paragraph for which the guarantor stands security;
  - The subject of the guarantee;
  - The guarantee clause “upon first demand” and “without objections”;
  - Data on the guarantor (company name, registration number, VAT ID number, seat);
  - The date and place of issuing the bank guarantee;
  - The signature of the authorised person.



The bank guarantee has to be provided in writing either in the Slovenian or English language.

- 2.4.4. The financial security shall be deemed to have been provided in due time if by the expiry of the time period the Transmission System Operator has received a bank guarantee or the funds in the deposit account. The Transmission System Operator shall be deemed to be in possession of the bank guarantee once the bank guarantee has been received at the address of the Transmission System Operator.

## **2.5. Approval of the active status for taking part in auctions**

- 2.5.1. The Network User who meets all required conditions properly and in due time before the first participation in an auction shall be given leave by the Transmission System Operator to join the auctions by awarding the Network User an active status which shall allow them to place bids in auction processes for standard capacity products.
- 2.5.2. The Network User and the Auctioneer shall receive a message on the approval of the active status by e-mail.

## **2.6. Refusal to join the auctions and withdrawal of the active status for taking part in auctions**

- 2.6.1. The Transmission System Operator shall reject a request to join the auctions:
- If the Network User failed to submit in due time a properly completed and signed GTC statement or the amended GTC statement; or
  - If the Network User failed to post a valid financial security in due time; or
  - If the Network User failed to register itself on the web-based booking platform in due time.
- 2.6.2. If the request to join the auction shows shortcomings, the Transmission System Operator shall call on the Network User to eliminate the shortcomings by the expiry of the set time limit for the fulfilment of conditions.
- 2.6.3. The Transmission System Operator may withdraw in writing the active status from a Network User who was allowed to join the auctions, which shall prevent them from taking part in the auction, if any of the reasons defined in the Article 10 paragraph 6 of the Rules has applied. The active status shall be withdrawn until the Network User has eliminated the reasons leading to the withdrawal.
- 2.6.4. The Transmission System Operator shall explain in writing the reasons for the refusal to join the auctions or withdrawal of the active status, and shall promptly communicate them to the Network User requesting to join the auction.

## **2.7. Determination of contractual elements at an auction**

- 2.7.1. The contractual elements determined by the Parties for each Transport Contract on auctioned capacities through the auction via the web-based booking platform shall include:

- The interconnection point to which a particular booking of a standard capacity product at the auction refers, and the direction of the flow;
- The respective standard capacity product;
- The amount of booked transmission capacities;
- The clearing price of the auction for the booked transmission capacities; and
- The balancing group leader.

2.7.2. At the auction, the Network User shall designate a person who has concluded a valid Balancing contract with the Transmission System Operator to act as the balancing group leader. If the Network User is not the balancing group leader at the same time, its designation as the balancing group leader at the auction shall mean that an appropriate Balancing contract was concluded with them or the balancing sub-group leader, based on which the balancing group leader also assumed the obligation to nominate the quantities of natural gas for transmission on behalf of the Network User in accordance with the Network Code for natural gas transmission system (SON).

## **2.8. Concluding a Transport Contract on auctioned capacities**

2.8.1. A Transport Contract on auctioned capacities shall be deemed concluded between the Parties upon the publication of the final auction results on the web-based booking platform, which show that the bid of a Network User to book a specific standard capacity product at the clearing price of the auction was accepted.

2.8.2. Each Transport Contract on auctioned capacities concluded in accordance with the preceding paragraph shall constitute an independent contractual relationship between the Parties concerned and shall include such contractual elements as derived from these General terms and conditions, and as separately determined for each Transport Contract by the Contracting Parties through the auction process.

2.8.3. After the auction has closed, the Network User shall receive a confirmation on the conclusion of a Transport Contract on auctioned capacities via the web-based booking platform, which shall specify all contractual elements from point 2.7.1 hereof.

2.8.4. Transport Contracts on auctioned capacities may also be concluded for the same or overlapping periods.

## **3. MUTUAL RIGHTS AND OBLIGATIONS UNDER THE TRANSPORT CONTRACT ON AUCTIONED CAPACITIES**

### **3.1. Subject of the Transport Contract on auctioned capacities**

3.1.1. By signing the Transport Contract on auctioned capacities, the Transmission System Operator shall be obliged, with due regard to the restrictions in the operation of the transmission system, to enable the Network User the use of transmission capacities at a certain interconnection point in accordance with the conditions of the booked standard capacity product, while the Network User in turn shall be obliged to pay a certain amount for the use of the transmission system.

3.1.2. The standard capacity product laid down in each Transport Contract on auctioned capacities means a certain amount of contractually agreed transport capacity for a Network User over a given period of time at a specified interconnection point of the transmission system (i.e. border intake or offtake point), which may be concluded for firm or interruptible capacities.

3.1.3. Based on the Transport Contract on auctioned capacities, the Transmission System Operator shall be obliged to intake natural gas at the border entry point from the Network User in accordance with the provisions hereunder and the balancing rules, or to deliver the natural gas at the border exit point in the maximum amount set out in each Transport Contract on auctioned capacities.

3.1.4. The contractual capacity may be taken away from a Network User, either in part or in full, against its will if the Network User fails to utilise it and, in particular, if the Network User, in conflict with regulations, obstructs competition by setting aside the capacities, whereupon it shall be allocated to other Network Users.

### **3.2. Obligation to pay the fee for the use of the transmission system and additional services**

3.2.1. Based on the concluded Transport Contract on auctioned capacities, the Network User shall be obliged to pay the fee for the use of the transmission system.

3.2.2. The Transmission System Operator shall charge the fee for the use of the network as laid down in the currently applicable general act of the Agency determining the methodology for charging for the network charge for the gas transmission system, the Document on determining the network charge for the natural gas transmission system, and the Rules for calculating deviations of the intake and offtake of natural gas.

3.2.3. To this end, all fees, except those for which the specified regulations determine otherwise, shall be charged in accordance with the contractually agreed booking of capacities and regardless of the volume of actual transmitted quantities of natural gas through the transmission system following the “ship-or-pay” principle.

3.2.4. The amount for the booked transmission capacity shall comprise:

- The applicable network charge at the time when the booked capacity under the relevant Transport Contract on auctioned capacities is made available; and
- The auction premium for that capacity.

### **3.3. Obligation to ensure balancing payment**

3.3.1. Prior to the start of transmission under the relevant Transport Contract on auctioned capacities, the Network User shall ensure balancing of deviations by intake and offtake of natural gas. The Network User shall have ensured

balancing of deviations entire duration of Transport Contract on auctioned capacities.

- 3.3.2. The Network User shall ensure balancing of quantity deviations of intake and offtake of natural gas by including an intake or offtake point into the balancing group. If the Network User does not join any of the balancing groups, he or she must ensure that the deviations are offset independently by concluding a Balancing contract. In this case, the Network User, in relation to the Transmission System Operator, is bound by all obligations, which, according to the regulations in force, apply to the balancing group leader.
- 3.3.3. If the Network User ensures balancing of quantity deviations of intake and offtake of natural gas by including an intake or offtake point into a balancing group and the balancing group leader does not fulfil his obligations toward the Transmission System Operator in accordance with the Balancing contract, is the Network User subsidiary responsible for payments relating the balancing deviations and balancing differences, to the extend, caused by his act.
- 3.3.4. The Transmission System Operator may refuse the announcement of nominated quantities for the intake and offtake of natural gas at interconnection points for which the Network User has not set balancing affiliation (membership of balancing group).
- 3.3.5. By designating a balancing group leader at the auction, the Network User confirms that he has provided an adequate payment for balancing deviations with appropriate contract. The Network User is obliged to inform the Transmission System Operator possible change of balancing group leader, set at the auction for particular Transport Contract for auction capacities in the manner and within deadlines, set with applicable regulation.
- 3.3.6. If the Network User does not set balancing affiliation in accordance with preceding paragraph, the Network User holds a subsidiary responsibility for payment obligations related to balancing of deviations to the extend, caused by his act.
- 3.3.7. The Transmission System Operator accounts the deviations of intake and offtake to the balancing group leader for his balancing group. The Transmission System Operator can require the payment of the obligation from the Network User only after the Balancing group leader fails to fulfil his obligations within the due payment, which takes into account specified deviations.

### **3.4. Nominations for the intake and offtake of natural gas**

- 3.4.1. Prior to the start of transmission under the relevant Transport Contract on auctioned capacities, the Network User shall, in accordance with the SON, submit to the Transmission System Operator a nomination of the quantities of natural gas to be transported by the Transmission System Operator for the requirements of the Network User. The Network User shall submit to the Transmission System Operator a nomination of the quantities of natural gas by concluding a Balancing contract or by including an intake or offtake point into a balancing group.

- 3.4.2. The Network User can exercise his right to use the transmission system on the basis of each Transport Contract on auctioned capacities on particular accounting day of natural gas supply in the volume of nominated quantities, which were in accordance with the applicable regulation approved by the Transmission System Operator.

### **3.5. Interrupted transmission of interruptible capacities**

- 3.5.1. In accordance with the Rules and Regulation (EU) 2017/459, the Transmission System Operator shall interrupt the transmission of interruptible capacities by applying the sequence of interruptions based on the timestamp. If the need to interrupt such transmission arises, the interruption shall be implemented to the extent as required for the execution of transport contracts on firm capacities.

### **3.6. Measuring gas quantities and processing registered data**

- 3.6.1. The measurement of gas quantities at the contractually defined interconnection point and determination of gas quantities delivered to the Transmission System Operator for the Network User at that interconnection point, shall be provided by the Transmission System Operator in accordance with the provisions of the Interconnection Agreement concluded between the operators of adjacent transmission systems and the rules for the determination of quantities at that interconnection point.

### **3.7. Fees for the use of the network**

- 3.7.1. The Transmission System Operator shall charge a fee for the use of the transmission system to the Network User and to the payer of balancing services on a monthly basis for the previous accounting month, to which the contractually agreed booking of capacities under the relevant Transport contract on auctioned capacities relates. The Transmission System Operator shall enclose to the invoice for network use a specification of the services rendered.
- 3.7.2. When charging network use, the Transmission System Operator shall also take into account the activities and interventions that will be required on the transmission system in connection with the discharge of contractual obligations, always in accordance with the currently applicable regulations in the Republic of Slovenia.

### **3.8. Invoicing and Terms of Payment**

- 3.8.1. Within 10 days after the end of the month to which the booking of transmission capacities under the relevant Transport Contract on auctioned capacities refers, or in which additional services will be rendered, the Transmission System Operator shall issue invoices to the Network User for:
- The charge for the booked transmission entry and/or exit capacity;
  - The charge for own use (in case of booking exit transmission capacity);
  - The metering charge (in case of booking exit transmission capacity).

- 3.8.2. Invoices shall also include all applicable taxes, duties, excise duties and other fees that must be charged by the Transmission System Operator pursuant to the applicable regulations.
- 3.8.3. The payer of services hereunder shall be obliged to pay any taxes, duties, excise duties and other fees in accordance with the regulations governing the payment of taxes, duties, excise duties and other fees.
- 3.8.4. The Network User shall forward to the Transmission System Operator all data, which the Transmission System Operator requires to discharge its obligations pursuant to the applicable laws governing excise and customs duties.
- 3.8.5. The payer of services hereunder shall be allowed to submit any complaint against the correctness of issued invoices in writing until the respective invoice falls due. The complaint shall not suspend the payment of the undisputed part of the invoice by its due date.
- 3.8.6. The Transmission System Operator shall issue invoices, which become due and payable within 30 days after the liability arises. The last day of the accounting month to which the booking of entry capacities relates, shall be deemed as the date when the liability arises.
- 3.8.7. If the payer of services hereunder fails to pay the invoice by its due-date, the Transmission System Operator shall charge statutory default interest inclusive of the 31st day after the date when the liability arises until the date of payment.
- 3.8.8. In case of late payment, the Transmission System Operator shall account for all payments made by the Network User in the order they were received, and in accordance with Article 288 of the Code of Obligations (Official Gazette of the Republic of Slovenia, No 97/07 - official consolidated version, 64/16 - Decision of the Constitutional Court and 20/18).
- 3.8.9. If the Network User fails to settle its obligations hereunder and they cannot be repaid even from the posted financial security, the Transmission System Operator shall be entitled to immediately request other instruments it deems acceptable to secure the payment, or a different mode of payment. After the Network User has satisfied the requirement of the Transmission System Operator for an instrument to secure the payment or a different mode of payment, the Transmission System Operator and the Network User shall enter into an agreement on the repayment of due liabilities which does not constitute a novation thereof.
- 3.8.10. In case the Network User fails to settle its liabilities towards the Transmission System Operator in accordance with the preceding paragraph or fails to conclude an agreement on the repayment of the overdue liabilities in accordance with preceding paragraph within 15 days from receiving an offer from Transmission System Operators, the Transmission System Operator may interrupt the transmission of natural gas after 72 hours have elapsed from the written prior notice in the manner to reject all nominations to intake or offtake of natural gas from this Network User.

### **3.9. Liquidation of security**

- 3.9.1. The Transmission System Operator may liquidate the security by calling a bank guarantee or by appropriating funds available in the deposit account if the Network User fails to settle its outstanding liabilities even in the period of grace of 5 working days from being reminded thereof and warned that security will be liquidated in case of default payment.
- 3.9.2. The proceeds from the security shall be used to settle the outstanding liabilities including the appertaining default interest and the costs of liquidation of the security.

### **3.10. Quality of natural gas**

- 3.10.1. The Network User shall undertake to ensure that the quality of natural gas delivered to the Transmission System Operator for transmission is in accordance with the provisions of the SON.
- 3.10.2. The Transmission System Operator shall undertake to ensure to accept the natural gas with the properties, specified in the SON. If the quality of the natural gas deviates from the requested quality, specified in the SON, the Transmission System Operator is not obliged to accept natural gas.
- 3.10.3. Natural gas in the transmission system is odourless.
- 3.10.4. The Network Users shall assure the compliance of appliances using the natural gas to the natural gas quality.

### **3.11. Maintenance of the transmission system by the Transmission System Operator**

- 3.11.1. In the event of scheduled, unscheduled and extraordinary works, damages, disturbances or defects on the transmission system, the Transmission System Operator shall act in accordance with the applicable laws and the SON.

### **3.12. Unutilised booked capacities**

- 3.12.1. The Network User may sell any unutilised transmission capacities, booked in accordance with the Transport Contract on auctioned capacities on the secondary market in accordance with applicable regulations.

### **3.13. Congestion of the transmission system**

- 3.13.1. In the event of contractual congestion, the Transmission System Operator may offer, in accordance with the provisions of the Rules of procedure for implementation of Regulation (EC) No 715/2009 on conditions for access to the natural gas transmission systems and repealing Regulation (EC) No. 1775/2005, the unutilised booked capacity of the Network User under the Transport Contract on auctioned capacities on the primary market as interruptible capacity, or carry out congestion management procedures without any contractual or compensation sanctions being imposed on the Network User.

### **3.14. Crisis management**

- 3.14.1. A state of crisis on the transmission system means any event or circumstance, which hinders the balanced operation of a part or of the entire transmission system, which leads to interruption of transmission or a suspended supply of natural gas.
- 3.14.2. In a state of crisis on the transmission system, the Transmission System Operator shall have the right and duty to promptly take all feasible technical measures in accordance with the emergency plan to prevent disruptions from spreading, and to re-establish a smooth transmission of natural gas.
- 3.14.3. Force majeure means any event or circumstance beyond the control of the Transmission System Operator, which could not have been foreseen, avoided or averted. To determine the force majeure and its consequences, the law of obligations applies.
- 3.14.4. If force majeure or a repeated occurrence of force majeure partially or fully prevents the Transmission System Operator from discharging its contractual obligations for a period of more than 6 months, the Transmission System Operator and the user shall agree in writing on how the Transport Contract on auctioned capacities will be executed in the future.
- 3.14.5. The Transmission System Operator shall be obliged to promptly notify the affected Network Users on the existence of a state of crisis by the fastest means available.

### **3.15. Intake and offtake pressure on interconnection points**

BMCS Ceršak	Intake / offtake pressure	min. 48 - max. 70 (bar)
BMCS Šempeter	Intake / offtake pressure	min. 48 - max. 70 (bar)
BMCS Rogatec	Intake / offtake pressure	min. 36 - max. 45 (bar)

### **3.16. Responsibility**

- 3.16.1. If damage, disruptions or defects occur on the transmission system owing to force majeure or actions of third parties, and the Transmission System Operator acts in accordance with the applicable regulations and general acts, it shall not be held liable for any damage due to temporary limitation or interruption in the transmission of natural gas, in the absence of any other grounds that would indicate the existence of a damage liability in accordance with the general rules of the law of obligations.

### **3.17. Legal basis**

- 3.17.1. The Transport Contract on auctioned capacities shall be concluded with the purpose to exercise the rights and obligations as defined by the applicable regulations in the Republic of Slovenia.



- 3.17.2. The Contracting Parties shall exercise their rights and obligations under the Transport Contract on auctioned capacities consistently in accordance with the provisions hereof and the regulations in force in the Republic of Slovenia.
- 3.17.3. For any matters not determined herein, the applicable regulations in the Republic of Slovenia shall apply directly.
- 3.17.4. Any references to the Rules, the Energy Act (EZ-1) or any other regulation in these General terms and conditions shall also imply a reference to any amendment of these Rules or regulation replacing these Rules or governing this area.
- 3.17.5. Without prejudice to individual provisions contained herein, the Transmission System Operator shall undertake to charge the use of the transmission system according to the Transport Contract on auctioned capacities in accordance with the currently applicable regulations in the Republic of Slovenia. The Network User shall undertake to immediately provide the Transmission System Operator with any additional data that will be required for correct charging for the use of the transmission system.

### **3.18. Coordination with the applicable regulations**

- 3.18.1. If it is found out a certain provision hereof infringes the regulations in force, this shall not prejudice the validity of the Transport Contract on auctioned capacities provided, that the contract may remain in force without the invalid provision, meaning that the Energy Act or any other regulation in force shall apply in lieu of the invalid provision.

### **3.19. Waiver of the right to rescind or amend the contract due to changed circumstances**

- 3.19.1. The Contracting Parties shall waive in advance their right to unilaterally request the termination or amendment of the Transport Contract on auctioned capacities due to changed circumstances, insofar as these circumstances result from the operations of economic entities on the market.

### **3.20. Forwarding of information**

- 3.20.1. The Network User shall undertake to immediately furnish any additional data or information to the Transmission System Operator, necessary for a correct and timely discharge of the obligations of the Transmission System Operator.
- 3.20.2. The Network User shall also undertake to immediately forward to the Transmission System Operator any data on registration, should any amendments occur thereto.
- 3.20.3. Data referred to in this Article shall be forwarded in writing:
- to the address of the Transmission System Operator: Cesta Ljubljanske brigade 11b, p.p. 3720, 1001 Ljubljana, Slovenia; or
  - by e-mail to: SKR@plinovodi.si

### **3.21. Data confidentiality**

- 3.21.1. The Contracting Parties shall agree not to disclose the terms and conditions of the Transport Contract on auctioned capacities to any third party (except to their advisors), or issue a public notice, press release, statement or communication related thereto without the prior written consent of the other Contracting Party, unless so required by law, a court decision or an arbitration award or any other government body (including an exchange body) or the Agency, and save for any disclosures made to the court in a dispute between the Contracting Parties that arises from this underlying contract or in connection therewith.
- 3.21.2. Both Contracting Parties shall agree to keep confidential any information disclosed by the other Contracting Party in connection with these General terms and conditions or the Transport Contract on auctioned capacities or its implementation, and to mark it in writing as confidential or in a way that reasonably indicates its confidential nature.

### **3.22. Settlement of disputes**

- 3.22.1. In the event of disputes arising from:
- The access to the transmission system,
  - The calculation of the charge for the use of the transmission system,
  - Alleged violations of the Network Code,
  - Identified imbalances and fees for covering the balancing costs, and infringements of general acts governing imbalances and their balancing, or
  - Other instances as determined by law,
- the Agency shall have the competence to decide in the procedure for a judicial review of administrative acts in the first instance pursuant to the Energy Act (EZ-1).
- 3.22.2. Any other disputes shall be settled before the competent court in Ljubljana.

### **3.23. Law of contracts**

- 3.23.1. The Slovenian legislation or the law of contracts in force in the Republic of Slovenia shall apply to the Transport Contract on auctioned capacities.
- 3.23.2. If these General terms and conditions are translated into English, the Slovenian version shall prevail in case of discrepancies in the interpretation of contractual provisions between the English and Slovenian versions.

## **4. CONCLUSION OF THE SUBLEASE AGREEMENT ON THE SECONDARY MARKET**

- 4.1. Sublease agreements concluded via the web-based booking platform are subject to the provisions of Chapter 2 of these General terms and conditions.
- 4.2. The Network User may sublease an unused part of the contractually agreed capacities under a contract with the Transmission System Operator on the secondary market by concluding a Sublease Agreement whereby the User's Transmission Contract concluded with the Transmission System Operator remains valid.

- 4.3. Before concluding a Sublease Agreement, the two Network Users entering into a secondary market transaction must submit, via the web-based booking platform, the data on the desired legal transaction; namely, the estimated relevant point, the estimated amount of leased capacity, and the estimated start and end dates of the transmission and the balancing group leader.
- 4.4. If the Transmission System Operator does not refuse the legal transaction within 3 (three) working days after receiving the notification of the submitted data of the desired legal transaction referred to in the previous paragraph, the legal transaction on the secondary market shall be considered concluded, of which the Users are notified via the web-based booking platform with a certificate of Sublease Agreement, containing an indication of all contractual components.