

On the basis of article 84 of the Gas Market Act ("Official Gazette" number 28/13, 14/14, 16/17) and the Decision on the Approval by the Croatian Energy Regulatory Agency (Class: 310-05/17-02/56, File number: 371-01/17-07) dtd 31 March 2017 (hereinafter: Agency), the Transmission System Operator adopts

THE TRANSMISSION SYSTEM NETWORK CODE

I GENERAL PROVISIONS

Article 1

This Transmission System Network Code (hereinafter: Network Code) governs the description of the transmission system, development, construction and maintenance of the transmission system, management and supervision over the transmission system, the financial insurance instruments of existing and potential Transmission System Users, public procedure for expressing the interest of existing and potential Transmission System Users, connection to the transmission system, contractual relations and general terms of use of the transmission system, capacity booking and usage of the transmission system's capacity, trading with the transmission system capacity, the transmission system balancing, mutual rights and obligations of the Transmission System Operator and the Transmission System User, metering rules and allocation rules, publishing of information and data exchange, connecting with other parts of the gas system, conditions for the restriction and suspension of gas delivery, unauthorized consumption of gas and compensation for damage.

Article 2

(1) The Transmission System Operator, Transmission System User, Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator, Natural Gas Producer, Final Customer connected to the transmission system and the Balance Responsible Party are obliged to apply this Network Code.

(2) Any reference to business days in this Network Code means business days in accordance with the regulations of the Republic of Croatia, and every reference to time (hours) means time according to the time zone which applies to Zagreb, the Republic of Croatia.

Article 3

(1) The terms used in this Network Code have a certain meaning determined by the legislation of the European Union and the laws of the Republic of Croatia which govern the energy sector, regulation of energy activity and gas market, as well as by the regulations adopted pursuant to those laws.

(2) Aside from the terms from paragraph 1 of this article certain terms in this Network Code have the following meaning:

1. *transmission system linepack* – total quantity of gas in the transmission system which is calculated in real time by the gas network computer model (SIMONE) in volume and energy under standard reference conditions based on the configuration and geometry of the gas pipeline, and the actually measured gas pressures, flows and gas composition parameters at the entries into the transmission system
2. *auction* – electronic auction (competition) which takes place on the auction web-based booking platform for the purpose of allocating the transmission system capacity at interconnections

3. *auction platform* – web-based booking platform for capacity booking that the transmission system operator uses for the purpose of conducting the auctions of the transmission system capacity at the interconnections
4. *auction calendar* – a predefined auction schedule for standard services which the Transmission System Operator offers at an interconnection and which is published by ENTSO-G on its official website– www.entsog.eu
5. *bilateral agreement at an interconnection* – agreement on international connecting gas pipelines between the Transmission System Operator and Transmission System Operator from the neighbouring country, in the sense of an agreement on international connecting gas pipelines (pursuant to the EU legislation)
6. *daily change of the transmission system linepack* – difference between the total quantity of gas in the transmission system at the end of the gas day and the total quantity of gas in the transmission system at the end of the previous gas day
7. *daily imbalance of the balance group* – the difference between the quantity of gas input into the transmission system and the quantity of gas off-take from the transmission system on the level of a gas day, determined for each balance group taking into account accepted transactions at the virtual trading point, concluded trades in the products at the trading platform and the activated balancing energy for the balancing service
8. *lower calorific value under standard conditions* – a heat released during the combustion of natural gas with air, after which the heat of water steam condensation from the fuel gasses is not used; expressed in kWh/m³ at the combustion temperature of 15°C and natural gas temperature of 15°C
9. *energy approval* – a document which determines the right to connecting capacity in the event of gas off-take from the transmission system or gas input into the transmission system, at the determined point of connection to the transmission system, and which is issued by the Transmission System Operator upon the request of the applicant for the issuance of energy approval for the connection to the transmission system
10. *energy conditions*– a document which determines the possibility of connecting capacity for the gas off-take from the transmission system or gas input into the transmission system, at the determined point of connection to the transmission system, and which is issued by the Transmission System Operator upon the request of the applicant for the issuance of energy conditions for the connection to the transmission system
11. *upper calorific value under normal conditions* – all heat released during the total combustion of natural gas with air, after which the heat of water steam condensation from the fuel gasses is additionally used; expressed in kWh/m³ at combustion temperature of 25°C and natural gas temperature of 0°C
12. *construction of a connection* – procurement of necessary material and equipment as well as mechanical, electric, construction and other works carried out by the contractor of the connection for the purpose of constructing the connection
13. *limits of total estimated imbalance* – positive and negative limits of the total estimated imbalance of all balance groups beyond which a transmission system operator performs balance activities.
14. *interconnection* – gas pipeline connection point, or more precisely a point on the interstate connecting gas pipeline at which the physical connection between transmission systems of neighbouring countries is achieved
15. *connection investor* – investor or owner of the building which is to be connected to the transmission system,
16. *constructing the connection* – a set of actions intended to ensure conditions for the

connection of a building to the transmission system, which includes creating technical conditions in the transmission system and the execution of the connection

17. *extraordinary creation of technical conditions* – construction of new parts of the transmission system which has not been planned by the development plan of the transmission system, as well as the construction planned by the development plan of the transmission system in the time period which does not suit the investor of the connection
18. *execution of the connection* – preparatory-finishing works and construction of the connection
19. *connection contractor* – legal or natural person who has all required evidence of professional and technical capability for constructing connection to the transmission system
20. *Transmission System User, that is, Network User (pursuant to the legislation of the European Union)* – gas supplier or gas trader who concludes a Natural gas transmission contract and/or a Contract on gas transmission at an interconnection with the Transmission System Operator
21. *measuring-reduction station* – overhead facility of the transmission system with connections to the transmission system where gas is prepared (filtration and pre- heating), reduction of pressure and measuring of gas quantities which are to be delivered to the Transmission System Users under contracted terms
22. *supervision and transmission system management* – procedures carried out by the Transmission System Operator with the goal of keeping the transmission system operating parameters within the limits required for secure and reliable transmission of gas
23. *fee for the connection and increase of connecting capacity* – fee for the construction of the connection which is paid by the connection investor to the Transmission System Operator, and which is calculated and charged in accordance with the Methodology for determining the connection fee, this Network Code, and the Transmission System Connection Agreement
24. *nomination*– announcement of the quantity of natural gas for a balance group for the following gas day which the Transmission System Users, that is, Balance Group members intend to input into the transmission system and/or off-take from the transmission system
25. *billing metering point* – point on the transmission system that has a built-in gas meter and other metering, regulation and safety equipment where the volume is measured in order to calculate the delivered gas
26. *Transmission System Operator from a neighbouring country* – Transmission System Operator from the other side of the interconnection with whom the coordination of information systems, exchange and harmonisation of data on the auction platform, auction procedure for the capacity offering, booking and allocation is carried out
27. *gas node* – an overhead facility of the transmission system where two or more gas pipelines are connected
28. *gas day* – a period of 24 hours which begins at 6:00 AM and lasts until 6:00 AM of the following day
29. *rule of less* – a rule which is applied at an interconnection if a difference in the amounts of nominations is determined in a matching process,
30. *forecasting party* – a legal person that performs the role prescribed by the BAL Regulation and the Network Code of the transmission system and it is determined by the decision of the Agency
31. *interruptible capacity* – capacity of the transmission system which the Transmission System Operator has the right to restrict or totally deny to the Transmission System User

32. *Transferor* – a Transmission System User who transfers its contracted capacity or gives the right to use the contracted capacity to another supplier or gas trader in accordance with the provisions of this Network Code
33. *remaining imbalance for a gas day D-1* – the difference between the sum of all daily imbalances of balance groups and the quantity of gas that the transmission system operator has used for the purpose of balancing actions in the gas day D-1
34. *connection* – an assembly of gas devices and installations, including the billing metering point, which connect the gas devices and installations of the Final Customer, Distribution System Operator, Gas Storage System Operator, LNG Terminal Operator or Natural Gas Producer with the transmission system
35. *connecting capacity* – the largest achievable gas flow at an individual connection determined by energy conditions according to the request of the connection investor and technical characteristics of the transmission system, and which cannot be larger than the technical capacity of the connection, expressed in kWh/h
36. *preparatory - finishing works* - works which are carried out by the System Operator for the purpose of constructing a connection, and which are comprised of: verification of compliance of the connection construction with the main project, establishing that the validity and tightness check of the connection was successfully completed, establishing that the as-built survey of the connection, connection to the transmission system and filling the connection with gas was completed, establishing that the testing of connection tightness under gas was successfully completed as well as administrative affairs
37. *estimated total gas consumption* – total gas consumption in a gas day D estimated by the Transmission System Operator taking into account last accepted nominations for the use of the transmission system for the Final Customers connected to the transmission system, forecast of the environment temperature and history data on the delivery of gas into the distribution systems
38. *estimated total imbalance* – imbalance of all balance groups for the end of the gas day D determined based on the remaining imbalance for the gas day D-1 and the estimated imbalance for the gas day D
39. *estimated imbalance for a gas day D* - imbalance of all balance groups in the gas day D, determined based on the accepted nominations for the transmission system use, estimated total gas consumption and performed balancing actions
40. *products on the trading platform* – a product traded at the trading platform of the Gas Market Operator in compliance with the Rules on the gas market organization
41. *operational balance account* – account on which the differences between the allocated and physically measured gas quantities are recorded
42. *balancing action* – activity undertaken by the transmission system operator to change the gas quantity at the transmission system entry and/or at the transmission system exit by buying or selling products on the trading platform and/or by activating balancing energy for the balancing service
43. *regular transmission system's drive* – status of the transmission system in which the preconditions for running the transmission system have been ensured in technological terms
44. *regular creation of technical conditions* – construction of new and/or reconstruction of the existing parts of the transmission system, as well as all construction and/or reconstruction of the transmission system carried out for the purpose of creating conditions for the connection of buildings to the transmissions system, that is, increasing the

connection capacity of already connected buildings

45. *re-nomination*– altered nomination
46. *secondary capacity market* – capacity market on which the Transmission System Users mutually trade in contracted capacity of the transmission system
47. *available capacity* – a part of the technical capacity which hasn't been contracted
48. *official website*– Transmission System Operator's website (www.plinacro.hr)
49. *specific point* – a place on the transmission system within a specific area where the composition of gas is determined or gas samples are taken, and the measured values represent the reference value for all entries into the transmission system and/or exits from the transmission system associated to that specific area
50. *specific area* – physically connected parts of the transmission system within which gas of similar quality and calorific value is transmitted
51. *bundled capacity* – capacity offered as a standard service of transmission system usage on a permanent basis in the amount jointly determined by the Transmission System Operators on both sides of the interconnection ,
52. *firm capacity* – capacity of the transmission system which the Transmission System Operator ensures for the Transmission System User in a complete amount for the contracted period and has no right to terminate or restrict it, except due to Force Majeure
53. *Acquirer*–supplier or gas trader that the contracted capacity is transferred to or who acquires the right to use the capacity of the transmission system from the existing Transmission System User in accordance with the provisions of this Network Code
54. *creating technical conditions in the transmission system* – regular and/or extraordinary creation of technical conditions
55. *system for remote supervision, management and data gathering* – information system which enables constant insight into the technological parameters of the transmission system and direct management of transmission system facilities by applying the corresponding circuit and programming equipment of own telecommunication subsystem
56. *technical capacity* – the largest firm capacity of the transmission system which the Transmission System Operator can offer to the Transmission System Users, while taking into account the integrity and technical capabilities of the transmission system
57. *technical capacity of the connection* - the largest achievable gas flow at an individual connection determined by the project with which the technical solution of the building's connection is given, expressed in kWh/h
58. *Natural gas transmission contract* – contract with which the Transmission System Operator undertakes to provide to the Transmission System User a service of gas transmission at the entries into and exits from the transmission system, and the Transmission System User undertakes to pay the regulated fee for the use of the transmission system
59. *Contract on gas transmission at an interconnection* – contract with which the Transmission System Operator undertakes to provide to the Transmission System User a service of using the standard products at an interconnection, and the Transmission System User agrees to pay a fee for the usage of standard products at an interconnection based on the capacity distribution via the auction on the auction platform.
60. *contracted capacity* – transmission system capacity which the Transmission System User has the right to use on the basis of the concluded Natural gas transmission contract and/or Contract on gas transmission at an interconnection,
61. *contractual congestion* – state in which the demand for firm capacity is greater than the level of offered available firm capacity at an individual interconnection, in which process the total firm capacity is contracted and at least a part of interruptible capacity

- 62. *entry measuring station* – overhead facility of the transmission system where the Transmission System Operator takes over gas into the transmission system and where the preparation is carried out as well as the measuring of gas quantities and gas quality parameters
- 63. *matching*– process of comparing and verifying amounts of nominated gas quantities conducted by the operators of connected transmission systems and/or Transmission System Operator and Gas Storage System Operator
- 64. *auction platform manager* – legal entity who manages the auction platform
- 65. *congestion management* – management of transmission system capacities for the purpose of optimal and maximal use of technical capacity
- 66. *Regulation 994/2010* - Regulation (EU) No. 994/2010 of the European Parliament and of the Council of 20th October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EU
- 67. *BAL Regulation* – Commission Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on gas balancing of transmission networks
- 68. *CAM Regulation* – Commission Regulation (EU) No. 984/2013 of 14 October 2013 establishing a Network Code on capacity allocation mechanisms in gas transmission systems and supplementing Regulation (EU) No. 715/2009 of the European Parliament and of the Council (Sl.L.No. 273 of 15 October 2013)
- 69. *protective zone* – a zone 30 meters wide on each side of the gas pipeline, counting from the axis of the gas pipeline, in which it is forbidden to construct buildings intended for habitation or human residence.

II DESCRIPTION OF THE TRANSMISSION SYSTEM

Article 4

The transmission system is comprised of:

- a) gas pipelines of different nominal diameter and operating pressure,
- b) entry measuring stations,
- c) measuring-reduction stations,
- d) gas nodes,
- e) connection,
- f) system for remote supervision, management of the gas network and data gathering,
- g) dispatcher centre,
- h) technical systems necessary for the secure and reliable operation of the transmissions system,
- i) other technical facilities, equipment and devices.

Article 5

The Transmission System Operator publishes and updates the description of the transmission system and the map of the transmission system on his official website.

Article 6

(1) The following are connected to the entries into the transmission system:

- a) production gas pipeline network,
- b) transmission system of a neighbouring country,
- c) gas storage system.

(2) The following are connected to the exits from the transmission system:

- a) Final Customer building
- b) distribution system,
- c) gas storage system.
- d) transmission system of a neighbouring country,

III DEVELOPMENT, CONSTRUCTION AND MAINTENANCE OF THE TRANSMISSION SYSTEM

Development of the transmission system

Article 7

(1) The Transmission System Operator is responsible for the development of the transmission system.

(2) The development of the transmissions system is carried out in accordance with the ten year development plan of the transmission system.

(3) The ten year development plan of the transmission system is drawn up on the basis of the Energy Development Strategy of the Republic of Croatia, Implementation Programme of the Energy Development Strategy of the Republic of Croatia, pursuant to the provisions of the Energy Act and the Gas Market Act and taking into consideration:

- justifiable needs for ensuring long-term capacities of the transmission system,
- characteristics of flow and pressure operating parameters of the transmission system,
- actual and expected usage of the transmission system,
- data on the safety and reliability of transmission system operation,
- economic conditions,
- other relevant data.

Article 8

During development and updating of the transmission system development plans the Transmission System Operator is obliged to take into account the facts from the annual report on reliability, safety and efficiency of the transmission system, gas quality, quality of service, reliability of gas delivery, technical characteristics of the system, transmission system capacity usage, maintenance of transmission system equipment and fulfilment of other legal obligations, during which he is obliged to take care of:

- secure and efficient functioning of interconnected systems,
- approved investment projects of the Gas Storage System Operator, LNG Terminal Operator and the Distribution System Operator,
- investment projects of international Transmission System Operators and other subjects which can have an effect on the operation and usage of the transmission system,
- existing and planned international connecting gas pipelines,
- expected development of production, supply, consumption and transit of gas,
- principles of congestion managing in a transmission system in accordance with international practices and rules,
- preventing the occurrence of contractual congestion,
- regional, national and European development goals, including the international projects which are of interest to the Republic of Croatia.

Article 9

(1) During the preparation of plans the Transmission System Operator organises a public procedure for expressing the interest of the existing and potential Transmission System Users for the use of infrastructure he intends to build, in order to gather additional technical, economic and user data.

(2) During the preparation of transmission system development plans a solution should be chosen which completely satisfies technical and safety criteria while adhering to the minimum expenses principle.

Article 10

The restrictions and risks which occur during the transmission system operation, and which cannot be taken into account during the planning of transmission system development due to economic reasons, have to be reduced to a minimum with the appropriate operation and maintenance plans.

Article 11

(1) During the preparation and update of transmission system development plans the Transmission System Operator is obliged to take into account the need to scale the capacities at the entries to the transmission system pursuant to the Regulation (EC) no 994/2010 and pursuant to the regulations which govern the gas supply security.

(2) Scaling of the capacities at the entries into the transmission system, during the planning and construction of the transmission system, fulfils the conditions for appropriate security of gas supply of all clients, reliable transmission and it ensures the transmission system service.

Article 12

(1) The provisions of this Network Code are applied during the planning and construction of facilities which are under joint competence of the Transmission System Operator and the Distribution System Operator, Gas Storage System Operator or LNG Terminal Operator. In the development and construction plan these facilities are recorded separately from other transmission system facilities.

(2) International standards and norms are applied during the planning and construction of facilities which are under joint competence of the Transmission System Operator and the Transmission System Operators of neighbouring countries. In the development and construction plan these facilities are recorded separately from other transmission system facilities.

Construction and maintenance of the transmission system

Article 13

(1) The Transmission System Operator constructs new facilities, reconstructs, upgrades and modernizes existing facilities of the transmission system on the basis of an approved ten year transmission system development plan.

(2) The applicable standards and norms are used during the designing, construction, commissioning, operation and maintenance of the transmission system facilities. The Transmission System Operator publishes on his official website the list of valid standards and norms.

(3) The Transmission System Operator can also apply internal guidelines and rules during the designing, construction, commissioning and maintenance, which contain at least the minimal requests from the regulations on technical conditions for construction, operation and maintenance of gas pipelines and other facilities of the transmission system.

(4) The Transmission System Operator initiates in a timely manner the procedure for receiving approvals and permits required for the construction of facilities.

Article 14

- (1) In order to ensure the regular operation of the transmission system the Transmission System Operator conducts maintenance activities in order to ensure the highest possible level of safety, reliability, availability and efficiency of the transmission system.
- (2) The Transmission System Operator conducts preventive and legally stipulated tests and examinations, ensures the security of the transmission system and oversees the activities of third party in the protective zone as well as activities on facilities which are intended for the reliable and secure operation of the transmission system.
- (3) The maintenance of the transmission system is carried out systematically, by planned execution of regular maintenance of the transmission system, or its parts and by remedying faults and defects.
- (4) Faults and defects from paragraph 3 of this article imply damage, leaks, malfunctions of measuring and other equipment and all other circumstances which cause or can cause a threat to life and health of people or material property damage, occurrence of greater or new faults and defects, as well as environmental pollution.

Article 15

- (1) Planned activities on the transmission system which have no effect on the gas transmission or on the use of contracted transmission capacity can take place at any time without prior announcement to the Transmission System Users.
- (2) Planned activities on the execution of works on the transmission system which cause an interruption of gas transmission or can have an impact on the use of contracted transmission capacities has to be announced in advance. The Transmission System Operator has to undertake all economically justified actions in order to reduce the interruption of gas transmission or restriction of contracted transmission system capacity usage to a minimum.
- (3) Announcement of works which affect the use of contracted transmission system capacities is conducted in accordance with articles 151 to 156 of this Network Code.

Article 16

Unplanned maintenance activities which cause an interruption of gas transmission or restriction of contracted capacity use can be performed only in the event of faults and defects which can endanger the lives and health of people or cause material damage.

Article 17

- (1) If it is necessary to carry out certain works on the transmission system due to requirements of third party, those works are carried out by the third party at their own expense, and the engagement costs of the Transmission System Operator will be charged to the third party in accordance with the Price List of the Non-standard Services of the Transmission System Operator.
- (2) In the event from paragraph 1 of this article the Transmission System Operator will during the issuance of special conditions verify the effect of works on the conditions in the transmission system and will state in the special conditions the consequences which the requested works cause and for which is responsible the third party who submitted the claim for the issuance of Special conditions or on whose behalf the request was submitted.
- (3) For the works from paragraph 1 of this article, which cause restrictions and/or suspension of gas delivery for which the third party, who made the request for the issuance of special conditions is responsible, the Transmission System Operator will prescribe in the Special

conditions the obligation of timely planning and announcement of term when the works will take place.

(4) The third party from paragraph 1 of this article is obliged to deliver to the Transmission System Operator the proposal of the term for the execution of works at least 60 days before the desired work execution date. The Transmission System Operator will harmonise the work execution date with the Transmission System Users and Final Customers connected to the transmission system, Distribution System Operators, Closed Distribution System Organisers, Gas Storage System Operator, LNG Terminal Operator or Natural Gas Producers. The Transmission System Operator will deliver to the third party the harmonised work execution term and will publish it on the official website.

(5) If the subsequence of works from paragraph 1 of this article are disturbances in the operation of the transmission system, the third party bears the costs of removing the disturbances and all possible damage and expenses of the Transmission System Users, Distribution System Operators, Closed Distribution System Organiser, Gas Storage System Operator, LNG Terminal Operator or Natural Gas Producer and the Final Customers on the transmission system.

(6) The Transmission System Operator will allow a third party to carry out works from paragraph 1 of this article if the third party proves its qualification or that it has a qualified contractor for the requested type of work.

IV DOCUMENTATION FOR CONNECTING TO THE TRANSMISSION SYSTEM

Energy conditions for connecting to the transmission system

Article 18

(1) Energy conditions for connection to the transmission system (hereinafter energy conditions) determine the possibility of connecting a building to the transmission system, technical and economic conditions of connection and conditions for using the transmission system.

(2) The energy conditions are acquired during the act issuance procedure with which the spatial - location conditions are regulated, or rather the special conditions under which the project documentation has to be developed, in accordance with legal regulations which regulates the area of spatial planning and construction.

(3) The Transmission System Operator issues the energy conditions from paragraph 2 of this article.

(4) The competent management body, investor of the connection which is being connected to the transmission system or a third party who is authorised by the investor of the connection which is being connected to the transmission system are obliged to obtain the energy conditions.

(5) An act with which the construction has been approved and description of gasification of the building are enclosed along with the request for the issuance of energy conditions for connecting an existing building to the transmission system.

(6) A building cannot be connected or connection capacity cannot be changed on the basis of energy conditions.

(7) The Transmission System Operator publishes a form of the request for the issuance of energy conditions in electronic form on the official website.

Article 19

- (1) In the event of connection capacity change or change on the connection, the connection investor is obliged to submit to the Transmission System Operator a request for the issuance of new energy conditions.
- (2) A description of modifications to the gas installations is enclosed along with the request for the issuance of energy conditions from paragraph 2 of this article.

Article 20

- (1) Energy conditions contain information on:
 - a. investor or owner of the building,
 - b. position of the building, including the cadastral plot of the building which is being connected to the transmission system
 - c. location of the connection and manner of connection construction,
 - d. connection capacity of the building
 - e. pressure of the gas pipeline at the connection location, f. conditions for the construction of the connection,
 - g. planned annual gas consumption,
 - h. billing metering point,
 - i. deadline for building connection,
 - j. transmission system terms of use,
 - k. economic conditions,
 - l. deadline and conditions for their cessation and
 - m. instructions on the right to appeal.
- (2) Energy conditions can also contain:
 - a. conditions for the building location
 - b. parameters of the transmission system at the location of the connection,
 - c. specification of the equipment which needs to be installed or refurbished due to the construction of the connection,
 - d. allowed pressure changes in the transmission system,
 - e. information on measuring equipment,
 - f. manner of exchanging measuring data,
 - g. programme of obligatory testing
 - h. and other information in relation to connection of a building.

Article 21

- (1) Energy conditions are valid for two years from the day they were issued.
- (2) Energy conditions cease to be valid if an Energy Approval is not issued within the deadline from paragraph 1.

(3) Energy conditions can be prolonged for two years due to justifiable reasons if so requested by the investor of the connection, during which the Transmission System Operator decides on the justifiability of the reason.

Right to appeal against the energy conditions

Article 22

(1) The applicant from article 18 paragraph 4 and article 19 paragraph 1 of this Network Code whose request for the issuance of energy conditions has been rejected or is unsatisfied with the conditions from the issued energy conditions has the right to appeal to the Agency.

(2) The appeal from paragraph 1 of this article is submitted within 15 days from the day of receipt of the decision with which the request for the issuance of energy conditions was rejected or the decision with which the energy conditions are issued.

(3) The decision of the Agency on the appeal is enforceable, and the unsatisfied party can initiate an administrative dispute against the Agency's decision.

Control concerning the compliance of the technical documentation with the energy conditions

Article 23

(1) During the act issuance procedure with which the construction is approved in accordance with the laws, which govern the area of physical planning, construction and construction products, the Transmissions System Operator is obliged to verify in the technical documentation the compliance of applied solutions with the energy conditions.

(2) On the basis of the carried out verification of technical documentation the Transmission System Operator issues a certificate of compliance of the technical documentation with the energy conditions or it requests the compliance with energy conditions.

Pre-agreement on connecting to the transmission system

Article 24

After the issuance of energy conditions, the parties to the proceedings can request the conclusion of a pre-agreement on connecting to the transmission system.

Energy approval for connecting to the transmission system

Article 25

(1) The energy approval for the connection to the transmission system (hereinafter: energy approval) determines the guaranteed conditions for access to the transmission system.

Energy approval contains information about:

- a. investor or owner of the building,
- b. act which proves the legality of the building pursuant to the laws which govern the field of spatial planning, construction and construction products,

- c. connection capacity of the building
- d. technical capacity of the connection,
- e. connecting capacity of the billing metering point,
- f. purpose of gas consumption,
- g. billing metering point,
- h. instructions on the right to appeal.

Energy approval can also contain:

- a. specification of the equipment which needs to be installed or refurbished,
- b. information on measuring equipment,
- c. manner of exchanging measuring data,
- d. programme of mandatory gas installation testing and
- e. other information in relation to connecting the billing metering point.

(2) The investor of the connection submits the request for the issuance of energy approval, and he is obligated to enclose an act along with the request with which construction is approved in accordance with the laws which govern the area of spatial planning, construction and construction products.

(3) In order to connect an existing building to the transmission system, the investor of the connection, along with the request for the issuance of energy approval, needs to enclose the project documentation which has to contain all the necessary textual and graphical information pursuant to legal regulations which govern the area of spatial planning, construction and construction products or connection of an existing building to the transmission system.

(4) In the event from paragraph 3 of this article the Transmission System Operator will issue energy approval to the applicant if the main project and project documentation from paragraph 3 of this article has been harmonised with the energy conditions and if the investor of the connection obtained a decision or an act with which construction is approved in accordance with the legal regulations and the area of spatial planning, construction and construction products or connection of an existing building to the transmission system is determined.

(5) Energy approval ceases to be valid if within two years from the day the energy approval was issued an agreement on connecting to the transmission system is not concluded.

(6) Energy approval can be prolonged for two years due to justifiable reasons if so requested by the investor of the connection, during which the Transmission System Operator decides on the justifiability of the reason.

(7) The investor of the connection who submitted the request for the issuance of the energy approval bears the costs of the issuance of the energy approval according to the Price List of the Non-standard Services of the Transmission System Operator.

(8) The Transmission System Operator publishes a form of the request for the issuance of energy approval in electronic form on the official website.

Article 26

(1) The Transmission System Operator issues the energy approval.

(2) The energy approval is issued for each individual billing metering point.

Article 27

- (1) The connection capacity from the energy approval cannot be transferred to another location.
- (2) Energy approval ceases to be valid on the day the connection is permanently separated from the transmission system.

Article 28

- (1) The Transmission System Operator has right to adjust the billing metering point, at its own cost, if the utilisation of the connection capacity of the connection is beyond the limits of the metering area of the billing metering point in compliance with actual utilisation of the connection for the purpose of increasing the measurement accuracy.
- (2) The Transmission System Operator shall conduct the check of the utilisation of the connection capacity at least once a year for the period of one year and it shall adjust the billing metering point if the utilisation of the connection capacity is lower than Q_{min} of the measuring equipment at least 50% of the time of the observed period.
- (3) If the billing metering point is adjusted due to the reasons anticipated by paragraph 1 of this article the Transmission System Operator shall issue an annex to the issued energy approval in which it shall state data on the billing metering point equipped pursuant to paragraph 1 of this article.

*Right to appeal under the energy
approval*

Article 29

- (1) The applicant from article 25 paragraph 2 of this Network Code whose request for the issuance of energy approval has been rejected or is unsatisfied with the conditions from the issued energy approval has the right to appeal to the Agency.
- (2) The appeal from paragraph 1 of this article is submitted within 15 days from the day of receipt of the decision with which the request for the issuance of energy approval was rejected or the decision with which the energy approval was issued.
- (3) The decision of the Agency on the appeal is enforceable, and the unsatisfied party can initiate an administrative dispute against the Agency's decision.

**V CONSTRUCTION OF A CONNECTION AND CONNECTING TO THE
TRANSMISSION SYSTEM**

Request for connecting to the transmission system

Article 30

The request for connecting to the transmission system is submitted by the investor of the connection, and it contains the following:

- name, address and contact information of the investor of the connection,
- information on the building which is being connected to the transmission system, which includes the location of the building and the number of the energy approval, use permit
- if the request relates to a temporary connection of the building which is being connected to the transmission system, the investor is obliged to deliver written statements by the connection investor or owner of the building, the supervising engineer and contractor on assuming responsibility during the temporary commissioning of the connection,
- certificate that the technical conditions for the physical connection of the newly built facility to the transmission system have been satisfied,
- name, address and contact information on the connection contractor in the event that the construction of the connection is not carried out by the Transmission System Operator,
- name, surname and contact information on the responsible person of the connection contractor who is in charge of construction, or rather certain works on the connection construction, in the event that the construction of the connection is not carried out by the Transmission System Operator,
- information on the beginning and ending of works on construction of the connection in the event that the construction of the connection is not carried out by the Transmission System Operator and
- other information in relation to connecting a building.

Creating technical conditions in the transmission system

Article 31

- (1) The Transmission System Operator is the investor for creating technical conditions in the transmission system.
- (2) Regular creation of technical conditions in the transmission system is financed from the fee for the use of the transmission system.
- (3) Extraordinary creation of technical conditions in the transmission system is financed from the connection fee.

Article 32

- (1) In the event that the connection of a building or an increase of connection capacity requires extraordinary creation of technical conditions in the transmission system, the Transmission System Operator prepares upon the request of the connection investor a study on the extraordinary creation of technical conditions in the transmission system (hereinafter: study).
- (2) The study especially determines as follows:
 - technical details of the construction of new parts or reconstruction of the existing parts of the transmission system,
 - compliance of the construction of new parts or reconstruction of the existing parts of the transmission system with the spatial-planning documentation,

- list of corresponding approvals which need to be obtained in relation to the regulations which govern physical planning and construction,
- estimated cost of construction of new parts or reconstruction of the existing parts of the transmission system,
- list of buildings which can be connected to the transmission system in the event that new parts are built or the existing parts of the transmission system are reconstructed
- list of buildings whose connection investors are interested in financing new parts of the transmission system
- estimated total connection capacity which occurs by extraordinary creation of technical conditions,
- estimated individual connection capacity which occurs by extraordinary creation of technical conditions,
- manner of cost distribution for extraordinary creation of technical conditions.

(3) The connection investor pays for the preparation of the study according to the Price List of the Non-standard Services of the Transmission System Operator.

(4) As an exception from paragraph 1 of this article the study can be made by a legal entity or natural person authorised for designing. In that event the Transmission System Operator approves the study.

(5) Relations between the Transmission System Operator and connection investor in relation to the extraordinary creation of technical conditions in the transmission system from paragraph 1 of this article are determined by an agreement.

(6) The manner of distribution of possible differences between the estimated construction costs of new parts or reconstruction of the existing parts of the transmission system and the actual cost of construction of new parts or reconstruction of the existing parts of the transmission system is an important part of the agreement from paragraph 5 of this article.

Construction of a connection to the transmission system and increase of connection capacity

Article 33

(1) The connection is built in accordance with the energy approval, Network Code, Methodology of determining the fee for the connection to the gas distribution or transmission system and for the increase of connection capacity (hereinafter Methodology of determining the connection fee) and agreement on connecting to the transmission system and pursuant to the provisions of the laws which govern the area of physical planning, construction and construction products.

(2) In the event that the construction of a connection or increase of connection capacity requires a reconstruction of a measuring reduction station with amendments to the construction permit, the Transmission System Operator prepares upon the request of the connection investor a study on the connection construction (hereinafter: Connection construction study).

(3) The connection construction study especially determines:

- technical details of the measuring reduction station reconstruction,
- compliance of the measuring reduction station reconstruction with the spatial-planning documentation,
- list of corresponding approvals which need to be obtained in relation to the

regulations which govern physical planning and construction,

- estimated costs of the measuring reduction station reconstruction,
- list of buildings which can be connected to the transmission system in the event of measuring reduction station reconstruction,
- list of buildings whose connection investors are interested in the reconstruction of the measuring reduction station,
- estimated total connection capacity which results from the reconstruction of the measuring reduction station,
- estimated individual connection capacity which results from the reconstruction of the measuring reduction station,
- mode of cost distribution for the reconstruction of the measuring reduction station.

(4) The connection investor pays for the preparation of the connection construction study according to the Price List of the Non-standard Services of the Transmission System Operator.

(5) As an exception to paragraph 1 of this article the study for the construction of the connection can be made by a legal entity or natural person authorised for designing. In that event the Transmission System Operator gives approval for the study.

(6) The Transmission System Operator carries out the preparatory-finishing works, and the fee is paid by the connection investor, in accordance with the Methodology of determining the connection fee.

(7) The construction of the connection is carried out by the connection contractor selected by the connection investor or the Transmission System Operator, and in accordance with the decision of the connection investor.

(8) The connection contractor is obliged to prove to the Transmission System Operator his professional and technical capability for each individual connection. The professional and technical capability evidence implies evidence on personnel qualification, required professional authorizations and required technical equipment for the execution of works on the connection construction, and which is prescribed by the Transmission System Operator in the connection construction study.

(9) The Transmission System Operator has the right to verify the compliance of the connection construction with the main project which provides the technical solution of the connection during and after the connection construction.

(10) The increase of connection capacity is carried out upon the request for the issuance of energy conditions for the increase of connection capacity by the connection investor in the event when the connection capacity of the building is greater than the existing technical capacity of the connection.

(11) When the connecting capacity is increased the connection investor pays for the cost of constructing the connections elements, aside from the assembly and disassembly of gas meters and other measuring, regulation and safety equipment, in accordance with the Methodology of determining the connection fee.

(12) When the connecting capacity is increased the connection investor pays for the cost of assembly and disassembly of gas meters and other measuring, regulation and safety equipment, in accordance with the Price List of the Non-standard Services of the Transmission System Operator.

Article 34

- (1) The Transmission System Operator is obliged to connect a building in accordance with the concluded agreement on connecting to the transmission system.
- (2) The Transmission System Operator is obliged to maintain the connection at his own expense.
- (3) During the first connection the Transmission System Operator and the connection investor determine in writing the data on the connection's elements.

Putting the connection into operation

Article 35

- (1) The Transmission System Operator is obliged on the basis of energy approval to put into operation the building connection to the transmission system on the day on which the use of the transmission system capacity from the concluded Natural gas transmission contract starts after the investor of the connection has fulfilled all financial and other obligations in accordance with the agreement on connecting to the transmission system and has obtained a use permit for the building which is being connected to the transmission system.
- (2) The Transmission System Operator is obliged to temporarily connect a building which is being connected to the transmission system for the purpose of testing gas devices and installations and a trial run if the trial run is provided for in the main project, and on the basis of the written request of the connection investor and the written statement of the connection investor, supervisory engineer and connection contractor on assuming responsibility during the temporary putting into operation of the connection.
- (3) The Transmission System Operator is obliged within at least three days before the building connection is put into operation to inform in writing the connection investor and his gas supplier, which has previously contracted capacity at the mentioned connection, on the day and hour when the building connection will be put into operation.

Agreement on connecting to the transmission system

Article 36

- (1) The agreement on connecting to the transmission system is concluded on the basis of the issued energy approval.
- (2) The agreement on connecting to the transmission system is concluded between the Transmission System Operator and the Distribution System Operator, Closed Distribution System Organiser or the Gas Storage System Operator or the Natural Gas Producer or the LNG Terminal Operator or the Final Customer on the transmission system during the transmission system connection procedure and in the increase of connection capacity procedure.
- (3) The agreement on connecting to the transmission system governs the conditions for the connection to the transmission system and the financial obligations in accordance with the Methodology of determining the connection fee and other obligations of the contracting parties.
- (4) The agreement on connecting to the transmission system contains information on contracting parties, the energy approval number, technical conditions for equipment connecting, technical information on the construction of the connection with the specified point of exit from the transmission system, connection fee amount, connection construction deadline, time and place of connection and other provisions.

- (5) The Transmission System Operator constructs the connection to the transmission system within the deadline determined by the agreement on connecting to the transmission system.
- (6) The deadline from paragraph 5 does not include delay of activities on which the Transmission System Operator had not influence (approval of administrative bodies, obtaining location and building permits, solving property-rights relations, construction of the connection by connection contractor selected by the investor or the owner of the building, events on the building site and similar), about which the Transmission System Operator informs the other contracting party in a timely manner.
- (7) The payment schedule of the connection fee for the construction of the connection to the transmission system is determined by the agreement on connecting to the transmission system.
- (8) The Transmission System Operator publishes on his official website the standard agreement on connecting to the transmission system.

VI CONNECTING WITH OTHER PARTS OF THE GAS SYSTEM

Article 37

- (1) Connection of other parts of the gas system to the transmission system is performed in order to create preconditions for safe and reliable gas supply.
- (2) The transmission system is connected to the production gas pipeline network in order to deliver gas produced in the Republic of Croatia into the transmission system.
- (3) The connection of the transmission system to the transmission system of another country is performed in order to transmit gas internationally.

Article 38

- (1) The Transmission System Operator determines the manner and conditions of access to the measuring signals from the billing metering points on the transmission system which are necessary for supervision and management of the connected system and odorization.
- (2) The Transmission System Operator and the Storage System Operator determine the manner and conditions for the exchange of measuring signals and transfer of data on the gas storage system usage and notifications on the operation modes of the gas storage system.
- (3) The Transmission System Operator and the LNG Terminal Operator determine the manner and conditions for the exchange of measuring signals and transfer of data on the LNG terminal usage and notifications on the operation modes of the LNG terminal.
- (4) If the Distribution System Operator or the Closed Distribution System Organiser or the Storage System Operator or the LNG Terminal Operator or the Natural Gas Producer or the Final Customer connected to the transmission system requests access to the measuring signal which is not available, the additional equipping of the connection for that purpose is considered a non-standard service.

Article 39

- (1) Connection of the transmission system and the transmission system of a neighbouring country, as well as the technical details regarding planning, construction and operation of international connecting gas pipelines, is carried out on the basis of a bilateral agreement on the interconnection.
- (2) The connection of the transmission system, distribution system, closed distribution system,

gas storage system and LNG terminal is carried out on the basis of an agreement on mutual rights and obligations with the Distribution System Operator, Closed Distribution System Organiser, Storage System Operator and the LNG Terminal Operator.

(3) The Agreement from paragraph 2 of this article especially regulates the following:

- information on the contracting parties,
- number of the issued energy approval,
- technical description of connection details,
- list of corresponding approvals which regulate the construction and commissioning,
- technical details in relation to planning, construction and operation of mutually connected systems,
- rules concerning data exchange
- content of operational reports,
- obligations, rights and roles of the contracting parties and
- start of application.

(4) The Transmission System Operator shall publish the template of the agreement as of paragraph 2 of this article on its official website.

Article 40

(1) If the transmission system and individual distribution systems are connected through multiple exits from the transmission system and if those connected parts of the distribution system represent a hydraulic unit, the Transmission System Operator, in agreement with the Distribution System Operator, will declare such exits from the transmission system as one joint exit from the transmission system.

(2) The Transmission System Operator and the Distribution System Operator are obliged to conclude an agreement on establishing a joint exit from the transmission system 15 days before the deadline for the submission of the request for the transmission system capacity booking on an annual level.

(3) The Transmission System Operator publishes a standard agreement on establishing joint exit from the transmission system on his official website. The agreement specifically contains the following information:

- contracting parties,
- exits from the transmission system included in the joint exit,
- start of application,
- capacity of the joint exit, expressed in kWh/h,
- determining the operating mode of the exit from the transmission system which comprise the joint exit.

(4) The joint exit is used in the procedures for the transmission system capacity booking, nomination for the use of capacities, allocation of gas quantities measured at individual exits from the transmission system and reporting.

VII SUPERVISION AND MANAGEMENT OF THE TRANSMISSION SYSTEM

Article 41

(1) The Transmission System Operator continuously monitors the transmission system operation in order to ensure reliable and secure transmission of gas, efficient and reliable management of the transmission system, balancing of the transmission system and fulfilment of contractual obligations at prescribed pressure and gas quality conditions.

(2) The supervision of the transmission system operation and management of the transmission system is carried out continuously from the Transmission System Operator's dispatcher centre, as well as through systematic operational supervision of the transmission system, local management of the technological facilities, corresponding and timely preparation of the transmission system for special operating conditions, analysis of conditions in the system, anticipation of changes in the transmission system linepack, timely forwarding of information on the status of the transmission system, status of equipment and system elements, physical supervision of technological facilities, systematic preventive and corrective maintenance thereof.

Article 42

In order to monitor and manage the transmission system, the Transmission System Operator uses measuring, information and telecommunication systems which enable him to do the following:

- constant supervision over technological parameters and management of key facilities of the transmission system in real time,
- detection of disturbances in the technological process of gas transmission and imbalance of the transmission system,
- preparation of hydraulic calculations and simulation of the transmissions system status, determining the gas quantity in the transmission system and the change of operational linepack,
- measuring, recording and centralized gathering of data on the achieved gas flow at the entries into the transmission system and exits from the transmission system,
- communication connectivity with the management/dispatcher centres of the operators of connected systems in order to exchange process data,
- data exchange and operational communication with the Balance Responsible Party and Gas Market Operator,
- operational communication with the Transmission System User,
- operational communication with the Distribution System Operator or Closed Distribution System Organiser or Storage System Operator or LNG Terminal Operator or Natural Gas Producer or Final customer connected to the transmission system, reporting on the realised usage of the transmission system and balancing energy.

Article 43

(1) The Transmission System Operator ensures that there is enough gas in the transmission system for operational consumption, to cover the loss of gas and measuring differences and for the usage of operational reserve.

(2) The Transmission System Operator, based on market principles, while defining the dynamics and place of delivery, purchases gas for operational consumption, for coverage of loss of gas and measuring differences in the transmission system and for operational reserve.

(3) The Transmission System Operator publishes the tender for the procurement of gas from paragraph 2 of this article on the official website and in at least one public newspaper.

(4) The basic criteria for choosing the most favourable gas supplier is the lowest price of gas.

(5) On the basis of the decision on the selection of the most favourable gas supplier, the Transmission System Operator and the chosen gas supplier conclude a Gas Supply Agreement.

(6) In the event that the supplier is not satisfied with the conduct of the Transmission System Operator during the gas procurement procedure from paragraph 2 of this article, the supplier has the right to lodge an appeal to the Agency.

Rules for using the operational reserve

Article 44

(1) If the Transmission System Operator owns the operational reserve and uses it for the purpose of optimal management of technological process of gas transmission which includes the following.

- a. balancing the entire linepack status of the transmission system with the current load and transmission system operating mode depending on the intensity of use of individual entries and exits from the transmission system,
- b. temporary corrections of the total linepack status of the transmission system for the purpose of the preparation of the transmission system for the works on the transmission system, gas storage system, plants and the production gas pipelines network of natural gas producers, network system of LNG operators, transmission system of the neighbouring countries which can have impact on the transmission system operation,
- c. temporary corrections of the total linepack status of the transmission system which occurred due to losses and measuring differences
- d. temporary compensation for the reduction of the total linepack status of the transmission system due to damage and performance of repair works on the gas pipelines,
- e. other required corrections to the linepack status of the transmission system.

(2) The Transmission System Operator performs the booking and usage of the storage system capacity for the requirements of maintenance and usage of operational reserve in accordance with the Rules for using the gas storage system.

Pressure and gas quality in the transmission system

Article 45

(1) For entries into the transmission system within the border of the Republic of Croatia nominal pressure of 75 bar the lowest input pressure is 70 bar, and for entries into the transmission system with a nominal pressure of 50 bar the lowest input pressure is 45 bar, during which the highest input pressure cannot be higher than the nominal pressure.

(2) The pressure at which the Transmission System User inputs gas into the transmission system can be lower than the values prescribed in paragraph 1 of this article at certain entries into the transmission system under the condition that this does not affect the operation of the transmission system, as well as the fulfilment of contractual obligations of the Transmission

System Operator and other Transmission System Users.

(3) The Transmission System Operator has the right to deny or restrict takeover of gas which the Transmission System User inputs into the Transmission System at a pressure which is lower than the prescribed value in paragraph 1 of this article, of which he previously informs the Transmission System User.

(4) The Transmission System Operator publishes the pressure values for individual entries into the transmission system on his official website.

Article 46

(1) The lowest output pressure is 3 bar for exits from the transmission system within the borders of the Republic of Croatia.

(2) The pressure value for the exit from the transmission system is defined in the energy approval.

(3) The Transmission System Operator publishes the pressure values for exits from the transmission system on his official website.

(4) The temporary change of output pressure on a certain exit from the transmission system is possible on the request of the Distribution System Operator, Closed Distribution System Organiser or the Final customer connected to the transmission system, which is considered as a non-standard service.

(5) The request for the temporary change of output pressure is delivered to the Transmission System Operator at least five business days in advance. The request has to contain the information on the commencement, duration and reasons for the temporary change of output pressure.

(6) The acceptability of requests from paragraph 5 of this article is evaluated by the Transmission System Operator depending on the possible impact such changes of output pressure have on the safety and reliability of the transmission system and on the execution of contractual obligations of the Transmission System Operator and other Transmission System Users.

(7) The Transmission System Operator is obligated within two business days from the day the request from paragraph 5 of this article is received to notify the applicant on the acceptability of the request.

Article 47

The pressure value for the interconnection which is the entry into the transmission system or which is the exit from the transmissions system is defined by a bilateral interconnection agreement, and the pressure value for all other entries into the transmission system are defined by energy approvals.

Article 48

(1) The standard gas quality is prescribed by the General terms and conditions for gas supply.

(2) The Transmission System User who has contracted capacities at the entry into the transmission system is obliged to ensure gas of standard quality. The calorific gas value of the input gas can deviate no more than $\pm 5\%$ from the average calorific value of gas at the corresponding entry determined for the period from the 1st January until 31st December of the previous year or the calorific value of gas which the Transmission System User announced at least five days before the commencement of gas input into the transmission system.

(3) The Transmission System User who is inputting gas at the entry into the transmission

system is obliged to notify the Transmission System Operator on all the circumstances which can affect the quality of gas and at least five business days in advance for foreseeable circumstances, and without delay for unforeseeable circumstances.

(4) If the Transmission System Operator ascertains that gas of non-standard quality is input into the transmission system at an individual entry, the Transmission System User, who contracted capacities at that entry, is obliged at the request of the Transmission System Operator to undertake measures without delay which will, in the shortest possible period, ensure the input of gas of standard quality or suspend gas input into the transmission system, and will regularly inform the Transmission System Operator on the undertaken and planned measures.

(5) In the event that the Transmission System User does not act in accordance with paragraph 4 of this article, the Transmission System Operator has the right to suspend the takeover of gas.

(6) The Transmission System Operator is obliged to notify Final customers connected to the transmission system and the Distribution System Operator, and the Closed Distribution System Organiser on the afore stated circumstances if they can have an impact on the Final Customers.

Article 49

(1) As an exception to article 48 of this Network Code the Transmission System Operator can takeover gas whose quality deviates from the prescribed standard quality exclusively in the peripheral parts of the transmission system of lower operating pressure from which the gas is not transported to other parts of the transmission system.

(2) The Transmission System Operator will in the event from paragraph 1 of this article take over the gas if this does not endanger the safety and reliability of the transmission system and the fulfilment of contractual obligations of the Transmission System Operator and if there is a written approval by the Distribution System Operator or Closed Distribution System Operator into which such gas is input and/or the Final Customer connected to a peripheral part of the transmission system from paragraph 1 of this article that they accept gas which deviates from the standard quality.

(3) In the event from paragraph 2 of this article, the Distribution System Operator or Closed Distribution System Organiser and/or Final Customer connected to the peripheral part of the transmission system, fully take responsibility for possible disruptions and damage on their own installations and facilities and/or installations and facilities of the Final Customers, to whom they deliver gas, occurred due to taking over of gas which deviates from standard quality.

Article 50

(1) In the event of liquid technological impurities in the transmission system, the Transmission System Operator will, if possible, separate them from the transmission system by using built-in devices for separating liquid technological impurities.

(2) The Transmission System User for whom it is established that he delivered a liquid technological impurity into the transmission system is obliged to remove and dispose the separated liquid technological impurity, at his own expense, at first call of the Transmission System Operator, but no later than 48 hours from the Transmission System Operator call.

(3) In the event that the Transmission System User for whom it is established that he delivered into the transmission system a liquid technological impurity does not respond to the call of the Transmission System Operator, the Transmission System Operator will remove and dispose the liquid technological impurity in a legally prescribed manner and will charge the expenses to the Transmission System User determined to be responsible, which is considered as a non-standard service.

(4) The removal of liquid technological impurities from devices for the separation of liquid

technological impurities from paragraph 2 of this article is carried out under the supervision of the Transmission System Operator, which is considered a non-standard service.

Article 51

(1) The Transmission System Operator monitors the quality of gas with his own gas quality monitoring system which includes all data on the gas quality in the transmission system, regardless on the ownership of the equipment for measuring the gas quality parameters, sampling frequency and laboratory gas analyses.

(2) The Transmission System Operator publishes on the first business day after the expiry of the half-month period for that half-month period, on the official website, the report on the gas quality for individual specific points.

(3) The Transmission System Operator publishes on his official website the annual gas quality report.

Management and procedures in extraordinary situations and crisis situation

Article 52

(1) An extraordinary situation is considered to be every technical disturbance on the transmission system whose consequences directly endanger the safety of people and property from uncontrolled release of gas, cause restriction of transmission system capacity usage and endanger the gas supply.

(2) Aside from the technical disturbance on the transmission system from paragraph 1 of this article an extraordinary situation is also considered to be an imbalance of the transmission system, remaining after the implementation of measures from article 54 of this Network Code, and which causes the restriction of transmission system capacity usage and endangers the security of gas supply.

(3) In the event of an extraordinary situation on the transmission system from paragraph 1 of this article the Transmission System Operator undertakes without delay the following measures with which he ensures the maintenance of viability of the transmission system and reduces the impact of the disturbance on the possibility of transmission system capacity usage and security of gas supply:

- notifying the competent public services and bodies,
- removal of the cause of danger to the safety of people and property,
- diverting the transmission flows through gas pipelines not affected by the disturbance,
- using the available linepack of the gas pipeline and operational reserve.

(4) If the extraordinary situation from paragraph 1 and 2 of this article causes the termination of gas transmission, the restriction of the transmission system capacity use or endangers the security of gas supply, the Transmission System Operator immediately notifies about the disturbance, its consequences and expected duration, the Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, the LNG Terminal Operator, Natural Gas Producer, Final Customer connected to the transmission system, Balance Responsible Party and Transmission System User affected by the event, in order for them to undertake their own security measures, balancing measures and if required to deliver a re-nomination of transmission.

(5) The emergency notification of users in the event from paragraph 4 of this article is carried out in accordance to articles 154, 155 and 156 of this Network Code.

Article 53

(1) During a crisis situation the Transmission System Operator manages the transmission system on the basis of measures prescribed by the body responsible for the security of gas supply, in accordance with the Regulation (EC) no 994/2010 and pursuant to the regulations which govern the gas supply security.

(2) In the event of a crisis situation the Transmission System Operator and the Transmission System User, Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator, Final Customer connected to the transmission system and the Gas Producer act in accordance with the provisions of the Transmission System Operator Plan for crises situation.

VIII BALANCING

Article 54

(1) The Transmission System Operator performs the transmission system balancing pursuant to the provisions of BAL Regulation and the Rules on the gas market organization.

(2) Balancing rules do not apply in case of implementation of the measures for the security of supply which are not based on the market principles for the purpose of elimination of crisis situation and in compliance with the Decision on taking the intervention plan on the safety measures for the security of gas supply of the Republic of Croatia and the Regulation 994/2010.

Balancing zone

Article 55

(1) Transmission system is a balancing zone.

(2) The balancing zone contains all transmission system entries and transmission system exits including the virtual trading point as well.

Responsibility for the balancing

Article 56

A Balance Responsible Party is primarily responsible for balancing the portfolio of the balance group it organizes and leads so that the transmission system operator would undertake as few balancing actions as possible.

Providing information

Article 57

(1) During a gas day D the Transmission System Operator determines and publishes on its official website the estimated total imbalance, every hour within the period from 9:30 AM to 10:30 PM.

(2) The Transmission System Operator publishes on its official website, during a gas day D, every hour, within the period from 9:30 AM to 10:30 PM, data on the quantity of gas measured in the previous hours of the gas day D, expressed as an aggregated amount for the transmission system exits towards the distribution systems.

(3) In a gas day D the Transmission System Operator provides, on the information platform, for the Balance Responsible Party to access data on the achieved flows at the transmission system entries and the transmission system exits for the relevant balance group for the previous hours of the gas day D, pursuant to articles 132 and 141 of this Network Code.

(4) The Transmission System Operator will perform all necessary activities to ensure that in the moment of their publishing data are as available and as accurate as possible. Data from paragraphs 1, 2, 3 and 4 as of this article are given solely for information and the Transmission System Operator cannot guarantee for accuracy and completeness of published data.

(5) Based on the data received from the Forecasting Party the Transmission System Operator will deliver to the Balance Responsible Party the forecasts of the Transmission System Users off-takes.

(6) The Forecasting Party makes forecasts by using the methodology for forecasting the quantities of gas off-take for the billing metering points without daily metering pursuant to BAL Regulation.

(7) The Forecasting Party shall organize a coordination body for development and application of the methodology as of paragraph 6 of this article in which the representatives of the Transmission System Operator, Distribution System Operator, Gas Market Operator and the Balance Responsible Party are obliged to participate on the request of the Forecasting Party. The Coordination body shall meet at least once in 60 days. The Forecasting Party shall deliver the report from the coordination body meeting to the Agency.

(8) The methodology as of paragraph 6 of this article is to be made by the Forecasting Party on the request of the coordination body as per paragraph 7 of this article upon the carried out consulting with the Transmission System Operator, Distribution System Operators, Gas Market Operators and Balance Responsible Parties.

Transmission System Operator actions

Article 58

(1) Transmission System Operator determines the limits of the total estimated imbalance taking into account technical characteristics and physical limits of the transmission system.

(2) Transmission System Operator publishes on the official website the limits of the total estimated imbalance. In case the limits of the total estimated imbalance change the Transmission System Operator shall announce new limits of the total estimated imbalance and inform the Balance Responsible Parties about it at least 24 hours prior to the beginning of the gas day that the relevant change refers to.

(3) If the amount of the total estimated imbalance is beyond the published limits of the total estimated imbalance the Transmission System Operator shall carry out balancing actions

pursuant to article 6 of BAL Regulation and the Rules on the gas market organization.

Article 59

(1) In case as per article 58 item 3 the Transmission System Operator performs the following balancing actions:

- a. It uses available products on the trading platform of the Gas Market Operator as a positive or as a negative balancing energy,
- b. It uses balancing energy for the balancing service.

(2) In case the total estimated imbalance is beyond the limits of the total estimated imbalance the Transmission System Operator performs the balancing action in the amount of quantity of gas which will reduce the total estimated imbalance to the amount which is within the limits of the total estimated imbalance whereas in one gas day, depending on the total estimated imbalance, it may use both positive and negative balancing energy.

(3) The Transmission System Operator may perform the balancing actions four times during a gas day D on previously determined times publicly published on the official website.

(4) When performing balancing actions the Transmission System Operator takes into account only those offering of products on the trading platform published by the beginning of a certain period in which it carries out balancing actions and the priority is given to the within-day products on the trading platform. If there are no appropriate products on the trading platform the Transmission System Operator, prior to the activation of the balancing service, publishes information on the necessary amount of the balancing energy of the product on the trading platform. The deadline for the submission of offers for the products on the trading platform is 15 minutes from the call of the transmission system operator.

(5) The Transmission System Operator will use the balancing actions in a gas day D-1 for the gas day D as well as the first appointed time for carrying out balancing actions in the gas day D only exceptionally if the imbalance of balance groups threatens the transmission system operation.

(6) If the period as of paragraph 3 of this article changes the Transmission System Operator will inform about it directly Balance Responsible Parties, Storage System Operator and the Gas Market Operator at least two days in advance.

(7) In case of an extraordinary situation on the transmission system, on the plant and the production gas pipelines system of the Natural Gas Producers, on the Gas Storage System, on the transmission system of the neighbouring transmission system operator, on the plant of the Final Customer connected to the transmission system, on the system of the Distribution System Operator and on the system of the LNG Terminal Operator the Transmission System Operator has right to carry out balancing actions also beyond the published times whereas it informs the Balance Responsible Parties and the Gas Market Operator about it as soon as possible.

Article 60

(1) When carrying out balancing actions the Transmission System Operator will give priority to the products on the trading platform but in cases when it is economically justified it will give priority to the balancing energy for the balancing service.

(2) If the total estimated imbalance is negative the priority on the trading platform is given to the products for purchase with the lower unit price.

(3) If the total estimated imbalance is positive the priority on the trading platform is given to the products for sale with the higher unit price.

(4) The Transmission System Operator may deviate from the rule as per paragraphs 2 and 3 of this article and use the location product on the trading platform which is less favourable in terms of price if the change of gas flow at the particular local part of the transmission system is necessary to balance the transmission system or if the offered quantity of gas of more favourable product on the trading platform in terms of price is larger than the quantities of gas necessary to balance the transmission system.

Article 61

(1) If the performed balancing actions are not sufficient the Transmission System Operator notifies without delay the Balance Responsible Parties of that fact, after which the Balance Responsible Parties shall as soon as possible balance the portfolio of the balance group they organise and lead and inform the Transmission System Operator about the conducted measures and their implementation deadlines without any delay.

(2) If the performed measures as per paragraph 1 of this article have not been implemented or are not sufficient and the further regular operation of the transmission system and security of gas supply is threatened the Transmission System Operator will inform the ministry in charge of energy about it.

Service of balancing

Article 62

(1) The Transmission System Operator carries out a procedure for the procurement of balancing energy for the requirements of the balancing service in compliance with article 8 of BAL Regulation and pursuant to legislative regulations. Transmission System Operator will publish a call for the procurement of balancing energy via public media and on the official website.

(2) Potential balancing service provider in a procedure as per paragraph 1 of this article delivers the tender which has to contain the offer for a positive balancing energy with expressed percentage by which the reference price of balancing energy from article 3 of the Methodology for determining the price of a gas system balancing energy is increased as well as the offer for a negative balancing energy with expressed percentage by which the reference price of balancing energy from article 3 of the Methodology for determining the price of a gas system balancing energy is decreased.

(3) The tender with the smallest percentage of increase of the reference price from article 3 of the Methodology for determining the price of a gas system balancing energy will be selected for the positive balancing energy and the tender with the smallest percentage of decrease of the reference price from article 3 of the Methodology for determining the price of a gas system balancing energy will be selected for the negative balancing energy.

(4) The percentage of the positive balancing energy increase compared to the reference price of gas from article 3 of the Methodology for determining the price of a gas system balancing energy and the percentage of the negative balancing energy price decrease compared to the reference

price of gas from article 3 of the Methodology for determining the price of a gas system balancing energy are unchangeable for the entire contract period.

(5) Balancing service provider has to be a Balance Responsible Party entered into the Register of Balance Responsible Parties kept by the Gas Market Operator pursuant to the provisions of the Rules on the gas market organization.

(6) Balancing service provider has to timely provide firm transmission system capacities for the requirements of the positive balancing energy off-take, that is, off-take of the negative balancing energy.

(7) Balancing service provider has to provide gas quality and gas composition for the balancing energy delivery pursuant to General terms of gas supply.

(8) Balancing service provider shall deliver the positive balancing energy in the amount of maximum 4,800,000 kWh/day in which process the available hourly quantity for positive balancing energy has to be changeable in the range from 0 kWh/hr to 200,000 kWh/hr and the response period from the call of the Transmission System Operator until the commencement of the positive balancing energy activation has to be two full hours.

(9) Balancing service provider shall off-take the negative balancing energy in the amount of maximum 4,800,000 kWh/day in which process the available hourly quantity for negative balancing energy has to be changeable in the range from 0 kWh/hr to 200,000 kWh/hr and the response period from the call of the transmission system operator until the commencement of the negative balancing energy activation has to be two full hours.

(10) Exceptionally, the response period mentioned in paragraphs 8 and 9 of this article may be longer but exceeding 5 hours with the consent of the Transmission System Operator and provided that in the remaining period until the end of the gas day the balancing service provider off-takes positive balancing energy, that is, off-takes negative balancing energy in the amount stated in the order delivered by the Transmission System Operator.

Article 63

(1) Transmission System Operator and the selected balancing service provider shall conclude an agreement of the purchase of positive balancing energy and/or an agreement on the sale of negative balancing energy for the maximum period of one year.

(2) The agreements as per paragraph 1 of this article are the constituent part of the procurement procedure as per article 62.

(3) The selected balancing service provider with which the Transmission System Operator concluded the Agreement on the purchase of positive balancing energy and the selected balancing service provider with which the Transmission System Operator concluded the Agreement on the sale of negative balancing energy shall deliver a guarantee for good and timely performance of the agreement in the form of bank guarantee which is irrevocable, unconditional and "without cavil" or in the form of cash deposit that the provider deposits on a deposit account of the Transmission System Operator.

(4) Transmission System Operator is not obliged to off-take/input balancing energy in the total amount from the agreements as per paragraph 1 of this article.

(5) The selected balancing service provider with which the Transmission System Operator concluded the Agreement on the purchase of positive balancing energy and the selected balancing service provider with which the Transmission System Operator concluded the

Agreement on the sale of negative balancing energy is obliged to conclude the agreement regulating mutual relations referring to accounting of balancing energy for the balancing service with the Gas Market Operator after conclusion of the agreements as per paragraph 1 of this article pursuant to conditions from the procurement procedure and the accepted offer.

(6) The selected balancing service provider with which the Transmission System Operator concluded the Agreement on the purchase of positive balancing energy is obliged to issue the invoice to the gas Market Operator for the positive balancing energy activated by the Transmission System Operator, and the Market Operator will issue the invoice to the selected balancing service provider with which the Transmission System Operator concluded the Agreement on the sale of negative balancing energy for the negative balancing energy activated by the Transmission System Operator.

(7) Paying for the activated positive balancing energy is carried out directly between the gas market operator and the selected balancing service provider with which the Transmission System Operator concluded the Agreement on the purchase of positive balancing energy pursuant to reports of the Transmission System Operator and the contract terms from the agreement as per paragraphs 1 and 5 of this article.

(8) Paying for the activated negative balancing energy is carried out directly between the Gas Market Operator and the selected balancing service provider with which the Transmission System Operator concluded the Agreement on the sale of negative balancing energy pursuant to the contract terms from the agreement as per paragraphs 1 and 5 of this article.

Article 64

(1) Transmission System Operator activates the balancing service if the daily offers of balancing energy are not sufficient for bringing the transmission system within the operational limits.

(2) An exception to paragraph 1 of this article the Transmission System Operator may give priority to the balancing service if the balancing service is more favourable than the daily balancing energy offer in terms of price.

(3) Transmission System Operator gives an order for the activation of the balancing service to the selected provider of positive balancing energy, that is, the selected provider of negative balancing energy.

(4) The order for the activation of the balancing service contains the total balancing energy quantity expressed in hourly quantities of gas which can amount from 0 kWh/h to 200,000 kWh/hr and they refer to the period of two full hours from the issuance of the order until the end of the gas day.

(5) On an exceptional basis, a deadline mentioned in paragraph 4 of this article may be longer or shorter, but solely with the consent of the Transmission System Operator and provided that in the remaining period until the end of the gas day the balancing energy provider inputs, that is, off-takes quantity of balancing energy stated in the order delivered by the Transmission System Operator.

The selected balancing service provider is obliged to act pursuant to the order as per paragraph 4 of this article and to immediately deliver the appropriate re-nomination for the transmission system use.

(6) The activation of the balancing service does not postpone the obligation of the selected balancing service provider to balance the balance group it organises and leads.

(7) The quantity of balancing energy from the order as per paragraph 3 of this article shall be deemed realised and it shall be the subject of the accounting between the Gas Market Operator and the selected positive balancing energy provider, that is, between the Gas Market Operator and the selected negative balancing energy provider.

IX MUTAL RIGHTS AND OBLIGATIONS OF THE TRANSMISSION SYSTEM OPERATOR AND TRANSMISSION SYSTEM USER

Article 65

According to the conditions and provisions of this Network Code, the Transmission System User has the right, without limitation:

- a) to access the transmission system in accordance with the valid provisions of the Gas Market Act and this Network Code;
- b) to use, under regulated conditions, the standard services of the Transmission System Operator on the basis of concluded Natural gas transmission contract, or Contract on gas transmission at an interconnection respectively.
- c) to non-standard services of the Transmission System Operator in accordance with the Price List of Non-Standard Services of the Transmission System Operator

Article 66

(1) According to the conditions and provisions of this Network Code, the Transmission System User is obliged to:

- a) pay the fee for the use of the transmission system on the basis of the Natural gas transmission contract or the Contract on gas transmission at an interconnection respectively;
- b) at the request of the Transmission System Operator, provide information which are required by the Transmission System Operator to fulfil his obligations according to the valid legal regulations and this Network Code;
- c) adhere to the instructions of the Dispatcher centre of the Transmission System Operator;
- d) ensure technical conditions necessary for communication with the Transmission System Operator;
- e) ensure pressure conditions for input of gas into the transmission system;
- f) ensure the quality of gas in accordance with the quality prescribed by the General terms of gas supply.

(2) The Transmission System User also has other rights and obligations prescribed by applicable legal regulations and by-laws.

Article 67

(1) According to the conditions and provisions of this Network Code, the Transmission System Operator is obliged to:

- a) conclude a Natural gas transmission contract with the Transmission System User, under the conditions prescribed in this Network Code;
- b) conclude a Contract on gas transmission at an interconnection with the Transmission System User in the event of contracted capacity at the interconnection, under the conditions prescribed by this Network Code;

- c) ensure objective, equal and transparent conditions for accessing the transmission system in accordance with the valid provisions of the Gas Market Act and this Network Code;
- d) transport gas which the Transmission System User inputs into the transmission system, or which the third party inputs into the transmission system for the Transmission System User, on the basis of concluded Natural gas transmission contract or the Contract on gas transmission at an interconnection;
- e) ensure access to firm and interruptible capacities of the transmission system, under the conditions prescribed in this Network Code;
- f) ensure the protection of confidential data which he learned during the performance of activity;
- g) ensure the exchange of information with gas market participants and
- h) ensure information to the gas market participants which are required to access the transmission system.

(2) The Transmission System Operator also has other rights and obligations prescribed by applicable legal regulations and by-laws.

Article 68

(1) According to the conditions and provisions of this Network Code, the Transmission System Operator has the right to:

- a) deny a third party access to the transmission system in the event of:
 - lack of capacity
 - if the access to the system would prevent him from executing a public service obligation.
- b) reject a request for the transmission system capacity booking in the event:
 - that the request is contrary to the valid provisions of the Gas Market Act, and this Network Code and other by-laws;
 - if the Transmission System Operator does not offer the service which the participant is requesting.
- c) Restrict or temporarily terminate a contracted gas transmission service:
 - in the event of direct threat to life and health of people and property and in order to remove such threats;
 - due to planned maintenance or reconstruction of the transmission system;
 - due to removal of defects on the transmission system;
 - in the event when the Transmission System User does not adhere to his contractual obligations from the Natural gas transmission contract and or Contract on gas transmission at an interconnection;
 - when the Transmission System User off-takes gas in a manner which could endanger the lives and health of people or property;
 - in the event when the Transmission System User does not ensure the corresponding pressure conditions;
 - in the event when the Transmission System User does not ensure the gas of prescribed quality;
 - in the event of unauthorised gas consumption;
 - for other reasons foreseen by this Network Code, the Gas Market Act and other legal regulations and by-laws.

X SERVICES OF THE TRANSMISSION SYSTEM OPERATOR

Article 69

(1) The Transmission System Operator provides the service of capacity use at the entry into the transmission system and capacity at the exit from the transmission system as a standard

service, on the basis of a Natural gas transmission contract and/or Contract on gas transmission at an interconnection, concluded between the Transmission System Operator and the Transmission System User and under the conditions established in this Network Code.

(2) The Transmission System Operator only offers those services which he can ensure taking into consideration the technical parameters of the transmission system and obligations based on the existing Natural gas transmission contracts and Contract on gas transmission at an interconnection.

(3) Aside from the standard services from paragraph 1 of this article the Transmission System Operator also offers non-standard services, according to the Price List of the Non-standard Services of the Transmission System Operator published on the official website.

Article 70

(1) The Transmission System Operator determines with the Transmission System Operator from a neighbouring country the largest technical capacity of an individual interconnection pursuant to the requirements from CAM Regulation, taking into consideration integrity, security and efficiency of the transmission system operation. The largest technical capacity is made available to the Transmission System Users and in compliance with the Regulation CAM it is offered as a standard product at the interconnection.

(2) The Transmission System Operator determines the share of the technical capacity which will be offered at an auction for a standard product at the interconnection in compliance with the rules from the CAM Regulation.

(3) The Transmission System Operator daily calculates and publishes on the official website the available capacity of individual entries to and exits from the transmission system and their restrictions.

Article 71

(1) The Transmission System Operator determines available capacity, taking into consideration data on technical capacity, pursuant to article 61 of this Network Code, as well as information from the Contract on gas transmission at an interconnection, concluded for an individual interconnection.

(2) The Transmission System Operator offers as a standard product, through auctions on an auction platform, the established amount of available capacity at an interconnection from paragraph 1 of this article.

(3) The Transmission System Operator and the Transmission System Operator from a neighbouring country jointly determine the amount of available capacity which they offer as bundled capacity, pursuant with the CAM Regulation.

(4) The Transmission System Operator will offer unbundled standard product in the amount which remains after bundling of the firm capacity, respecting the conditions from CAM Regulation.

Article 72

(1) The Transmission System Operator offers standard products at an interconnection pursuant to CAM Regulation. The list of standard products is stated in Annex 3 of this Network Code.

(2) The Transmission System Operator offer the use of transmission system capacities at the entry into the transmission system and exit from the transmission system, apart from interconnection, pursuant to article 74 of this Network Code, all in compliance with the list of services of the Transmission System Operator stated in Annex 4 of this Network Code.

Article 73

(1) The Transmission System Operator at the interconnection offers the service of using firm and interruptible capacity of the transmission system.

(2) Firm capacity of the transmission system can be contracted at an interconnection where there is available firm capacity.

(3) Firm capacity can be contracted as:

- Firm capacity on an annual level - annual auction for one or more gas years, within a period of 15 gas years.
- Firm capacity on a quarterly level – for one or more quarters, within that gas year.
- Firm capacity on a monthly level - periodic monthly auction for the following month.
- Firm capacity on a daily level - periodic daily auction for the following gas day.
- Firm capacity on a within-day level - within-day auction for the remaining hours of the current gas day.

(4) The Transmission System Operator offers the possibility of contracting interruptible capacity at an interconnection at which there is no available firm capacity as well as at an interconnection at which technical conditions of the transmission system do not allow offering of firm capacity. .

(5) Interruptible capacity can be contracted no higher than the amount of technical capacity at an individual interconnection.

(6) Interruptible capacity can be contracted as:

- Interruptible capacity on an annual level - annual auction for one or more gas years, within a period of 15 gas years.
- Interruptible capacity on a quarterly level - for one or more quarters, within that gas year.
- Interruptible capacity on a monthly level - periodic monthly auction for the following month.
- Interruptible capacity on a daily level - periodic daily auction for the following gas day.
- Interruptible capacity on a within-day level - within-day auction for the remaining hours of the current gas day.

(7) The Transmission System Operator offers the use of interruptible capacity at an interconnection pursuant to provisions of CAM Regulation.

Article 74

(1) The Transmission System Operator at the entries in and exits from the transmission system, apart from interconnections, offers the service of using firm and interruptible capacity of the transmission system.

(2) The firm capacity of the transmission system can be contracted at all entries in and exits from the transmission system, apart from interconnection, where firm capacity is available.

(3) Firm capacity can be contracted as:

- Firm capacity on an annual level - for one or more gas years, within a period of 15 years.
- Firm capacity on a quarterly level - for one or more quarters, within that gas year.
- Firm capacity on a monthly level - for one or more months, within that quarter.
- Firm capacity on a daily level - for one or more gas days, within that month.

(4) The Transmission System Operator also offers the possibility of interruptible capacity booking at the entry into the transmission system and at the exit from the transmission system, apart from interconnections, on which there is no available firm capacity and on which technical conditions of the transmission system do not allow offering of the firm capacity.

(5) Interruptible capacity of the transmission system can be contracted up to the amount of technical capacity at an individual entry into the transmission system or at the exit from the transmission system, apart from interconnections.

(6) Interruptible capacity can be contracted as:

- Interruptible capacity on an annual level - for one or more gas years, within a period of 15 years.
- Interruptible capacity on a quarterly level - for one or more quarters, within that gas year.
- Interruptible capacity on a monthly level - for one or more months, within that quarter.
- Interruptible capacity on a daily level - for one or more gas days, within that month.

Article 75

The Transmission System Operator publishes on his official website the information on available firm and interruptible capacity, from articles 73 and 74 of this Network Code.

Article 76

The service of using the capacities for the exit from the transmission system which is also the entry into the gas storage system and the capacities for the entry into the transmission system which is also the exit from the storage systems, is linked to the contracted maximal withdraw capacity or the maximal injection capacity from the concluded gas storage agreements.

XI CONTRACTUAL RELATIONS AND GENERAL TERMS OF USE OF THE TRANSMISSION SYSTEM

Contracting capacity at an interconnection

Article 77

(1) Gas supplier or gas trader who wishes to join the auction, must deliver to the Transmission System Operator, at least 20 days before auction start date in which he wants to participate, a signed request for the conclusion of a Contract on gas transmission at an interconnection in the form published on the official website.

(2) Request from paragraph 1 of this article contains at least the

following:

- name and address of the gas supplier or trader
- contact information of the gas supplier or trader
- duration of the Contract on gas transmission at an interconnection, which can be a minimum of one month and a maximum of 15 years.

(3) The Transmission System Operator will, no later than two business days after receipt of the request from paragraph 1 of this article, draw up a Contract on gas transmission at an interconnection and forward it to the gas supplier or trader for signing.

(4) The Contract on gas transmission at an interconnection is concluded for a fixed-term which is specified in the Contract on gas transmission at an interconnection.

(5) The Contract on gas transmission at an interconnection is considered concluded on the day it is signed by the authorised representative of the Transmission System Operator and gas supplier or trader, that is, Transmission System User respectively, under the condition that the Transmission System User delivered to the Transmission System Operator a corresponding means of payment security pursuant to the provisions of the General terms of use of the gas transmission service at an interconnection (Annex 2 of the Network Code) - hereinafter GT- INT, which make up an integral part of the Contract on gas transmission at an interconnection.

(6) The Transmission System User is obliged to deliver to the Transmission System Operator a signed Contract on gas transmission at an interconnection no later than five business days before the auction begins.

(7) The Transmission User is obliged to deliver to the Transmission System Operator a corresponding means of payment security no later than five business days before the start of an auction for an annual standard product, at least two business days before the start of an auction for a quarterly standard product, at least one business day before the start of an auction for a monthly standard product or at least five hours before the start of an auction for a daily and within-day standard product.

(8) Throughout the duration of the Contract on gas transmission at an interconnection, the Transmission System User can contract, without limitation, transmission system capacity by participating in auctions, under the condition that it has delivered the means of payment security in compliance with the provisions of the GT-INT.

(9) The Transmission System User is not allowed to make offers at the auction which exceed the capacity ensured by the delivered means of payment security, pursuant to the GT-INT provisions.

(10) The Transmission System Operator can deny to the Transmission System User allowed auction access if in the meantime events occurred which change the conditions for unrestricted access to auction platform and auctions. The Transmissions System Operator determines the reasons for denying access to auctions in writing and immediately notifies the Transmission System User.

(11) The Transmission System Operator has the right to terminate the Contract on gas transmission at an interconnection if the means of payment security, which the Transmission System User delivered to the Transmission System Operator, will no longer be sufficient for payment of all contracted capacities from the Contract on gas transmission at an interconnection.

(12) The Transmission System Operator publishes the form of the Contract on gas transmission

at an interconnection and the Notice INT on the official website.

Article 78

(1) The Transmission System Operator conducts the capacity contracting procedure at an interconnection pursuant to provisions of CAM Regulation and this Network Code.

(2) The contracting of capacity at an interconnection is conducted through auctions on the auction platform which is determined by the Transmission System Operator. The Transmission System Operator publishes on his official the information on the selected auction platform.

(3) The auction calendar is announced on the official website of ENTSO-G and Transmission System Operator.

(4) The Transmission System Operator delivers the Notice on the allocation of capacity at an interconnection (hereinafter: Notice INT), which makes an integral part of a previously concluded Contract on gas transmission at an interconnection, to the Transmission System Users who were, after the conducted auction, awarded capacity at an interconnection.

Approval and denial of access to the auction

Article 79

(1) The Transmission System Operator will allow the Transmission System User to participate in auctions, by activating status, and after receiving the Contract on gas transmission at an interconnection and corresponding means of payment security from article 3 of the GT-INT.

(2) The Transmission System Operator will deny the Transmission System User access to auction if:

- he does not deliver a Contract on gas transmission at an interconnection within the prescribed period,
- he does not deliver a corresponding means of payment security in within the prescribed period,
- has not previously registered at the auction platform of platform manager selected by the Transmission System Operator.

(3) The Transmission System Operator has the right to electronically recall the active status of the Transmission System User, if one of the reasons listed in the previous paragraph exists, which will prevent him from participating in the auction.

(4) The Transmission System Operator has the right to deny the Transmission System User approved access to auctions during which the recall of active status lasts until the Transmission System User eliminates the reasons on the basis of which the recall was executed and within the prescribed period.

Capacity contracting at the entry into and exit from the transmission system, apart from the interconnection

Article 80

The Transmission System Operator conducts the procedure for capacity contracting at the entry

into and exit from the transmission system on the basis of a received request for the capacity booking, and pursuant to this Network Code.

Article 81

(1) The request for the transmission system capacity booking is submitted by the Balance Responsible Party for the Transmission System Users who are members of the balance group which he organises and leads.

(2) The request for the capacity booking for the exit from the transmission system which is also the entry into the gas storage system and the capacities for the entry into the transmission system which is also the exit from the gas storage system is submitted by the Balance Responsible Party for the Transmission System Users who are members of the balance group which he organises and leads, and who are at the same time Gas Storage System Users.

(3) The request for the transmission system capacity booking is submitted through the information platform of the Transmission System Operator with the assigned user rights, in accordance with article 149 of this Network Code, or exceptionally, in the event when the information platform cannot be accessed, through a form which the Transmission System Operator publishes on the official website, and which the applicant delivers to the e-mail address of the Transmission System Operator, published on the official website.

(4) Before submitting the request for the capacity booking the Balance Responsible Party is obligated to deliver to the e-mail address of the Transmission System Operator the notification on the members of the balance group which he organises and leads and on the possible changes of operational and official contacts, on a form published by the Transmission System Operator on the official website.

(5) The Balance Responsible Party is allowed to submit requests for the transmission system capacity booking only for the members of the balance group which he organises and leads, and for which he has delivered to the Transmission System Operator the notification on the balance group affiliation.

(6) The Balance Responsible Party submits a request for the capacity booking separately for each individual type of capacity and separately for each individual period if there are different time periods for which an individual Transmission System User, Balance Group Member wishes to reserve capacity.

(7) The request for the capacity booking is submitted for the capacity on an individual entry into the transmission system and/or on an individual exit from the transmission system and contains the following information:

- name of the balance group,
- name of the Transmission System User,
- identification of the entry into the transmission system and/or identification of the exit from the transmission system,
- type of capacity,
- type of booking,
- requested transmissions system capacity for an individual entry into the transmission system and/or for an individual exit from the transmission system, expressed in kWh/d and rounded up to a multiple of 10, for a gas year, in case of request for the transmission system capacity booking on an annual level, during which the requested capacity cannot be less than 240 kWh/d
- requested transmission system capacity for an individual entry into the transmission system and/or for each individual exit from the transmission system, expressed in kWh/d

and rounded up to a multiple of number 10, for each individual month, in case of a request for the transmission system capacity booking on a quarterly level, during which the requested capacity cannot be less than 240 kWh/d

- requested transmissions system capacity for an individual entry into the transmission system and/or for each individual exit from the transmission system, expressed in kWh/d and rounded up to a multiple of 10, for each individual month, in case of a request for the transmission system capacity booking on a monthly level, during which the requested capacity cannot be less than 240 kWh/d
- requested transmissions system capacity for an individual entry into the transmission system and/or for each individual exit from the transmission system, expressed in kWh/d and rounded up to a multiple of 10, for each individual gas day, in case of a request for the transmission system capacity booking on a daily level, during which the requested capacity cannot be less than 240 kWh/d
- the time period for which the request is submitted.

(8) As an exception to paragraph 7 of this article, the request for the capacity booking for the exit from the transmission system which is also the entry into the gas storage system and capacity for the entry into the transmission system which is also the exit from the gas storage system also contains the confirmation by the Storage System Operator that the Transmission System User is also a Storage System User and the corresponding information on the contracted maximum injection and withdrawal gas capacity for each individual Storage System User.

(9) In the event of paragraph 8 of this article:

- during the withdrawal period, the reserved capacity at the concerned entry into the transmission system, on an annual, quarterly, monthly and/or daily level, has to be at least in the amount of the contracted maximum withdrawal capacity from the concluded multiannual, annual, monthly and/or daily agreements on gas storage, expressed in kWh/d.
- during the injection period, the reserved capacity at the concerned exit from the transmission system, on an annual, quarterly, monthly and/or daily level, has to be at least in the amount of the contracted maximum injection capacity from the concluded multiannual, annual, monthly and/or daily agreements on gas storage, expressed in kWh/d.

(10) As an exception to paragraph 9 of this article, and in the event that the Transmission System User:

- during the withdrawal period uses the injection service, the reserved capacity at the concerned exit from the transmission system, on an annual, quarterly, monthly and/or daily level, has to be at least in the amount of the contracted maximum injection capacity from the concluded multiannual, annual, monthly and/or daily agreements on gas storage, expressed in kWh/d.
- during the injection period uses the withdrawal service, the reserved capacity at the concerned entry into the transmission system, on an annual, quarterly, monthly and/or daily level, has to be at least in the amount of the contracted maximum withdrawal capacity from the concluded multiannual, annual, monthly and/or daily agreements on gas storage, expressed in kWh/d.

(11) The request for the capacity booking on an annual or multi-annual level is submitted no later than the end of the gas day on the 1st of July of the current year for the following gas year or the following gas years, and within a period of 15 gas years.

(12) The request for the capacity booking on a quarterly level is submitted no later than:

1. by the end of the 5th gas day in September for one or more quarters, and no longer than for the period until the end of the gas year,
2. by the end of the 5th gas day in December for one or more quarters, and no longer

- than for the period until the end of the gas year,
3. by the end of the 5th gas day in March for one or more quarters, and no longer than for the period until the end of the gas year,
 4. by the end of the 5th gas day in June for the final quarter of the gas year.

(13) The request for the capacity booking on a monthly level is submitted no later than by the end of the 20th gas day of the current month for the following month or the following months, and no longer than for the period until the end of the quarter to which the request relates.

(14) The request for the capacity booking on a daily level is submitted under the condition that in the current gas year the Transmission System User has contracted the usage of transmission system capacity at least on a monthly level. The request is submitted no later than by 12:00 o'clock (noon) of the current day for the following gas day or following gas days of the current month, and exceptionally on the last day of the month for the gas days of the following month.

(15) The Transmission System Operator provides the Balance Responsible Party with the review of all entered requests for booking from paragraphs 11, 12 and 13 hereof.

Allocation of capacities at the entry into and exit from the transmission system, apart from the interconnection

Article 82

(1) The Transmission System Operator implements the allocation of transmission system capacity in accordance with the received requests for the transmission system capacity booking and in accordance with the available transmissions system capacity, separately for each individual entry into the transmission system and separately for each individual exit from the transmission system.

(2) The transmission system capacity for the exit from the transmission system which is also the entry into the gas storage system and for the entry into the transmission system which is also the exit from the gas storage system the Transmission System Operator awards to the Transmission System User, who is also the Storage System User, at least in the amount of contracted maximal withdrawal capacity or contracted maximal injection capacity respectively.

(3) If the available capacity is larger or equal to the total requested capacity, for an individual entry into the transmission system and/or for an individual exit from the transmission system, the Transmission System Operator allocates the capacity in accordance with the requests for the capacity booking.

(4) If the available capacity is smaller than the total requested capacity, for an individual entry into the transmission system and/or for an individual exit from the transmission system, the Transmission System Operator allocates the firm capacity in proportion with the requests for the transmission system capacity booking, and the Transmission System Operator allocates the remaining capacity up to the amount of the requested capacity to the Transmission System User as interruptible capacity.

(5) The Transmission System Operator notifies the Balance Responsible Party and the Transmission System User on the proposal for the allocation of the transmission system capacity on an annual level within 15 business days after the expiry of the deadline from article 81 paragraph 11 of this Network Code.

(6) The Transmission System Operator notifies the Balance Responsible Party and the Transmission System User on the transmission system capacity allocation proposal on a quarterly level no later than the 10th day of the month in which the request was submitted.

(7) The Transmission System Operator notifies the Balance Responsible Party and the

Transmission System User on the proposal for the allocation of the transmission system capacity on a monthly level no later than the 23rd day in the month in which the request was submitted.

(8) If the Transmission System User does not want to contract interruptible capacity, specified in the proposal of transmission system capacity allocation from paragraph 5 and 6 of this article, he has the right to notify the Transmission System Operator of that fact within two business days upon receiving the notification on the proposal of transmission system capacity allocation.

(9) The Transmission System Operator carries out the final capacity allocation on an annual level and delivers to the Transmission System User a Natural gas transmission contract and Notification, no later than the 1st August of the current year.

(10) The Transmission System Operator carries out the final capacity allocation on a quarterly level and delivers to the Transmission System User a Natural gas transmission contract and Notification, no later than the 14th day of the month in which the request was submitted.

(11) The Transmission System Operator carries out the final capacity allocation on a monthly level and delivers to the Transmission System User a Natural gas transmission contract and Notification, no later than the 27th day of the current month.

(12) The Transmission System Operator carries out the final capacity allocation on a daily level and delivers via e-mail a Natural gas transmission contract and Notification to the Transmission System User, no later than 1:00 PM of the current day.

(13) The Transmission System Operator, after the final allocation of transmission system capacities was carried out, gives an insight to the Balance Responsible Party into the data on the total allocated capacity for the balance group which he organises and leads and an individual Transmission System User, who is a member of that balance group.

(14) The Transmission System Operator, after the final allocation of transmission system capacities was carried out, allows the Distribution System Operator, on whose entries into the distribution system the capacity was contracted, an insight into the data on the total allocated capacities for an individual balance group and individual Transmission System User, a member of that balance group.

(15) The Transmission System Operator, after the final allocation of transmission system capacities was carried out, notifies the Gas Market Operator and the Agency on the contracted capacities for each individual balance group and for Transmission System Users who are the members of an individual balance group.

Article 83

(1) The Natural gas transmission contract is considered concluded on the day of the issuance of the Notification delivered by the Transmission System Operator to the Transmission System User along with the Natural gas transmission contract, within the deadline from article 82 paragraphs 9 - 12 of this Network Code.

(2) The Transmission System Operator delivers to the Transmission System User the Natural gas transmission contract from paragraph 1 of this article for signing, for the purpose of record keeping.

(3) The Transmission System User is obligated immediately after receiving the Natural gas transmission contract to sign it and deliver it without delay to the Transmission System Operator along with the requested means of payment security, in accordance with the General Terms of Use of the Transmission System.

(4) The Natural gas transmission contract is considered concluded between the Transmission System User and the Transmission System Operator for the allocated transmission system capacity and the period specified in the Notification from article 82 paragraphs 9 - 12 of this Network Code.

(5) The integral part of the Natural gas transmission contract are:

1. General Terms of Use of the Transmission System and
2. Notice on the allocated capacity of the transmission system (hereinafter: Notice).

(6) The Transmission System Operator publishes the form of the Natural gas transmission contract and the Notice form on the official website.

(7) The General Terms of Use of the Transmission System are included in Annex 1 of this Network Code.

Article 84

(1) The Transmission System Operator has the right to close the exit from the transmission system to which the Final Customer is connected if capacity has not been booked for the same exit of which he notifies the Final Customer.

(2) The condition for the reopening of the exit from the transmission system is the contracting of gas transmission, submission of a nomination and written notice by the Final Customer on his readiness to take over gas. The notice on the readiness to take over gas, with the specified date and time of gas takeover start, needs to be delivered at least 48 hours in advance.

Article 85

If the Transmission System Operator doesn't receive the request for the capacity booking for the exit from the transmission system, which is the entry into the distribution system, the Transmission System Operator will notify the Distribution System Operator, the Ministry and the Agency of that fact.

XII TRADING IN THE TRANSMISSION SYSTEM CAPACITIES

Article 86

Transmission system users can trade in capacities on the secondary market in the following manner:

- (a) transfer of the contracted capacity – at all entries into the transmission system and at all exits from the transmission system, or
- (b) transfer of the right to use the contracted capacity – at all entries into the transmission system and at exits from the transmission system at an interconnection.

Article 87

(1) The subject of capacity trading can only be rights and obligations to which the Transmission System User is entitled to on the basis of the concluded Natural gas transmission contract or Contract on gas transmission at an interconnection, from which the contracted capacity, that is, the right to use the contracted capacity is transferred to another Transmission System User.

(2) Trading in transmission system capacities on the secondary market at an interconnection, is carried out through the auction platform, pursuant to the provisions of the CAM Regulation.

(3) Trading in transmission system capacities on the secondary market at an individual entry into the transmission system and/or exit from the transmission system is carried out through the information platform of the Transmission System Operator.

Article 88

(1) Capacity trading on the auction platform from article 87 paragraph 2 can be initiated by the capacity Transferor or the capacity Acquirer, and capacity trading on the information platform of the Transmission System Operator from article 87 paragraph 3 can be initiated by the capacity Transferor.

(2) The contracting parties from paragraph 1 hereof are responsible for the correctness of the information entered on the appropriate platform from article 87.

(3) For the implementation of the capacity trading process it is necessary to enter the following information:

- name of the Transferor and the Acquirer respectively,
- identification of the entry into the transmission system or identification of the exit from the transmission system,
- amount and type of transmission system capacity which is the subject of trading on the secondary market,
- number of agreement from which either the capacity or the right to use is transferred
- type of trading
- balance group from which the capacity or the right to use the capacity is transferred and balance group to which it is transferred
- time period that the capacity trading refers to.

(4) The contracting parties from paragraph 1 hereof are obliged to confirm the capacity trading on the relevant platform from article 87 at least 24 hours before the start of the time period that the trading refers to.

(5) The appropriate platform from article 87 will, upon the entry and confirmation of each trading step, automatically send the notice to concerned parties and the Transmission System Operator.

(6) The capacity trading will be deemed completed only when approved by the Transmission System Operator on the relevant platform from article 87. Then the relevant platform from article 87 will send the notice on the accepted transaction. The participants of trading and the Transmission System Operator sign the Notice on trade on the secondary market no later than 24 hours before the start of the contract period.

(7) The Transmission System Operator will deny approval for the conclusion of the agreement from article 86 of this Network Code in the following situations:

- a. if the Acquirer of the capacity or the Acquirer of the right to use the capacity, does not meet the conditions which are for the Transmission System Operator stipulated by the law and by-laws;
- b. if the Transferor or the Acquirer of the capacity, or the right to use the capacity, has got overdue unpaid debts towards the Transmission System Operator;
- c. if the Acquirer of the capacity fails to deliver to the Transmission System Operator an appropriate valid means of payment security in accordance with article 8 of GT, that is, article 5 of GT-INT of this Network Code
- d. if the information on trading have not been in compliance with the concluded Natural gas transmission contract or Contract on gas transmission at an interconnection based on which the capacity, or the right to use the capacity is transferred.

(8) The Transmission System Operator will deliver to participants the notice of acceptance or rejection of trading on the secondary market within 12 hours from the receipt of the valid request.

Article 89

(1) The contracted bundled capacity at an interconnection can be traded on the secondary market exclusively as a bundled capacity.

(2) The capacity trading at an interconnection will be deemed completed at the moment when it is approved by the Transmission System Operators of both sides of the interconnection at which the trading is performed.

Transfer of the contracted capacity

Article 90

(1) By the transfer of the contracted capacity from the Transferor onto the Acquirer only those rights and obligations from the Natural gas transmission contract or Contract on gas transmission at an interconnection are transferred relating to the transferred capacity, and the Acquirer assumes only these rights and obligations, in accordance with the Notice of capacity transfer on the secondary market.

(2) The transfer of the contracted capacity is stated in the Notice of trade on the secondary market which becomes an integral part of the Natural gas transmission contract or Contract on gas transmission at an interconnection of the Transferor and Acquirer.

(3) The transfer of the contracted capacity is deemed to be carried out when the Transmission System Operator approves the trading and sends the Notice of trade on the secondary market.

(4) At the moment of the receipt of the Notice the Acquirer becomes a contracting party of the Natural gas transmission contract or Contract on gas transmission at an interconnection concerning those rights and obligations that is assumed, in accordance with the Notice of trade on the secondary market, and the Transferor ceases to be a contracting party concerning the relevant rights and obligations.

(5) The Transferor remains a contracting party of the Natural gas transmission contract or Contract on gas transmission at an interconnection concerning all other rights and obligations of the Transmission System User, which are not the subject of transfer.

(6) In the event of termination of the Natural gas transmission contract or Contract on gas transmission at an interconnection concerning the rights and obligations retained by the Transferor, such a circumstance will not have an effect on the validity of the transfer from paragraph 1 hereof, provided that the Acquirer duly performs its obligations towards the Transmission System Operator.

Transfer of the right to use contracted capacity

Article 91

(1) By the transfer of the right to use the contracted capacity, the Transferor transfers onto the Acquirer fully or partially, the right to use the capacity based on the Natural gas transmission contract or Contract on gas transmission at an interconnection concluded with the Transmission System Operator.

(2) The transfer of the right to use the contracted capacity is stated in the Notice of trade on the secondary market which becomes an integral part of the Natural gas transmission contract or Contract on gas transmission at an interconnection of the Transferor and Acquirer.

(3) The transfer of the right to use the contracted capacity is deemed to be concluded when the Transmission System Operator sends the Notice of trade on the secondary market.

(2) The transfer of the right to use capacity has no impact on the contractual relationship between the Transmission System Operator and the Transferor based on the concluded Natural gas transmission contract or Contract on gas transmission at an interconnection. The Transferor is still the contracting party and is the bearer of all rights (except the right to use capacities in accordance with the Notice of trade on the secondary market) and obligations from the concluded Natural gas transmission contract or Contract on gas transmission at an interconnection.

(3) In the event of termination of the Natural gas transmission contract from which the right of capacity use has been transferred, the Acquirer by force of law loses the right of use of the relevant capacity and the transfer of right from paragraph 1 of this article is terminated.

Article 92

(1) Agreements from article 86 are governed by Croatian law.

(2) The competent court at the seat of the Transmission System Operator has jurisdiction for the resolution of all disputes between the Transmission System Operator and the Transmission System User which arise from or are related to the agreements from article 86 of this Network Code, their breach, termination or validity.

XIII USE OF TRANSMISSION SYSTEM CAPACITIES

Harmonisation of nominations at the interconnection

Article 93

(1) The Balance Responsible Party, whose members are Transmission System Users who have contracted capacity at the interconnection, is obliged daily, on business and non- business days, to deliver to the Transmission System Operator the information on the gas quantity nominations which will be input into the transmission system at an individual interconnection and/or which will be off-taken from the transmission system at an individual interconnection in the following gas day, elaborated for each hour of the gas day per Transmission System User pairs on both sides of the interconnection, up to the amount of contracted capacity according to all Contracts on gas transmission at an interconnection for the following gas day at an individual interconnection.

(2) The Balance Responsible Party delivers the information from paragraph 1 of this article separately for each individual interconnection in accordance with the rules for information exchange at an individual interconnection, which the Transmission System Operator publishes on the official website.

(3) The Transmission System Operator carries out the nomination matching process with the Transmission System Operator of a neighbouring country, in accordance with the bilateral agreement at the interconnection. The Transmission System Operator will publish the detailed description of the procedure on the official website and will regularly update it, in accordance with the bilateral agreement at the interconnection.

(4) In the event of a difference between the nominations received on both sides of an individual interconnection, the "rule of less" is applied and the Transmission System Operator notifies about it, via e-mail, the Balance Responsible Party to which the stated rule applies.

(5) The Balance Responsible Party is obligated, for an individual interconnection in the nomination from article 96 of this Network Code for the balance group which he organises and leads, to include the same amount which the Transmission System Operators of neighbouring countries confirmed in the nomination matching process.

(6) In the event that the nomination of gas quantity from paragraph 1 of this article needs to be modified, the Balance Responsible Party is obliged, at least two full hours before the required modification, to deliver to the Transmission System Operator information on the re-nomination of the gas quantities, which will be input into the transmission system at an individual interconnection and/or which will be off-taken from the transmission system at an individual interconnection during a gas day to which the re-nomination relates, elaborated for each hour of the gas day, per pairs of Transmission System Users on both sides of the interconnection, no more than the amount of contracted capacity per all Contracts on gas transmission at an interconnection for the gas day in question at an individual interconnection, after which the Transmission System Operator carries out the matching process from paragraph 3 of this article.

Harmonisation of nominations at the gas storage system

Article 94

(1) For a nomination or re-nomination, for an individual Transmission System User, who is a member of the balance group which he organises and leads, for the exit from the transmission system which is the entry into the gas storage system and for the entry into the transmission system which is the exit from the gas storage system, the Balance Responsible Party is obliged to deliver the same amount as in the nomination which was accepted by the Storage System Operator in the nomination procedure of gas storage system usage.

(2) The nomination or re-nomination from paragraph 1 of this article can be larger than the contracted capacity of the transmission system in the gas storage system if it is accepted by the Storage System Operator.

Harmonisation of transactions at the virtual trading point

Article 95

(1) The Balance Responsible Party is obliged to include the accepted transaction at the virtual trading point, carried out in accordance with the Rules on the organisation of the gas market, in the nomination or re-nomination of the balance group in the event of a transaction at the virtual trading point in a current gas day.

(2) If the accepted transaction at the virtual trading point is not included in the nomination or the re-nomination of the corresponding balance group respectively, or is not stated in the amount of the accepted transaction, the Transmission System Operator will refuse the nomination or re-nomination respectively.

Nomination of transmission system usage,

Article 96

(1) The Balance Responsible Party is obliged to deliver daily to the Transmission System Operator the nominations for all entries into the transmission system and for all exits from the transmission system for which the Transmission System Users, members of the balance group he organises and leads, have contracted capacity for the following gas day.

(2) The nomination has to contain the planned daily quantity of natural gas, shown per hour of the following gas day in kWh/h unit of measure.

(3) The nomination of daily quantities at an individual entry into the transmission system and at an individual exit from the transmission system, for an individual Transmission System User, cannot be larger than the sum of contracted capacity at an individual entry into the

transmission system, or at an exit from the transmission system for the following day.

(4) The total nomination for an individual entry into the transmission system and/or an individual exit from the transmission system, in an individual hour, expressed in kWh/h, cannot be larger than the capacity from the energy approval.

Article 97

(1) The Balance Responsible Party is obliged to deliver the nomination from paragraph 96 of this Network Code to the Transmission System Operator on the information platform, and as an exception if unable to access the information platform, he is obliged to deliver the file of prescribed content and format via e-mail, until 1:00 PM of the current day for the following gas day or following gas days. The Transmission System Operator publishes on the official website in the nomination instructions the format of the file which contains nomination information.

(2) In the event of paragraph 1 of this article The Transmission System Operator notifies the Balance Responsible Party until 2:00 PM of the current day on the acceptance or rejection of the nomination for the following gas day.

(3) The Transmission System Operator forwards by e-mail the notice from paragraphs 2, 5 and 12 of this article.

(4) If the Transmission System Operator rejects the nomination, the Balance Responsible Party has the right to deliver a new nomination until 3:00 PM of the current day for the following gas day.

(5) In the event from paragraph 4 of this article the Transmission System Operator notifies the Balance Responsible Party until 4:00 PM of the current day on the acceptance or rejection of the nomination for the following gas day.

(6) The Balance Responsible Party can deliver, aside from the nomination for the following gas day, the nominations for the following days of the current month.

(7) The Transmission System Operator processes daily, on business and non-business days, the nominations for the following gas day.

(8) The Transmission System Operator can reject or reduce the nomination, or re-nomination from paragraph 11 of this article, delivered on the basis of contracted interruptible capacity for an individual entry into the transmission system and/or for an individual exit from the transmission system, depending on the sum of received nominations for an individual entry into the transmission system and the sum of received nominations for an individual exit from the transmission system.

(9) In the event of paragraph 8 of this article, the Balance Responsible Party whose nomination has been rejected or reduced, has the right to deliver a correction of the nomination for the balance group he organises and leads, within the deadlines from paragraph 4 and/or paragraph 10 of this article.

(10) The Balance Responsible Party has the right to deliver to the Transmission System Operator a re-nomination for the gas day D in the period from 4:00 PM of the gas day D-1 until 3:00 AM of the gas day D.

(11) If the trading in the location product on the trading platform of the Gas Market Operator is concluded, the Balance Responsible Party shall with no delay submit to the Transmission System Operator a re-nomination at the entry into the transmission system or at the exit from the transmission system, for which the trading was carried out.

(12) If Balance Responsible Party fails to perform in compliance with paragraph 11 of this article, the Transmission System Operator will deem the trading invalid and will notify thereof the Balance Responsible Party, the Transmission System Operator and the Agency in a daily and monthly report.

(13) The Balance Responsible Party can re-nominate the nomination amount only for the hours which follow at least two full hours after the moment when the re-nomination was submitted.

(14) The Transmission System Operator notifies the Balance Responsible Party within one hour after receiving the re-nomination from paragraph 11 of this article on the acceptance or rejection of the re-nomination for the following gas day.

(15) If the Transmission System Operator rejects a nomination or re-nomination, he notifies the Balance Responsible Party on the reasons for rejection of the nomination.

(16) The nomination or the last re-nomination for an individual gas day which is accepted by the Transmission System Operator becomes binding for the Balance Responsible Party.

(17) The nominated daily quantity of gas, expressed in the kWh unit of measure, is equal to zero for the following gas day in the following situations:

-if the Balance Responsible Party does not deliver the nomination,

-if the Transmission System Operator rejects a nomination, and the Balance Group Responsible does not deliver a new nomination,

-if the Transmission System Operator rejects the new nomination.

(18) In the event that the Transmission System Operator rejects a re-nomination, the last accepted nomination or re-nomination is valid.

(19) In case of deviation from the nomination identified upon the expiry of a month, the Balance Responsible Party shall pay the compensation calculated by the Gas Market Operator in compliance with the provisions of the Rules on gas market organisation for each gas day for which the deviation was determined at the gas transmission system exits for the balancing group he organises and leads.

XIV MEASURING RULES AND GAS QUANTITY ALLOCATION RULES

Article 98

With the aim of ensuring technical preconditions for takeover of gas into the transmission system and delivery of gas from the transmission system, the secure management of the transmission system usage of contracted capacity, ascertaining the quantity of the taken over and delivered gas, calculation of fees regarding the usage of the transmission system and the calculation of balancing energy, the Transmission System Operator ensures the following:

- measuring the volume of gas,
- ascertaining the quality of gas,
- maintaining the equipment of the billing metering point, which also includes the replacement of measuring equipment,
- calibration and certification of the metering device of the billing metering point,
- gathering data on the results of the gas volume measurement at the billing metering point,
- gathering data on the results of ascertaining the quality of gas at a specific point on the transmission system,
- verification and confirmation of the validity of the gathered data,
- processing and storage of gathered data,
- keeping the billing metering point documentation.

Article 99

The standard reference conditions for all measurements and volume and energy calculations

of natural gas in this Network Code are:

- For the calculation of gas volume temperature from 288.15 K (15°C) and pressure 101.325 kPa (1.01325 bar abs)
- For the calculation of calorific value, energy and Wobbe index the reference combustion temperature from 288.15 K (15°C)

Article 100

(1) The basic measured quantities at the entries into the transmission system and exits from the transmission system are:

- volume of gas which has passed through the billing metering point in operating conditions, expressed in m³,
- gas pressure at the billing metering point, bar
- temperature of gas at the billing metering point, °C.

(2) The basic calculated quantity is:

- the volume of gas which has passed through the billing metering point, expressed in m³, under standard conditions
- lower calorific value of gas for a specific point, expressed in MJ/m³, under standard conditions.

(3) In order to calculate the energy of gas, expressed in kWh, the volume of gas which has passed through the billing metering point within one hour (m³/h) is multiplied with the amount of the lower calorific value (kWh/m³ 15°C/15°C) ascertained for an individual gas day. The recalculation of the lower calorific value expressed in MJ/m³ into kWh/m³, at reference conditions 15°C/15°C is done by dividing by 3.6 (kWh/m³), and the resulting value is rounded up to six decimal places. The calculated gas energy is expressed as an integer value.

(4) The daily quantity of gas, expressed in the kWh/d measuring unit, is calculated as the sum of the hourly quantities of kWh/h.

Billing metering point

Article 101

(1) The measuring of the gas flow volume is being carried out constantly, at the billing metering point, by gauges whose technical and operating characteristics are in accordance with special laws, regulations and norms which govern the field of metering and with operating instructions of the Transmission System Operator.

(2) The Transmission System Operator, for the purpose of standardisation, in accordance with operating instructions, determines for each billing metering point the technical and other characteristics of gas meters and other metering equipment, in accordance with special laws, regulations and norms which govern the field of metering, with recommendations from the equipment manufacturer and this Network Code.

(3) On a written demand the Transmission System Operator shall deliver the operating instructions from paragraphs 1 and 2 hereof to a third party.

Article 102

(1) The gas meter and other metering equipment for the preparation of gas and regulation of pressure at the billing metering point, at the exits from the transmission system are an integral part of the transmission system.

(2) The Transmission System Operator maintains at his own expense the gas meter, other metering equipment and equipment for the preparation of gas and gas regulation and calibrates

the gas meter and other metering equipment from paragraph 1 of this article.

(3) During installation the gas meter and other metering equipment from paragraph 1 of this article have to have a valid certified seal from the current or previous year.

Article 103

(1) If the billing metering point is not owned by the Transmission System Operator, the owner is obligated to:

- ensure the compliance of installed equipment, its functioning and maintenance with the technical requirements prescribed by this Network Code and the Transmission System Operator standards.
- allow the inclusion of the equipment into the Transmission System Operator remote supervision and data gathering system,
- allow the Transmission System Operator, at each request and without delay, access to the installed equipment and insight into the accompanying maintenance documentation,
- inform the Transmission System Operator about the proper operation status, all malfunctions during operation, repairs and planned equipment maintenance works.

(2) If the owner of the billing metering point from paragraph 1 of this article does not allow access to the billing metering point, the Transmission System Operator after the written notice has been delivered, has the right to suspend delivery of gas to the relevant owner.

(3) On a written demand the Transmission System Operator shall deliver the standards from paragraph 1 hereof to a third party.

Article 104

The Transmission System Operator will read the status of the gas meter at the special request of the Transmission System User or the Final Customer connected to the transmission system or the Distribution System Operator at the expense of the applicant, in accordance with the Price List of Non-Standard Services of the Transmission System Operator.

Article 105

(1) The billing metering point at the entry into the transmissions system has to have the following metering equipment:

- gas meter,
- device for the conversion of gas volume with the corresponding metering pressure and temperature converters and connection for the verification of its accuracy, with the function of storing data measured on an hourly basis with a connection for data transfer,
- equipment for continuous ascertaining of gas quality, with connections for the verification of accuracy and function of storing data measured on an hourly and daily basis and a connection for data transfer for a billing metering point of a capacity exceeding 20,000 kWh/h.

(2) The billing metering point at the entry into the transmissions system of a capacity below 20,000 kWh/h, has to have a standardised connection for natural gas sampling for the purpose of laboratory determining the chemical composition and calorific value of gas.

(3) In case from paragraph 2 hereof the owner the billing metering point shall at its own cost sample gas once a week and carry out testing of samples in an authorised laboratory and without any delay deliver the report of the authorised laboratory to the Transmission System Operator.

Article 106

(1) The billing metering point at the exit from the transmissions system has to have the following metering equipment:

- gas meter,
- device for the conversion of gas volume with the corresponding metering pressure and temperature converters and connection for the verification of its accuracy, with the function of storing data measured on an hourly basis with a connection for data transfer and
- standardised connection for the sampling of natural gas for the purpose of a laboratory determination of the gas composition and a natural gas calorific value.

(2) The billing metering point at the exit from the transmission system can also have equipment for ascertaining the quality of natural gas.

Article 107

(1) The gas meter can be of the following type:

- turbine gas meter,
- rotary piston gas meters,
- ultrasonic gas meter.

(2) The measuring of the gas flow volume by a turbine gas meter and the rotary piston gas meter is carried out in accordance with the Regulation on the technical and metering requests with regards to gauges;

Article 108

(1) The ultrasonic flow meter has to have at least four pairs of measuring sensors.

(2) The measuring of the gas flow volume by ultrasonic flow meters is carried out in accordance with the following rules and standards;

- ISO 17089
- AGA 9, Measurement of gas by Multipath Ultrasonic meters, 1998;
- BS 7965, The Selection, Installation, Operation and Calibration of Diagonal Path Transit Time Ultrasonic Flow Meters for Industrial Gas Applications, 2000.

Article 109

(1) The device for the conversion of gas volume can be:

- gas volume corrector,
- flow computer.

(2) The gas volume corrector or flow computer are measuring equipment with the appropriate computer programme which receives data from the gas meter and the metering pressure converters as well as temperature data and calculates the volume of natural gas at standard conditions.

(3) The equipment for determining the composition of gas with the possibility of continuous refreshing of data on the composition of gas and physical characteristics of gas can be added to the device for the conversion of gas volume.

Article 110

(1) The turbine gas meters and ultrasonic gas meters are used at the billing metering points at the entries into the transmission system.

(2) The following criteria are used for selecting the metering equipment at the billing metering points at the exits from the transmission system:

- rotary piston gas meters or turbine gas meters are used for flows up to 500 m³/h in

- operating conditions;
- turbine gas meters, rotary piston gas meters or ultrasonic gas meters are used for flows larger than 500 m³/h but smaller than 30,000 m³/h in operating conditions;
- turbine gas meters or ultrasonic gas meters are used for flows larger than 30,000 m³/h in operating conditions.

Article 111

- (1) The number of metering lines at a billing metering point is determined according to the daily flow variations and the maximum daily flow in the following manner:
- one metering line is installed if one gauge can cover the entire metering area;
 - two or more metering lines of different ranges are installed if one gauge cannot cover the entire metering area;
 - on billing metering point with a maximum daily flow which is larger than 1,000,000 m³/day also a reserve metering line is installed as well as parallel metering;
 - the reserve metering line and/or parallel metering can also be installed at the billing metering point with the maximum daily flow smaller than 1,000,000 m³/day, if so requested by the Transmission System Users or if it's necessary for the reliability of operation of the metering system or the entire transmission system.
- (2) During the construction of the billing metering point the upper limit of the metering range of the gas meter has to be larger than the connecting capacity (from the energy approval).

Metering equipment testing

Article 112

- (1) Legal metering instruments have to comply with the metering regulations, and have to be tested, verified and marked with prescribed markings.
- (2) The preparation of legal metering instruments for verification is performed at the Authorised body for the preparation of legal metering instruments for verification.
- (3) The Authorised body for verification verifies the legal metering instruments.
- (4) The metering equipment for the measuring of gas flow volume can be used for accounting purposes only if they have a valid verification by the Authorised body for verification.
- (5) The testing of metering instruments can also be performed more frequently with the aim of verifying the operation of metering equipment.
- (6) The time parameters on the metering equipment are ascertained in accordance with the provisions of the Time Computation Act. During the introduction of summer and winter time, the time parameters are not changed on the metering equipment.

Article 113

- (1) The Transmission System Operator keeps the metering equipment records.
- (2) The metering equipment records contain the following:
- information on the installation location of the metering equipment
 - name of the point of entry/exit
 - name of the metering line
 - operating pressure of the metering line
 - maximum flow of the metering line
 - information on the installed gas meter
 - technical characteristics of the gas meter information on

the Ex-certificate of the gas meter information on the metering verification of the gas meter

- information on the installed corrector or flow computer
 - technical characteristics of the corrector or flow computer
 - information on the Ex-certificate of the corrector or flow computer
 - information on the metering verification of the corrector or flow computer
- information on the equipment for determining gas quality
 - technical characteristics of the chromatograph
 - information on the Ex-certificate of the chromatograph
- information on the backup metering equipment

Article 114

(1) The Final Customer connected to the transmission system, the Distribution System Operator or the Transmission System User can request control testing of the gas meters and other metering equipment accuracy.

(2) If the control testing shows that the gas meter and other metering equipment are inaccurate, the examination costs are borne by the Transmission System Operator, and if the gas meter and other metering equipment are accurate, the party requesting the control examination bears the cost of the examination.

(3) In the event that the gas meter and other metering equipment is inaccurate the Transmission System Operator will replace the gas meter and other metering equipment at his own expense.

(4) In the event that the control testing proves that the metering equipment is inaccurate, the Transmission System Operator will correct the ascertained quantities of gas for the period from receiving the request for the control testing of the accuracy of the gas meter and other metering equipment until the metering equipment was replaced, by applying the rules prescribed in article 115 of this Network Code.

Article 115

In the event of metering equipment failure, the Transmission System Operator corrects the data in one of the following ways:

- by using the data from the gas meter and corrector or flow computer of parallel metering if they are available;
- by using the data from the gas meter with pressure correction;
- on the basis of the average volume of natural gas taken over in the previous periods, under the condition that the takeover of natural gas in these periods is approximately the same;
- on the basis of metering data of the Natural Gas Producer, Distribution System Operator, Storage System Operator, LNG Terminal Operator or the Final Customer connected to the Transmission System.
- on the basis of comparative delivery trend analysis at the exits of similar characteristics,
- based on metering equipment test results conducted in a laboratory.

Article 116

(1) The Transmission System Operator will notify the Distribution System Operator or the Final Customer connected to the transmission system on the replacement of the metering equipment three days before the execution of works.

(2) If the replacement of metering equipment from paragraph 1 of this article affects the restriction or suspension of gas delivery the Transmission System will also notify the Transmission System User about the replacement of metering equipment.

(3) When replacing the metering equipment at the billing metering point at which it is not possible to measure the volume of gas during the replacement of metering equipment, as the off-taken and inputted volume will be considered the volume which is equal to the product of multiplication of the current gas flow, determined by the device for the conversion of gas flow, immediately before the commencement of the replacement of metering equipment, and duration of the replacement or by the evaluation on the basis of consumption trend analysis before the replacement and duration of replacement.

Gas quality determining

Article 117

(1) The quality of gas is determined:

- by determining the chemical composition of gas, mole fraction, %
- by determining the content of sulphur compounds in the gas, weight share, mg/m³,
- by measuring the dew point of water and hydrocarbon, °C

(2) The calculation determines the following gas quality parameters:

- relative density of gas, (air=1),
- calorific value, MJ/m³,
- compressibility factor "Z",
- Wobbe index, kJ/m³

Article 118

(1) Gas quality determining is carried out continuously with the equipment for determining the chemical composition of gas and equipment for measuring other gas quality parameters installed at a specific point of the transmission system or occasionally, by taking gas samples and analysing them in an authorised laboratory.

(2) In the event of occasional gas quality determining from paragraph 1 of this article the taking of gas samples is performed twice a month during the third and tenth day of the month and during the 16th and 23rd day of the month, during which the gas sampling has to be carried out in such a manner that it ensures a representative and suitable sample of the operating flow for the equipment for determining gas quality.

Article 119

(1) The equipment for determining of gas quality comprises of:

- a) Process gas chromatograph for determining the chemical composition of gas
- b) equipment for measuring other gas quality parameters:
 - process analyser of water dew point
 - process analyser of hydrocarbon dew point
 - process analyser of the share of sulphur compounds in gas.

(2) Equipment for determining the quality of gas has to be of a type which allows the measuring and calculation of at least the following parameters:

- from C₁ to C₆₊, molar share, %,
- content of sulphur compounds in the gas, weight share, mg/m³,
- water dew point and hydrocarbon dew point, °C

(3) The equipment for determining the quality of gas has to be installed in accordance with the recommendations of equipment manufacturer and it has to be protected from the harmful environmental influences and vibrations.

Article 120

(1) The continuous determining of gas quality for the entries into the transmission system of a capacity exceeding 20.000 kWh/h is carried out with equipment for determining the chemical composition of gas, content of sulphur compounds, water dew point and hydrocarbon dew point, installed at the billing metering point.

(2) As regards the entries into the transmission system of a capacity exceeding 20.000 kWh/h which at the moment of entry into force of this Network Code are not furnished with the equipment for measuring the gas quality parameters, the Natural Gas Producer and the Gas Storage System Operator are obliged to equip them at their own cost.

Article 121

(1) The continuous determining of gas quality for the exits from the transmission system is carried out by using equipment for determining the chemical composition of gas at specific points of the transmission system.

(2) The Transmission System Operator determines the specific areas and specific points with the approval of the Agency and publishes them on the official website.

(3) In extraordinary situations the Transmission System Operator can change specific areas or specific points from paragraph 2 of this article which he is obliged to explain in writing to the Agency within 2 business days from the change.

Article 122

(1) The Transmission System Operator is obliged to prepare a Sampling plan in accordance with the Regulation of the Commission (EU) no 601/2012.

(2) The Sampling plan is available to users only on their written request.

The rules for the allocation of jointly measured quantities

Article 123

(1) For interconnections the rules for the allocation of the measured gas quantities per Transmission System User are determined by a bilateral agreement at an interconnection.

(2) The Transmission System Operator publishes on his official website regulations for each individual interconnection established by a bilateral agreement at an interconnection. The rules define the use of measuring units, metering rules as well as determining and allocation of the daily gas quantity.

Article 124

(1) For the entry into the transmission system from the Natural Gas Producer production gas

pipeline network and for the exit from the transmission system towards the Final Customer connected to the transmission system for which the capacity has been allocated for two or more Transmission System Users or the capacity was allocated to one Transmission System User on the basis of contracted capacity within two or more balance groups, the Transmission System Operator allocates the measured quantity of gas from article 129 of this Network code to the Transmission System Users in proportion to the share of the last accepted individual nomination in the sum of all accepted nominations, or by applying the rules established with the Agreement on the rules for the allocation of measured gas quantities, in accordance with articles 126 and 127 of this Network Code, if such an agreement was signed in a timely manner.

(2) The Agreement on the rules for the allocation of measured gas quantities from paragraph 1 of this article is prepared by the Transmission System Operator.

(3) The Natural Gas Producer or the Final Customer connected to the transmission system is obliged to deliver to the Transmission System Operator the information on contracting parties from article 125 of this Network Code which are required for the preparation of the Agreement on the rules for the allocation of measured gas quantities from paragraph 1 of this article, within the deadline prescribed in article 125 of this Network Code.

Article 125

If the Transmission System Operator has established an operational balancing account with the Storage System Operator or the LNG Terminal Operator, as an exception from article 126 of this Network Code, the inputted or off-taken quantities of gas for all users are considered to be quantities from the last accepted nomination, including the allocated balancing energy and in that case an Agreement on the rules for the allocation of measured gas quantities is not concluded.

Article 126

(1) The Agreement on the rules for the allocation of measured gas quantities from article 127 of this Network Code is signed by:

- a) for the exit from the transmission system towards the Final Customer connected to the transmission system, the Final Customer connected to the transmission system, his gas suppliers who are Transmission System Users, Balance Responsible Parties and the Transmission System Operator
- b) for entries into the transmission system from the production gas pipeline network the gas suppliers who are Transmission System Users, Balance Responsible Parties, Natural Gas Producer and the Transmission System Operator.

(2) The contracting parties from paragraph 1 of this article have to harmonise the agreement, sign and deliver it to the Transmission System Operator at least ten business days before the first gas day of the month in which its application is planned.

Article 127

The Agreement on the rules for the allocation of measured gas quantities determines that the allocation of the measured gas quantities at the entry into the transmission system from the production gas pipeline network is carried out by the Natural Gas Producer, and the allocation of the measured gas quantities at an individual exit from the transmission system towards an Final Customer connected to the transmission system is carried out by the Final Customer connected to the transmission system.

Article 128

The Transmission System Operator has the right, at any moment, to request an amendment of the concluded agreement from articles 126 and 127 of this Network Code, if he ascertains that there is a valid reason.

Reading of the billing metering points

Article 129

(1) The Transmission System Operator reads daily for each hour in a gas day D, the billing metering points through a system for remote reading of billing metering, for the purpose of determining hourly gas quantities.

(2) If due to technical reasons the data from the system for remote reading of billing metering are not available or are incomplete, the Transmission System Operator uses the gas transmission usage nomination of an individual Transmission System User in a balance group in all daily and monthly reports from article 132, 138, 139 and 146 of this Network Code for an individual balance group for the concerned exit from the transmission system.

Ascertaining the gas quantity for the daily report

Article 130

(1) The Transmission System Operator in the gas day D, for the gas day D, allocates the measured gas quantities at the entry into the transmission system which is also the exit from the network of production pipelines of Natural Gas Producer and at the exit from the transmission system towards the Final Customer connected to the transmission system, proportional to the share of the last accepted nomination in the sum of all accepted nominations at the relevant connection.

(2) The Transmission System Operator in the gas day D, for the gas day D, allocates the gas quantities at the entry into the transmission system at an interconnection and at the exit from the transmission system at an interconnection, in compliance with the last accepted nominations for an individual Transmission System User.

(3) The Transmission System Operator in the gas day D, for the gas day D, allocates the gas quantities at the exit from the transmission system which is also the entry into the gas storage system and at the entry into the transmission system which is also the exit from the gas storage system, in compliance with the last accepted nominations for an individual Gas Storage System User.

Article 131

The Transmission System Operator in the gas day D, for the gas day D, allocates the measured gas quantities at the exit from the transmission system towards the distribution system, proportional to the share of the last accepted nomination of an individual user from an individual balance group in the sum of all last accepted nominations for the relevant exit from the transmission system or the joint exit from the transmission system.

Article 132

The Transmission System Operator provides to the Balance Responsible Party twice in a gas day D, the first time at 12:00 o'clock (noon) for the period 6:00 AM -10:00 AM and the second time at 8:00 PM for the period 6:00 AM - 6:00 PM, the access to a daily report which contains the following information:

1. the measured hourly gas quantity, for each individual exit from the transmission system at which the members of a balance group have the contracted capacity, expressed in kWh/h,
2. the last confirmed nomination of an individual Transmission System User in an individual balance group, expressed in kWh/h,
3. allocated quantity of gas, per individual Transmission System User in a balance group, expressed in kWh/h,
4. accepted transactions of a balance group at the virtual trading point, concluded trading in products on the trading platform of a Gas Market Operator and the activated balancing energy for the balancing service, expressed in kWh/h

Article 133

(1) In the event from article 127 of this Network Code the Transmission System Operator provides insight to the Natural Gas Producer or the Final Customer connected to the transmission system into the data on the total measured quantity of gas for the previous gas day no later than 8:30 AM.

(2) In the event from article 127 of this Network Code the Natural Gas Producer or the Final Customer connected to the transmission system is obliged to deliver to the Transmission System Operator the information on the allocated quantity of gas for the Transmission System Users in an individual balance group, each day on business and non-business days, no later than 9:00 AM for the previous gas day.

Article 134

If the Natural Gas Producer or the Final Customer connected to the transmission system does not deliver the information from article 133 of paragraph 2 of this Network Code until 9:00 AM, the Transmission System Operator allocates the measured quantities of gas proportionally to the share of the last accepted individual nomination in the sum of all last accepted nominations.

Article 135

The Transmission System Operator receives daily from the Transmission System Operator of a neighbouring country, on business and non-business days, by 9:00 AM, for the previous gas day, a daily report on the ascertained quantity of gas at the interconnection, and the allocation of the ascertained quantity for an individual Transmission System User for each gas transmission direction at the interconnection.

Article 136

The Storage System Operator is obliged daily, on business and non-business days, no later than 9:15 AM, for the previous gas day, to deliver to the Transmission System Operator for each Gas Storage System User in individual balance group information on the gas storage system capacity usage expressed in kWh/day.

Article 137

The Natural Gas Producer is obliged daily, on business and non-business days, no later than 8:30 AM, for the previous gas day to deliver to the Transmission System Operator the information on the usage of contracted transmission system capacity separately for each entry into the transmission system which is also the exit from the natural gas production. The information on the contracted capacity usage is ascertained on the basis of the billing metering points readout, and is expressed for each hour of the previous gas day in kWh/h.

Article 138

(1) The Transmission System Operator allows the Distribution System Operator and Closed Distribution System Organiser, daily until 10:00 AM of the gas day D+1 for the gas day D, the access to the information on the measured daily gas quantities at the exit from the transmission system which is also the entry into the distribution system.

(2) The Transmission System Operator carries out daily the initial allocation of gas quantities, measured for each hour of the previous gas day, at an individual exit from the transmission system or at the joint exit from the transmission system which is also the entry into the distribution system.

(3) The Transmission System Operator carries out the initial allocation from paragraph 2 of this article per individual Transmission System User in an individual balance group, proportional to the share of the last accepted nomination of an individual user from an individual balance group in the sum of all last accepted nominations for that exit or joint exit respectively.

Article 139

(1) The Transmission System Operator provides to the Balance Responsible Party daily until 10:00 AM of a gas day D+1 for the gas day D the access to a daily report which contains the following information:

1. the measured hourly gas quantity, for each individual exit from the transmission system at which the members of a balance group have the contracted capacity, expressed in kWh/h,
2. confirmed nomination or re-nomination of an individual Transmission System User in a balance group, expressed in kWh/h,
3. allocated quantity of gas per individual Transmission System User in a balance group, expressed in kWh/h,
4. transactions of a balance group carried out at the virtual trading point and the concluded trading in products on the trading platform of a Gas Market Operator, expressed in kWh/h.

(2) The information on the carried out balancing actions, that is, the information on the total gas quantity will be announced by the Gas Market Operator.

(3) The Transmission System Operator provides to the Gas Market Operator and the Agency, daily until 11:00 AM of a gas day D+1, the access to a daily report for the gas day D, which contains the following information:

1. the total contracted transmission system capacity of an individual Transmission System User in an individual balance group, expressed in kWh/h,
2. the last confirmed nomination of an individual Transmission System User in an individual balance group, expressed in kWh/h,
3. allocated quantity of gas, per individual Transmission System User in an individual balance group, expressed in kWh/h,
4. transactions carried out at the virtual trading point and trading on the trading platform of a Gas Market Operator, expressed in kWh/h,
5. daily deviation of an individual balance group, expressed in kWh,
6. total daily deviation of all balance groups, expressed in kWh,
7. use of the balancing service, expressed in kWh.

Ascertaining the gas quantity for the monthly report

Article 140

The Transmission System Operator receives from the Transmission System Operator of a neighbouring country no later than the fifth day of the month, for the previous month, a report on the ascertained daily quantity of gas at the interconnection for each gas day, and the allocation of the ascertained quantity for an individual Transmission System User, expressed in kWh, for each direction of the gas transmission at the interconnection.

Article 141

The Storage System Operator is obliged to deliver to the Transmission System Operator, no later than the fifth day of the month for the previous month, for each Gas Storage System User information on the usage of the gas storage system capacity, expressed in kWh/day, for each gas day of the previous month.

Article 142

(1) The Natural Gas Producer is obliged to deliver to the Transmission System Operator, no later than the fifth day of the month for the previous month, for each gas supplier and gas trader to whom he sells natural gas information on the usage of contracted transmission system capacity for each entry into the transmission system which is also the exit from the production gas pipeline network of the Natural Gas Producer, expressed in kWh, for each gas day of the previous month.

(2) If the Natural Gas Producer fails to deliver the information as of paragraph 1 hereof, the Transmission System Operator allocates the measured gas quantities in compliance with the determined gas quantities for the daily report, in compliance with article 134.

Article 143

(1) The Transmission System Operator will deliver information on the third business day of the current month to the Distribution System Operator and Closed Distribution System Organiser, or will allow access to information, on the measured daily gas quantities for each gas day of the previous month at each physical exit from the transmission system into the distribution system of that Distribution System Operator expressed in kWh/d.

(2) The Transmission System Operator will deliver information on the third business day of the current month to the Distribution System Operator and Closed Distribution System Organiser or will allow access to the information on measured daily gas quantities for each gas day of the previous month at each exit from the transmission system into the distribution system of that Distribution System Operator and Closed Distribution System Organiser in which two or more Transmission System Users have contracted capacity or one Transmission System User, as a member of two or more balance groups, has contracted capacity. The following information will be delivered to the Distribution System Operator or he will be allowed access to them:

- measured daily quantity of gas, for each individual exit from the transmission system into the distribution system of that Distribution System Operator, for each day of the previous month, expressed in kWh/d,
- name of the user at an individual exit from the transmission system and the name of

the balance group,

- ascertained lower calorific value.

(3) The Distribution System Operator and Closed Distribution System Organiser are obliged to deliver no later than the eighth day of the month to the Transmission System Operator information on the taken over gas energy in the manner which is prescribed by the Network Code of the Gas Distribution System.

(4) For an individual user in an individual balance group, for whom the Distribution System Operator and the Closed Distribution System Organiser delivered information on the monthly measured delivered gas energy in accordance with the provisions of the Network Code of the Gas Distribution System, the Transmission System Operator calculates the daily amount of taken over gas in such a manner that the measured monthly delivered gas energy is multiplied with the share of daily taken over energy at an individual exit from the transmission system which is also the entry into the distribution system, for an individual gas day, which is determined according to the formula:

$$U_{di} = Q_{di}/Q_m, \text{ (kWh)}$$

U_{di} – gas energy share delivered at an individual exit from the transmission system which is also the entry into the distribution system, for a gas day i ;

Q_{di} – gas energy delivered at an individual exit from the transmission system which is also the entry into the distribution system, in a gas day i (kWh);

Q_m – total gas energy delivered at an individual exit from the transmission system which is also the entry into the distribution system, in a month (kWh).

(5) If the parties referred to in paragraph 3 hereof fail to deliver the information as of paragraph 3 hereof, the Transmission System Operator performs the distribution in proportion to the share of the last accepted nomination of an individual user in an individual balance group of the sum of all last accepted nominations for the relevant exit from the transmission system or joint exit from the transmission system and notify thereof without delay Balance Responsible Parties affected by this distribution, the parties referred to in paragraph 3 hereof and the Agency.

Article 144

(1) The Transmission System Operator will deliver data to the Final Customer connected to the transmission system on the third business day of the current month, or allow access to the data, on the measured daily quantities of gas for each gas day of the previous month at each exit from the transmission system to which the system is connected, expressed in kWh/d, m³/day and the amount of corresponding calorific value.

(2) The Transmission System Operator will deliver data to the Final Customer connected to the transmission system on the third business day of the current month, or allow access to the data, on the measured daily quantities of gas for each gas day of the previous month at each exit from the transmission system for which an agreement on the allocation of measured gas quantities and manner of the allocation from article 127 of this Network Code. The access will be allowed to the following data:

- measured daily quantity of gas, for each individual exit from the transmission system of the Final Customer connected to the transmission system, for each day of the previous month, expressed in kWh/d,
- name of the user at an individual exit from the transmission system and the name of the balance group,
- ascertained lower calorific value.

(3) The Final Customer connected to the transmission system is obliged to deliver to the Transmission System Operator no later than the fourth business day of the month the data

on the usage of the transmission system contracted capacity per Transmission System User and per balance group, during which the sum of the allocated values, for each day, has to be equal to the measured gas quantities at an individual exit from the transmission system from paragraph 2 of this article.

(4) If the Final Customer connected to the transmission system fails to deliver the data as of paragraph 3 hereof, the Transmission System Operator allocates the measured gas quantities in proportion to the share of an individual last accepted nomination in the sum of all last accepted nominations for the associated exit from the transmission system.

Article 145

The Transmission System Operator will on the fifth business day of the month deliver to the Transmission System User who supplies gas to the Final Customer connected to the transmission system, data on the ascertained and allocated gas quantities for the Final Customer connected to the transmission system which he supplies, for each gas day in the previous month.

Article 146

(1) On the basis of data from articles 140-144 of this Network Code, the Transmission System Operator will provide the Balance Responsible Party, no later than the 11th day of the month by 12 o'clock (noon), with access to the monthly report for each gas day of the previous month which contains the following information:

1. confirmed nomination or re-nomination of an individual Transmission System User in a balance group, expressed in kWh/day,
2. allocated quantity of gas per individual Transmission System User in a balance group, expressed in kWh/day,
3. carried out transactions of a balance group at the virtual trading point and trading on the trading platform of the Gas Market Operator, expressed in kWh/day
4. daily deviation of the balance group, expressed in kWh.
5. defined lower calorific value.

(2) On the basis of data from articles 140 - 144 of this Network Code the Transmission System Operator will provide access to Gas Market Operator and Agency, no later than the 13th day of the month, by 4:00 PM, for each balance group, for each gas day of the previous month, to the monthly report containing the following information:

1. total contracted transmission system capacity of an individual Transmission System User in an individual balance group, expressed in kWh/day,
2. confirmed nomination or re-nomination of an individual Transmission System User in an individual balance group, expressed in kWh/day,
3. allocated quantity of gas per individual Transmission System User in an individual balance group, expressed in kWh/day,
4. carried out transactions of a balance group at the virtual trading point and trading on the trading platform of the Gas Market Operator, expressed in kWh/day sale and/or purchase at the virtual trading point, expressed in kWh/day,
5. daily deviation of an individual balance group, expressed in kWh/day,
6. total daily deviation of all balance groups, expressed in kWh/day,

7. use of the balancing service, expressed in kWh/day

XV PUBLICATION OF INFORMATION

Article 147

(1) The Transmission System Operator publishes and updates information on the official website pursuant with the transparency requests according to the provisions of the Annex of Regulation (EC) no 715/2009 and pursuant to this Network Code.

(2) The Transmission System Operator expresses information from paragraph 1 of this article in measuring units in accordance with the request of the annex of the Regulation (EC) no 715/2009 and the measuring units which are used in the gas market of the Republic of Croatia.

XVI EXCHANGE OF INFORMATION AND COMMUNICATION

Article 148

(1) The Transmission System Operator exchanges data on a daily and monthly basis with the following gas market participants:

- a. Transmission System Operator of a neighbouring country
- b. Natural Gas Producer,
- c. Storage System Operator,
- d. Distribution System Operator,
- e. Closed Distribution System Organiser,
- f. Supplier of Final Customers on the transmission
- system, g. Final Customer on the transmission system,
- h. Balance Responsible Party,
- i. Gas Market Operator.

(2) The Transmission System Operator exchanges with the gas market participants data which are defined with the provisions of this Network Code, for the booking, nomination and reporting procedures, on the information platform which is accessed on the official website of the Transmission System Operator with assigned user rights, or by exchanging the file through e-mail.

(3) The Transmission System Operator publishes on the official website the e-mail address for the delivery of data and communication with market participants.

(4) The Transmission System Operator determines the format, structure and content of the exchange file, and the gas market participants do not have the right to change it.

(5) In order to exchange data through the information platform the Transmission System Operator will allow individual participants from paragraph 1 of this article access, assign a user account and password for access and user instructions (hereinafter: user rights), on the basis of a signed Agreement on the Access to the Transmission System Operator Information Platform. The Transmission System Operator publishes the Form of the Agreement on the Access to the Transmission System Operator Information Platform on the official website.

- (6) The Transmission System Operator will award a maximum four user rights to an individual market participant from paragraph 5 of this article.
- (7) The contact information of the Transmission System Operator is listed on the official website.
- (8) The Balance Responsible Party is obliged before submitting the request for the capacity booking, from article 81 of this Network Code, to deliver information for official and operational contact, on a form which the Transmission System Operator publishes on his official website.
- (9) The market participant from paragraph 1 of this article is obliged to notify the Transmission System Operator on every change of contact information.

XVII RESTRICTION AND SUSPENSION OF GAS DELIVERY

Article 149

- (1) In accordance with the provisions of the Gas Market Act the Transmission System Operator has the right to restrict or terminate the delivery of gas into the transmission system or from the transmission system, due to planned works, inspections and testing of the gas system, maintenance and overhaul of the gas system, connecting new Transmission System Users and upgrade and reconstruction of the gas system and for other reasons provided by this Network Code (including the General terms of use of the transmission system), Gas Market Act, and other legal regulations and by-laws.
- (2) The restriction or suspension of gas delivery can be carried out in a planned manner with prior notice or by emergency procedure.

Article 150

- (1) Before the beginning of the calendar year the Transmission System Operator plans and publishes, on the official website, the restriction or suspension of gas delivery due to planned maintenance and reconstruction work on the transmission system.
- (2) The announcement has to contain the name of the entry into the transmission system and/or the name of the exit from the transmission system to which the restriction or suspension of delivery applies and the month in which the works are intended to be carried out.
- (3) The Transmission System Operator has to publish on the official website 42 days in advance the exact date of planned works and the duration of the restriction or suspension of gas delivery.
- (4) The Transmission System Operator will notify individually the Transmission System Users, Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator, Natural Gas Producer and Final Customers connected to the transmission system which will be affected by the planned works, on the works and consequences of the usage of capacities, one month in advance with a written notice with a final confirmation of works 48 hours before the works commence.
- (5) In the period from the 1st October of the current year until the 31st March of the following year the planned gas delivery suspensions due to works on the transmission system, as well as due to connecting new Transmission System Users, must not affect the delivery of gas to eligible customers for longer than six hours.
- (6) In the event that the restriction or suspension of gas delivery from paragraph 1 of this article lasted in accordance with the deadlines from the notice from paragraph 3 of this article or they have been extended due to the reasons which the Transmission System Operator could not have foreseen and/or prevented, the Transmission System Operator is not obliged to reimburse the Transmission System User, Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator, Final Customer

connected to the transmission system or Natural Gas Producer for possible damage or expenses which occurred as the result of restriction or suspension of gas delivery.

Article 151

(1) The Distribution System Operator, Storage System Operator, Closed Distribution System Operator, LNG Terminal Operator, Natural Gas Producer and the Final Customer connected to the transmission system, who is the holder of the energy approval can request temporary separation from the transmission system in order to carry out planned maintenance, reconstruction or development work on a connected gas system or facility.

(2) The energy approval holder, that is, the Closed Distribution System Organiser respectively is obligated to deliver the request for temporary separation from the transmission system, from paragraph 1 of this article, to the Transmission System Operator in writing, at least four business days before the requested termination date and simultaneously inform the Transmission System Users which are affected by the termination.

(3) The temporary separation from the transmission system from paragraph 1 of this article is considered a non-standard service of the Transmission System Operator, and is charged in accordance with the current Price List of Non-standard Services of the Transmission System Operator.

(4) The Transmission System Operator is not responsible for possible damage and consequences which the Final Customer connected to the transmission system, Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator and the Transmission System User could have due to the termination of gas transmission on the basis of the request from paragraph 1 of this article.

Article 152

(1) The Transmission System User can, due to breach of contractual obligations by the Final Customer connected to the transmission system, request from the Transmission System Operator the suspension of gas delivery at the connection on which he is the only Transmission System User, in accordance with the General terms of use of the transmission system from Annex 1 of this Network Code.

(2) It is possible to implement a delivery suspension, at the exit from the transmission system on which two or more Transmission System Users use the gas transmission service, with the approval of all Transmission System Users who are located at that exit.

(3) The Transmission System Operator can restrict or terminate the gas transmission service due to breach of contractual obligations by the Transmission System User, in accordance with the General terms of use of the transmission system from Annex 1 of this Network Code.

(4) The Transmission System Operator notifies the gas market participants who are affected by the suspension of gas delivery, the Ministry and Agency, at least two days in advance, on the suspension of gas delivery on the basis of the request from paragraph 1 of this article or due to breach of contractual obligations by the Transmission System User towards the Transmission System Operator.

Article 153

(1) In the event of a malfunction or an accident on the transmission system, which endangers the safety of people and property the Transmission System Operator has the right to immediately suspend the delivery of gas, with a telephone notification to the Transmission System User, Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator or the Final Customer connected to the transmission system, which are affected by the suspension, and a subsequent notice in writing.

(2) In the event of a malfunction or an accident on the connected system the Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator or the Final Customer connected to the transmission system, sends to the Transmission System Operator a notice of a malfunction on the connected system and a request for the suspension of gas delivery, by telephone to the dispatcher centre, with the subsequent notice in writing. After receiving the notice on the time of gas delivery suspension the Transmission System Operator will notify the Transmission System Users which are affected by the suspension.

(3) In the event of malfunction or an accident on the connected system, for which the Transmission System Operator has verified information that they cause or can cause a threat to the lives and health of people or cause property damage, the Transmission System Operator will without any delay temporarily disconnect the connected system from the transmission system.

(4) All notifications from this article have to at least contain the following information: the time when the gas delivery will be suspended, reasons for the suspension, anticipated duration of gas delivery suspension and contact persons.

(5) The Transmission System Operator will restore regular operation of the transmission system after the malfunction from the paragraphs of this article has been eliminated and will notify the Transmission System Users who were affected by the suspension of gas delivery of the relevant fact.

Article 154

(1) The Transmission System Operator has the right to restrict or terminate the contracted gas transmission if the technical capacity is exceeded at an individual entry into the transmission system or at an individual exit from the transmission system.

(2) In the event from paragraph 1 of this article, the Transmission System Operator will notify 24 hours in advance the Transmission System Users to whom the restriction or termination applies.

Article 155

(1) Before re-establishing the gas delivery the Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator, Natural Gas Producer or the Final Customer connected to the transmission system are obliged to deliver to the dispatching centre of the Transmission System Operator the written statement on the readiness to accept gas in a safe manner.

(2) The Transmission System Operator is not responsible for possible damage and consequences which the Transmission System User, Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, LNG Terminal Operator or the Final Customer connected to the transmission system could have due to the restriction of gas delivery or termination of gas transmission from this chapter of the Network Code.

XVIII UNAUTHORISED CONSUMPTION OF GAS

Article 156

(1) The following is considered as unauthorised consumption of gas by the Final Customer connected to the transmission system:

1. off-take of gas beyond the billing metering point,
2. off-take of gas through a gas meter which is disabled for proper operation,
3. arbitrary connection to the transmission system,
4. off-take of gas through a gas meter whose Transmission System Operator seal has been removed or damaged and
5. off-take of gas without contracted transmission system capacity for the exit from the transmission system to which the Final Customer is connected.

(2) In the event of circumstances from paragraph 1 of this article indent 1 - 4, the Transmission System Operator has the right to suspend delivery of gas to the Final Customer connected to the transmission system, without prior notice, and inform of the stated fact within 24 hours the Transmission System User who supplies the Final Customer connected to the transmission system with gas.

(3) Should the circumstances from paragraph 1 indent 5 of this article occur the Transmission System Operator has the right to suspend the delivery of gas to the Final Customer connected to the transmission system of which he informs him within 24 hours before the suspension of gas delivery.

Article 157

(1) The Final Customer connected to the transmission system is obliged to pay to the Transmission System Operator the fee for the usage of the transmission system in the event of unauthorised gas consumption and the monetary obligation for the delivered gas in the event of unauthorised gas consumption, within eight days from the day the invoice is issued.

(2) If the Transmission System Operator can establish the commencement of unauthorised gas consumption, the ascertained time of unauthorised gas consumption is used to calculate the fee for the unauthorised gas consumption.

Article 158

(1) In the event of unauthorised gas consumption from article 156 paragraph 1 indent 1 - 4 of this Network Code, the Transmission System Operator can replace the gas meter and/or other metering equipment and relocate the billing metering point, at the expense of the Final Customer connected to the transmission system.

(2) The Transmission System Operator will re-establish the gas delivery in agreement with the Transmission System User only after the Final Customer connected to the transmission system settles all due debts from article 157 of this Network Code and the costs for the replacement of the gas meter and/or other metering equipment.

Article 159

(1) The fee for the usage of the transmission system in the event of unauthorised gas consumption is determined by the connection capacity from the energy approval for that billing metering point and the tariff items for the use of capacity on a daily basis.

(2) The monetary obligation for the delivered gas in the event of unauthorised gas consumption is determined in accordance with the connection capacity from the energy approval for that billing metering point for the days for which the unauthorised gas consumption was ascertained and in accordance with the last published price of balancing energy.

XIX COMPENSATION FOR DAMAGE

Article 160

(1) The Transmission System Operator is only responsible for the damage which occurred by intent or gross negligence of the Transmission System Operator.

(2) The Transmission System Operator or the Natural Gas Producer connected to the transmission system who input gas which was not of standard quality into the transmission system is obliged to compensate for all expenses and damage caused to the Transmission System Operator, Storage System Operator, Distribution System Operator, Closed Distribution System Organiser, Transmission System User and the Final Customer connected to the transmission or distribution system, as a consequence of input of gas which is not of standard quality.

(3) The Transmission System Operator will upon the request of the Distribution System Operator, Closed Distribution System Organiser, Storage System Operator, Transmission System User or the Final Customer connected to the transmission or distribution system who has suffered damage due to input of gas which is not of standard quality, will inform the aforementioned about the Transmission System User or the Natural Gas Producer connected to the transmission system who input gas of non-standard quality into the transmission system.

XX CONGESTION MANAGEMENT

Article 161

(1) For the purpose of managing contractual congestion the Transmission System Operator offers the service of interruptible capacity in the amount of technical capacity, allows trading on the secondary market and in the event of contractual congestion on the interconnection aside from the above mentioned he also applies the following procedures:

- 1 Surrender of contracted firm capacity
- 2 Buy-back of long-term contracted but unused firm capacity.
- 3 Offer of additional firm capacity and buy-back of contracted firm capacity

(2) The Transmission System Operator will deliver to the Agency the report on contractual congestion for the period from 1st April until 30th September no later than the 1st November of each year, and for the period from 1st October until 31st March no later than 1st May of each year.

(3) The report from paragraph 2 of this article has to contain at least the analysis of the realised contractual congestion in the observed period and the applied contractual congestion management measures.

Surrender of contracted firm capacity

Article 162

(1) In the event of contractual congestion on the interconnection and during the contractual congestion period, the Transmission System User can surrender to the Transmission System Operator the contracted firm capacity for a period of at least two gas days.

(2) In the event from paragraph 1 of this article, the Transmission System User will deliver to the Transmission System Operator the notice on the surrender of contracted firm capacity, on a form which the Transmission System Operator publishes on the official website. The Transmission System User delivers the notice at least three days before the day on which he intends to surrender the contracted firm capacity.

(3) The Transmission System Operator will offer the capacity from paragraph 2 of this article to the Transmission System Users in the regular capacity booking procedure and will in the event of receiving request for the capacity booking allocate the surrendered capacity from paragraph 1 of this article through a regular transmission system capacity allocation procedure.

(4) In the event that an individual Transmission System User wants to surrender firm capacity which, for the interconnection in question, he contracted on an annual, monthly or a multi-day basis, and that the demand for capacity is less than the sum of all his contracted capacities, the Transmission System Operator firstly allocates the capacity from the Natural gas transmission contract which the Transmission System User contracted on a multi-day basis, after that on a monthly or multi-month basis, and lastly he allocates capacity from the Natural gas transmission contract on an annual, or multi-annual basis.

(5) The Transmission System User retains all rights and obligations from the concluded Natural gas transmission contract in relation to the capacity specified in the notice on surrender until the moment when the Transmission System Operator issues a notice on the allocation of capacities to another Transmission System User. The agreement on the surrender of capacities is concluded under the condition that the Transmission System Operator gives his approval for its conclusion, and on the day of issuance of the Transmission System Operator notice on the allocation of the surrendered capacity to another Transmission System User.

(6) The integral parts of the agreement on the surrender of firm capacity are:

- a) Notice on the surrender of contracted firm capacity from paragraph 2 of this article, co-signed by the Transmission System Operator and the Transmission System User.
- b) Natural gas transmission contract concluded between the Transmission System Operator and the Transmission System User.
- c) Notice on the allocated capacity of the transmission system with which the surrendered capacity is allocated to another Transmission System User.

(7) The Transmission System User after delivering the notice on the surrender of contracted firm capacity from paragraph 2 of this article does not have the right to sell contracted capacity on the secondary market.

(8) In the event that two or more Transmission System Users deliver the notice on the surrender of capacity, and the demand for capacity is less than the total offered capacity, the Transmission System Operator will allocate the capacity according to the order in which the notices on the surrender of capacity were received.

Withdrawal of the long-term contracted unused firm capacity

Article 163

(1) The withdrawal of the long-term contracted unused firm capacity at an individual interconnection is applied in the event when:

- the Transmission System User uses daily less than 80% of the contracted firm capacity on an annual level in an individual period from paragraph 3 of this article.
- the Transmission System User does not offer or offers less than 20% of the total contracted firm capacity on an annual level on the secondary market
- there is demand for firm capacity by other Transmission System Users.

(2) The Transmission System Operator will deliver to the Agency the information on the daily usage of contracted firm capacity on the interconnection for the Transmission System Users from paragraph 1 of this article.

(3) The Transmission System Operator will deliver the information from paragraph 1 of this article, for the period from 1st April until 30th September no later than the 1st November each year, and for the period from 1st October until 31st March no later than 1st May each year.

(4) The Agency will decide, on the basis of delivered information from paragraph 2 of this

article, on the amount and period of the withdrawn contracted unused firm capacity.

(5) The Transmission System Operator will completely or partially withdraw the unused contracted firm capacity, in accordance with the decision of the Agency from paragraph 4 of this article, and will inform of the above mentioned, without delay, all the Transmission System Users whose contracted firm capacity has been withdrawn.

(6) The Transmission System User, whose capacity was withdrawn by the decision of the Agency from paragraph 4 of this article, is obliged to deliver without delay to the Transmission System Operator a duly filled out and signed notice on the surrender of the contracted firm capacity published on the official website of the Transmission System Operator.

(7) The Transmission System Operator retains all rights and obligations from the Natural gas transmission contract concluded with the Transmission System Operator in relation to the capacity specified in the decision of the Agency on the withdrawal of capacity, until the moment the unused contracted firm capacity from paragraph 3 of this article is allocated to another Transmission System User. The agreement on the surrender of the capacities is concluded under the condition that the Transmission System Operator gives his approval for its conclusion, on the day the Transmission System Operator notice on the allocation of the withdrawn capacity to another Transmission System User is issued.

(8) The integral parts of the agreement on the surrender of the firm capacity are:

- a) decision of the Agency from paragraph 4 of this article
- b) Notice on the surrender of the contracted firm capacity from paragraph 4 of this article, co-signed by the Transmission System Operator and the Transmission System User.
- c) Natural gas transmission contract concluded between the Transmission System Operator and the Transmission System User.
- d) Notice on the allocated capacity of the transmission system with which the withdrawn capacity is allocated to another Transmission System User.

(9) The Transmission System Operator will offer the capacity from the decision of the Agency from paragraph 4 of this article to the Transmission System Users in the regular capacity booking procedure and in the event of receiving request for the capacity booking it will allocate the withdrawn capacity in a regular transmission system capacity allocation procedure.

(10) The Transmission System User does not have the right to sell the contracted capacity on the secondary market in the period after the Agency has adopted the decision on the withdrawal of capacity.

Offer of additional firm capacity and buy-back of the contracted firm capacity

Article 164

(1) In the event of contractual congestion at an individual interconnection the Transmission System Operator will offer additional capacity on a daily level, above the level of technical capacity, applying the measure of offering additional firm capacity and a buy-back of contracted firm capacity, while accepting the technical conditions of the transmission system, calorific value, expected usage of the transmission system capacities, outside temperature and other technical capabilities.

(2) The Transmission System Operator will offer for a specific day in the year additional firm capacity on an individual interconnection, as daily firm capacity, in the event that it has been

determined on the basis of statistical data that the following conditions have been met:

- contractual congestion was ascertained in the same period in the last five gas years
- in a period of three consecutive gas years, at an individual interconnection interruptible capacity of the transmissions system was contracted and was not interrupted and
- in the last five gas years at least 10% (ten percent) of the technical capacity at an individual interconnection was unused.

(3) If the Transmission System Operator ascertains on the basis of nominations that the Transmission System Users at an individual interconnection in an individual day or longer period plan to use the total contracted firm capacity, which is larger than the amount of technical capacity in the total sum of nominations of all Transmission System Users, he will offer the Transmission System Users, who have contracted firm capacity for the period in question, to buy-back the contracted firm capacity.

(4) In the event from paragraph 3 of this article the Transmission System Operator will notify the Transmission System Users on the amount of firm capacity which he intends to buy-back and the tender delivery deadline. The offer has to contain the amount of offered capacity (kWh/day) and the capacity buy-back unit price (HRK/kWh/day), whereby the price of the offered capacity cannot be greater than 150% of the price of firm capacity on a daily level.

(5) After the expiry of the offer delivery deadline from paragraph 6 of this article, the Transmission System Operator will choose the offer with the lowest buy-back capacity unit price (HRK/kWh/day), and in the event of receiving two or more offers with the same lowest price he will chose the offer which arrived first.

(6) The Transmission System Operator will deliver to the Transmission System User the notice on the acceptance of the offer from paragraph 5 of this article, which contains all the required elements for the conclusion of the Agreement on the buy-back of contracted firm capacity. The date of the conclusion of the Agreement on the buy-back of the contracted firm capacity is the date from the notice on the acceptance of the offer, and its integral parts are:

- a) Transmission System Operator notice on the acceptance of the offer,
- b) Natural gas transmission contract concluded between the Transmission System Operator and the Transmission System User.

(7) In the event that the Transmission System Operator has not received the offer in the prescribed deadline or the amount of the buy-back capacity is not sufficient, the Transmission System Operator will proportionally decrease a part of the nominations which were delivered on the basis of contracted additional firm capacity.

(8) In the event from paragraph 7 of this article the Transmission System Operator will not take into consideration the amount of the contracted additional firm capacity during the regular fee calculation for the usage of the transmission system.

(9) In the event from paragraph 7 of this article the Transmission System Operator will reduce during the regular calculation of the fee for the transmission system usage the contracted firm capacity on an annual level, for that gas day, for the amount of nomination reduction from paragraph 7. If the Transmission System User does not have firm capacity contracted on the relevant interconnection on an annual level, the reduction will apply to the firm capacity contracted on a monthly level.

XXI PROTECTION FROM THE CONDUCT OF THE TRANSMISSION SYSTEM OPERATOR

Article 165

- (1) A party who is dissatisfied with the conduct, or acting or failing to act by the Transmission System Operator which has an effect on his rights, obligations or legal interests, and which are not resolved in an administrative procedure, or when judicial or other type of legal protection is prescribed by the law, he can file a complaint about his work in writing, while the act or failure to act of the Transmission System Operator lasts.
- (2) The complaint from paragraph 1 of this article has to contain facts and evidence on which it is based.
- (3) The Transmission System Operator has to decide on the complaint from paragraph 1 of this article within 15 days from the day the complaint was filed.
- (4) The Transmission System Operator is obliged to decide on the complaint from paragraph 1 of this article without charging a fee.
- (5) If after the decision by the Transmission System Operator adopted regarding the complaint from paragraph 1 of this article, the dissatisfied party still considers that the conduct of the Transmission System Operator violated his rights or legal interest, he can file an appeal with the Agency in order to protect his rights, while the act or failure to act of the Transmission System Operator lasts.

XXII AMENDMENTS TO THE NETWORK CODE OF THE TRANSMISSION SYSTEM

Article 166

- (1) Amendments to this Network code are implemented on the proposal of the Transmission System Operator or on the request of the Agency under the same procedure as for their adoption.
- (2) All amendments to this Network Code, which affect the modification of the information system for the management of the transmissions system capacities, can enter into force only after the necessary deadline for the adjustment of the information system, which is determined by the Transmission System Operator.

XXIII TRANSITIONAL AND FINAL PROVISIONS

Article 167

- (1) If at the time this Network Code enters into force the billing metering point at the entry into the transmission system, owned by the Natural Gas Producer or a storage system operator, with a capacity larger than 20,000 kWh/h, is equipped with a process gas chromatograph, but not with equipment for measuring other gas quality parameters, the deadline for the complete equipping of the metering point is 31 December 2017.
- (2) If at the time this Network Code enters into force the billing metering point at the entry into

the transmission system, owned by the Natural Gas Producer or a storage system operator, with a capacity larger than 20,000 kWh/h, is not equipped with a process gas chromatograph, the deadline for the complete equipping of the metering point is 31st December 2017.

(3) If the owner of the billing metering point at the entry into the transmission system does not equip the billing metering point in accordance with the deadlines from this article, the Transmission System Operator can construct a new billing metering point and equip it with the corresponding equipment pursuant to this Network Code, at the expense of the owner who has not equipped the billing metering point in the prescribed deadline. Until the moment the billing metering point is equipped with corresponding equipment, the owner is obliged to determine the chemical composition of gas once a week and inform the Transmission System Operator on the results.

(4) The Transmission System Operator and the Distribution System Operator (Closed Distribution System Organiser) will conclude an agreement on mutual rights and obligations from article 39 paragraph 2 of this Network Code no later than 1st April 2018.

(5) As an exception from article 33 paragraph 3 of this Network Code, and until the adoption of a new Price List of Non-standard Services of the Transmission System Operator, the price for the preparation of the study on the implementation of a connection is equal to the price for the preparation of the study for the extraordinary creation of technical conditions in the transmission system from the Price List of Non-standard Services of the Transmission System Operator for the 2017-2021 regulation period.

(6) The Transmission System Operator shall publish the template of the agreement as of article 39 of the Network Code no later than 1 January 2018.

Article 168

(1) The Forecasting Party shall submit the proposal of the methodology as of 57 to the Agency by 1 April 2018.

Additional rules for contracting and using interruptible capacity at Croatia-Hungary interconnection in the direction from Croatia to Hungary

Article 169

(1) Provisions of this article shall apply from the moment this Network Code enters into force until 31 December 2017, and they refer to all users who have an already concluded contract on the transmission of gas at Croatia-Hungary interconnection or are yet to sign it and they want to contract interruptible capacity in the direction from Croatia to Hungary.

(2) The Transmission System Users from clause (1) of this article shall contract a non-standard service "The use of interruptible capacity with reduced interruptibility at Croatia-Hungary interconnection" in compliance with the provisions of this article.

(3) The Transmission System User shall pay to the Transmission System Operator a fee for the non-standard service "The use of interruptible capacity with reduced interruptibility at Croatia-Hungary interconnection" in compliance with the Price list for the non-standard services provided by the Transmission System Operator and the concluded contract on providing a non-standard service of the use of interruptible capacity with reduced interruptibility at Croatia-Hungary interconnection.

(4) A Transmission System User who at the moment when this network Code comes into force intends to contract interruptible capacity at Croatia - Hungary interconnection in the direction from Croatia to Hungary shall deliver to the Transmission System Operator the following: a signed

contract on providing a non-standard service "The use of interruptible capacity with reduced interruptibility at Croatia-Hungary interconnection" published on the official website of the Transmission System Operator and the means of payment security anticipated by the contract on providing a non-standard service; as well as other documents from article 77 of this Network Code at least 20 days before the start of the auction in which he wants to participate.

(5) The Transmission System Operator will allow the Transmission System Users to participate in the auction for contracting interruptible capacity at Croatia-Hungary interconnection in the direction from Croatia to Hungary only if he receives from the Transmission System User a signed agreement on providing a non-standard service "The use of interruptible capacity with reduced interruptibility at Croatia-Hungary interconnection" and the prescribed means of payment security from clause 4 of this article as well as other documents and means of payment security in compliance with this Network Code and GT-INT within the stipulated period from clause (4) of this article.

(6) The Transmission System Operator shall deny Transmission System User the access to and participation in the auction for the contracting of interruptible capacity at Croatia-Hungary interconnection in the direction from Croatia to Hungary and it shall cancel its active status:

- (a) if the Transmission System User does not meet the obligations from clause (4) of this article in full, within the stipulated deadline , and/or
- (b) if at the latest five working days prior to the beginning of the auction in which the Transmission System User wishes to participate the Transmission System Operator does not have available additional or new means of payment security that the user is obliged to submit in compliance with the provisions of the contract on providing a non-standard service "The use of interruptible capacity with reduced interruptibility at Croatia-Hungary interconnection"; and/or
- (c) if the contract on providing a non-standard service for the use of interruptible capacity with reduced interruptibility at Croatia-Hungary interconnection is terminated for any other reason; and/or
- (d) in any other case explicitly stipulated by this Network Code or GT-INT.

Article 170

On the day this Network Code enters into force the Network Code of the Transmission System dtd 4 November 2016 (Class PL – 16/3665, file no. UP/IG-16-3) and the Amendments to Network Code of the Transmission System dtd 24 February 2017 (Class PL – 17/0675, file no. UP/IP1-17-2) cease to have effect.

Article 171

- (1) This Network Code will be published on the official website of the Transmission System Operator and the Agency, and it enters into force on 1 April 2017.

Class: PL-17/1246

File number: UP/TV-17-2

Date: 31 March 2017

PLINACRO Ltd.
President of the Board
Ivica Arar, LL.M.

XXIV ANNEXES

1. General Terms of Use of the Transmission System
2. General Terms of Use of Gas Transmission Service at an Interconnection (hereinafter: GT-INT)
3. Tabular presentation of Standard products at an interconnection
4. Tabular presentation of the Transmission System Operator services at the entry into and exit from the transmission system

Annex 1 General Terms of Use of the Transmission System (hereinafter: GT)

Article 1

SUBJECT

(1) This GT regulates the mutual rights and obligations of the Transmission System Operator and the Transmission System User which are not regulated by the Natural gas transmission contract. The Transmission System User also enters into contractual relationships with other gas market participants (Storage System Operator, Balance Responsible Party, Gas Market Operator) in accordance with legal regulations; the obligations from these agreements are the sole responsibility of the Transmission System User and can in no way affect the rights and obligations of the Transmission System Operator from the Natural gas transmission contract which the Transmission System Operator concluded with the Transmission System User.

(2) This GT is an integral part of the Natural gas transmission contract concluded between the Transmission System Operator and the Transmission System User.

(3) It is considered that the Transmission System User accepts the application of this GT by:

- (a) the mere fact of submitting a request to the Balance Responsible Party that he submits on behalf of the Transmission System User a request for the capacity booking and/or
- (b) the acceptance of the allocation of awarded capacity of the transmission system from the Notice by the Transmission System User, regardless of when the form of the Natural gas transmission contract was signed between the Transmission System User and the Transmission System Operator for record keeping purposes.

(4) The energy expressed at the lower calorific gas value at standard conditions is used for the procedure of transmission system capacity booking at the entry into and exit from the transmission system, except the interconnection, for the harmonisation of the nominations for the transmission system usage and transactions at the virtual trading point as well as for determining and allocating the gas quantities for the daily and monthly report.

Article 2

DEFINITIONS

The terms used within this GT have meanings determined by the Network Code and laws which govern the energy sector, regulation of energy activities and gas market, as well as

provisions adopted on the basis of these laws.

Article 3

RIGHTS ARISING FROM THE CONTRACTED SERVICE

(1) The Transmission System Operator will take over the gas which he is transporting for the Transmission System User at the entries into the transmission system, under the condition that the gas meets the natural gas quality conditions prescribed by the General terms of gas supply and Network Code, under the condition that the quantities of gas are in accordance with the announcement of transmission system usage and that the pressure conditions correspond to the pressure conditions from the energy approval.

(2) The takeover of gas into the transmission system and the delivery of gas from the transmission system is carried out on the basis of nominations of transmission system usage made by the Balance Responsible Party, and accepted by the Transmission System Operator.

Article 4

RIGHTS AND OBLIGATIONS OF THE TRANSMISSION SYSTEM OPERATOR

(1) The Transmission System Operator has the right to:

- charge a fee for the transmission system use for the service of gas transmission which is the subject of the concluded Natural gas transmission contract, fee for exceeding the contracted capacity.
- charge a fee for the deviation from the announced calorific gas value and fee for the deviation from the standard gas quality
- restrict/terminate the provision of gas transmission service which is the subject of the concluded Natural gas transmission contract, in accordance with this GT and in a prescribed manner (termination/restriction of gas transmission due to failure of the Transmission System User to fulfil obligations from the Natural gas transmission contract) and in accordance with the legal regulations and by-laws;
- refuse a nomination, re-nomination and modification of an accepted nomination which relates to the usage of contracted capacity, if it is larger than the contracted capacity and/or is not harmonised with the temporary restrictions of the contracted capacity prescribed by the law, Network Code and/or if it is not delivered within the prescribed period;
- refuse to give approval for the transfer of capacities when trading in capacity on the secondary market, in accordance with the provisions of the Network Code;
- refuse to take over gas into the transmission system which does not satisfy the quality requirements and/or other conditions prescribed by the General terms of gas supply and Network Code;
- refuse to take over gas into the transmission system which does not satisfy the pressure requirements and/or other conditions prescribed by the Network Code;

(2) The Transmission System Operator is obligated to:

- make available to the Transmission System User the contracted capacity in accordance with the allocated capacity;
- take over gas quantities which the Transmission System User inputs into the transmission system, on the basis of confirmed nominations at the entry into the transmission system at which the transmission system capacity was allocated to the Transmission System User;
- deliver gas quantities which the Transmission System User inputs into the transmission system, on the basis of confirmed nominations at the exit from the transmission system at which the transmission system capacity was allocated to the

Transmission System User;

- keep records on the gas quantities taken over from the Transmission System Users at the entry/ entries into the transmission system;
- keep records on the gas quantities taken over from the Transmission System Users at the exit/exits from the transmission system;
- notify the Transmission System User on the gas quantities taken over from the Transmission System User and delivered gas quantities of the Transmission System User, in accordance with the provisions of the Network Code.

(3) The Transmission System Operator also has other rights and obligations prescribed by applicable legal regulations and by-laws.

Article 5

RIGHTS AND OBLIGATIONS OF THE TRANSMISSION SYSTEM USER

(1) The Transmission System User has the right to:

- use capacity in accordance with the provisions of Network Code of the Transmission System, Natural gas transmission contract and the Notice on allocation of capacity of the transmission system;
- input gas into the Transmission System and/or off-take gas from the transmission system in accordance with the transmission system usage nomination;
- trade in the contracted capacities in accordance with the Network Code provisions.

(2) The Transmission System User is obligated to:

- sign a Natural gas transmission contract in written form without delay at the invitation of the Transmission System Operator, for record keeping purposes;
- settle in full, upon maturity, invoices which are issued by the Transmission System Operator as fee for the use of the transmission system and exceeding contracted capacity, as well as, if required, other payment obligations arising from the Natural gas transmission contract and deliver to the Transmission System Operator means of payment security in accordance with this GT or the request of the Transmission System Operator respectively.
- ensure that the gas which he is inputting into the transmission system satisfies the gas quality requirements determined by the provisions of the General terms of gas supply and Network Code;
- ensure that the gas which he is inputting into the transmission system satisfies the pressure requirements determined by the provisions of the Network Code and corresponding energy approval for the connection to the transmission system;
- input into the transmission system gas quantities which are in accordance with the transmission system usage nomination;
- off-take from the transmission system gas quantities which he input or were input for him into the transmission system in accordance with the transmission system usage nomination;
- notify the Transmission System Operator on each change of circumstances which preceded the conclusion of the Natural gas transmission contract or which are essential for the implementation of the Natural gas transmission contract;
- restrict or suspend input of gas into the transmission system and/or off-take of gas from the transmission system, in the event that the Transmission System Operator delivers to him a notice on the restriction/termination of the provision of services which are the subject of the concluded Natural gas transmission contract, based on the Natural gas transmission contract and/or compulsory regulations and
- restrict or suspend the delivery of gas into the transmission system and/or off-take of gas from the transmission system, if so requested by the Transmission System Operator because the quality of gas he is inputting into the transmission system does not satisfy the gas quality requirements determined by the General terms of gas supply and Network Code provisions.

(3) The Transmission System User also has other rights and obligations prescribed by applicable legal regulations and by-laws.

Article 6

THE TRANSMISSION SYSTEM USE FEE

(1) The Transmission System User is obliged to pay to the Transmission System Operator a fee for the use of the transmission system and a fee for exceeding contracted capacity.

(2) The Transmission System User is obliged to pay the fee for the use of the transmission system regardless of whether he really used the gas transmission service in the amount which corresponds to the contracted capacity, a part of the contracted capacity or if he did not use the gas transmission service at all.

Article 7

CALCULATION OF THE TRANSMISSION SYSTEM USE FEE AND FEE FOR EXCEEDING THE CONTRACTED CAPACITY

(1) The manner in which the fee for the use of the transmission system and the fee for exceeding the contracted capacity is calculated and paid is prescribed by the Methodology for determining the amount of tariff items for the gas transmission while the amount of tariff items for gas transmission is prescribed by the current Decision on the amount of tariff items for gas transmission.

(2) The Transmission System Operator delivers the calculation and invoice from this article to the Transmission System User no later than the 15th day of the current month for the previous month, which the Transmission System User is obliged to pay within 20 days from the last day of the calculation period for which the invoice was issued. The payment obligation is considered to be executed on the day the money has been credited onto the giro account of the Transmission System Operator.

(3) For each day of delay in the payment of the fee for the use of the transmission system from paragraph 1 of this article, the Transmission System User is obliged to pay, aside from the principle owed, the legal penalty interest which is current in the relevant period as well. The penalty interest begins to accrue on the first day after the invoice became due. The interest payment deadline is 8 days from the receipt of the calculation.

Article 8

MEANS OF PAYMENT SECURITY

(1) In order to secure payment of any monetary claim of the Transmission System Operator on the basis of the Natural gas transmission contract, and especially for instance:

- fee for the use of the transmission system
- fee for exceeding the contracted capacity;

Upon receiving the Notice and Natural gas transmission contract the Transmission System User is obliged to deliver without any delay, but no later than the beginning of contract

period, the means of payment security in accordance with this article.

(2) The Transmission System User who has submitted a request for the transmission system capacity booking on a multi-annual, annual or multi-month (of three consecutive months) level is obliged to deliver to the Transmission System Operator a bank guarantee, unconditional, irrevocable, without cavil and at first call issued by a bank acceptable to the Transmission System Operator, in the amount which corresponds to 10 (ten) % or 30 (thirty)

% of the fee for the use of the contracted transmission system capacity for the contracted period from the Notice (depending on the solvency of the Transmission System User), increased by VAT. The bank guarantee has to be valid for the entire duration of the Natural gas transmission contract, and minimally for 45 days after the expiry of the contractual period from the Notice;

(3) As an exception from paragraph 2 of this article:

- a) if in the last 12 months the Transmission System User has duly and timely executed contractual obligations towards the Transmission System Operator, the Transmission System User with the approval of the Transmission System Operator can deliver as the means of payment security 1 (one) ordinary promissory note issued in accordance with the Dstraint Act, in the amount of 50 (fifty) % of the fee for the use of contracted capacity of the transmission system for the contractual period from the Notice, increased by VAT; by which the Transmission System User gives his consent for all the accounts he has with legal entities which carry out payment transactions to be seized and that the money from these accounts is to be paid to the Transmission System Operator, or that immediate dstraint is carried out on the entire property of the Transmission System User in order to settle the Transmission System Operator claim in the amount specified on the ordinary promissory note;
- b) if the Transmission System User is in pre-bankruptcy proceedings or is bankrupt he can, with the approval of the Transmission System Operator, pay a one-time cash deposit as a means of payment security in the amount of 100% of the Natural gas transmission contract value increased by the VAT. The Transmission System User will not charge interest to the Transmission System Operator for the paid cash deposit amount. Only the Transmission System Operator can give an order for the disposal of assets on the deposit account to the bank in which the deposit account is opened. The interest on funds in the deposit account belongs to the Transmission System User, reduced by the corresponding deposit account maintenance fee. The Transmission system Operator will keep the cash deposit during the entire duration of the contract or until the moment when all the contractual obligations towards the Transmission System Operator are fulfilled.

(4) The Transmission System Operator who has submitted a request for the transmission system capacity booking on a bimonthly, monthly, multi-day or daily level is obliged to deliver to the Transmission System Operator a bank guarantee, unconditional, irrevocable, without cavil and on first call, issued by a bank acceptable to the Transmission System Operator, in the amount which corresponds to 100 % of the fee for the use of the contracted transmission system capacity for the contracted period from the Notice, increased by VAT. The bank guarantee has to be valid for the entire duration of the Natural gas transmission contract, and minimally for 45 days after the expiry of the contractual period from the Notice;

(5) As an exception from paragraph 4 of this article:

- a) if in the last 12 months the Transmission System User has duly and timely executed contractual obligations towards the Transmission System Operator, the Transmission System User with the approval of the Transmission System Operator can deliver as means of payment security 1 (one) ordinary promissory note issued in accordance with the Dstraint Act, in the amount of 100 (hundred) % of the fee for the use of contracted capacity of the transmission system for the contractual period from the Notice,

increased by VAT; by which the Transmission System User gives his consent for all the accounts he has with legal entities which carry out payment transactions to be seized and that the money from these accounts is to be paid to the Transmission System Operator, or that immediate distraint is carried out on the entire property of the Transmission System User in order to settle the Transmission System Operator claim in the amount specified on the regular promissory note;

- b) if the Transmission System User is in pre-bankruptcy proceedings or is bankrupt he can, with the approval of the Transmission System Operator, pay a one-time cash deposit as a means of payment security in the amount of 100% of the Natural gas transmission contract value increased by the VAT. The Transmission System User will not charge interest to the Transmission System Operator for the paid cash deposit amount. Only the Transmission System Operator can give an order for the disposal of assets on the deposit account to the bank in which the deposit account is opened. The interest on funds in the deposit account belongs to the Transmission System User, reduced by the corresponding deposit account maintenance fee. The Transmission system Operator will keep the cash deposit during the entire duration of the contract or until the moment when all the contractual obligations towards the Transmission System Operator are fulfilled.

(6) The means of payment security from paragraph 1 of this article comprise an integral part of the Natural gas transmission contract.

(7) In the event of late payment by the Transmission System User, the Transmission System Operator is authorised to use any means of payment security, which is in the possession of the Transmission System Operator on any legal basis, in order to settle any Transmission System Operator claim arisen on the basis of the Natural gas transmission contract, in the amount which the Transmission System Operator specifies during the activation of the means of payment security, and with which the Transmission System User fully agrees. The Transmission System Operator is authorised to use the received means of payment security in order to collect any claims of the Transmission System Operator towards the Transmission System User, which also includes claims which would arise after the termination of the Natural gas transmission contract concerning which they were issued, under any basis.

(8) The Transmission System User undertakes, regarding activated (used) or expired means of payment security, within five business days after the Transmission System Operator used the means of payment security or no later than three days before the expiry of the means of payment security to deliver to the Transmission System Operator new means of payment security identical to the used means of payment security or means of payment security which is about to expire. If the means of payment security which is expiring is not replaced with new means of payment security with a deadline, content and amount in accordance with this GT, the Transmission System Operator has the right to activate the means of payment security before the expiration of its deadline and deposit the money collected in such way in a separate account (without the obligation of the Transmission System Operator to receive the interest on the deposit at the financial institution where he has the deposit, and without the obligation of the Transmission System Operator to pay any type of interest on the deposit to the Transmission System User, and in the event that the Transmission System Operator receives interest on the deposit, such interest will not be automatically counted into the fulfilment of the Transmission System User obligations under the Natural gas transmission contract, but they will be added to the total deposit amount) and he will use it under the same conditions under which the Transmission System Operator is authorised to use means of payment security in accordance with this GT.

(9) If any authorised third party (for example: guarantor from one of the contracted means of payment security) disputes the validity of the contracted means of payment security, the Transmission System Operator is obliged to replace the disputed means of payment security on the request of the Transmission System Operator with an identical valid means of

payment security provided by this GT and the Natural gas transmission contract which will be acceptable to the Transmission System Operator, within five business days from receiving the written request by the Transmission System Operator. In the event the means of payment security whose validity is disputed is not replaced with a new means of payment security with a deadline, content and amount in accordance with this GT, the Transmission System Operator has the right to collect the means of payment security before expiration of its deadline and deposit the money collected in such way in a separate account (without the obligation of the Transmission System Operator to receive the interest on the deposit at the financial institution where he has the deposit, and without the obligation of the Transmission System Operator to pay any type of interest on the deposit to the Transmission System User, and in the event that the Transmission System Operator receives interest on the deposit, such interest will not be automatically counted into the fulfilment of the Transmission System User obligations under the Natural gas transmission contract, but they will be added to the total deposit amount) and he will use it under the same conditions under which the Transmission System Operator is authorised to use means of payment security in accordance with this GT.

(10) In the event that the Transmission System User does not deliver the contracted means of payment security to the Transmission System Operator within the deadline in accordance with paragraph 1 of this article, or in the event that the Transmission System User does not deliver a new means of payment security to the Transmission System Operator in accordance with paragraph 8 of this article such conduct by the Transmission System User will be deemed as a substantial violation of obligations from the Natural gas transmission contract and the Transmission System Operator will be authorised to terminate the Natural gas transmission contract in accordance with article 15 paragraph 5 of this GT and/or restrict or terminate the provision of gas transmission service in accordance with article 14 of this GT.

Article 9

GUARANTEES

The Transmission System User declares and guarantees on the date the Natural gas transmission contract is concluded:

- that he possesses all authorisations, approvals and necessary permits required for him to engage in energy activity on the basis of which he achieves access to the transmission system during the term of this Natural gas transmission contract;
- that legal, valid and enforceable obligations arise with this Natural gas transmission contract for the Transmission System User, which can be fulfilled in accordance with its provisions;
- that the means of payment security, which the Transmission System User will deliver to the Transmission System Operator, are validly established and that they will be kept in force and renewed in accordance with this Natural gas transmission contract and that no third party has nor will have reason to dispute it, more exactly, that the third party is not disputing them nor will it dispute their validity and recoverability.

Article 10

LIQUIDATED DAMAGES

(1) The Transmission System User will be obliged to pay liquidated damages to the Transmission System Operator if he is late in fulfilling or irregularly fulfils within the deadline the following obligations:

- a) if the Transmission System User does not deliver any means of payment security from the Natural gas transmission contract in a manner and in accordance with

conditions from article 8 of this GT;

- b) if the Transmission System User does not renew means of payment security from the Natural gas transmission contract in a manner and in accordance with conditions from article 8 paragraph 8 of this GT;
- c) if the Transmission System User does not replace a disputed means of payment security upon the request of the Transmission System Operator with an identical valid means of payment security in accordance with article 8 paragraph 9 of this GT.

(2) The liquidated damages which the Transmission System User is obliged to pay to the Transmission System Operator in the events from the previous paragraph amounts to 1 % of the value of the total fee for the use of contracted capacity of the transmission system for the entire duration of the Natural gas transmission contract (in order to avoid doubt, the total fee amount for the use of contracted capacity which serves as a basis for calculating the liquidated damages does not include the fee for the gas quantity at the exits from the transmission system).

(3) The Transmission System Operator will notify the Transmission System User in writing on the amount of liquidated damages he is obligated to pay in the events from the previous paragraph, and the payment of such liquidated damages will become due within 15 days from the receipt of the notice delivered to the Transmission System User by registered mail with return receipt or delivered in some other manner which allows the Transmission System Operator to securely ascertain the date on which the notice was received by the Transmission System User.

(4) The Transmission System Operator and the Transmission System User agree that the amount of liquidated damages from this article corresponds to the value of the protected asset.

(5) The Transmission System Operator has the right to charge liquidated damages even if after he receives the fulfilment of the obligation he fails to inform the Transmission System User without delay that he retains the right to liquidated damages.

(6) In the events from this article, the Transmission System Operator is authorised to request from the Transmission System User aside from the liquidated damages cumulatively the reimbursement of total damage suffered as well.

Article 11

LIABILITY

(1) The Transmission System Operator is only responsible for the damage incurred as a result of intent or gross negligence of the Transmission System Operator and will not be responsible for damage (including: normal damage, loss of prospective profit and immaterial damage) which would occur as a result of ordinary negligence by the Transmission System Operator.

Article 12

FORCE MAJEURE

(1) The contracting parties are released from the obligation for non-fulfilment or late fulfilment of their obligations, if the non-fulfilment, or late fulfilment is the result of force majeure, in terms of the Energy Act provisions. In order to avoid doubt the force majeure which causes the release from obligations which the parties accepted in the Natural gas transmission contract has to relate solely to the functioning of the transmission system and/or availability of

transmission system capacity. The force majeure which relates to gas in any way (including for example the quality, availability or shortage of gas) does not release the Transmission System Operator or the Transmission System User from obligations accepted in the Natural gas transmission contract.

(2) In the event of force majeure the contracting party affected by force majeure has to notify the other contracting party without delay on the occurrence of circumstances which he considers to be a force majeure and on the steps he is undertaking in order to mitigate, or remove the consequences of force majeure.

(3) If, due to force majeure, the delay in fulfilment, or the inability to fulfil contractual obligations of one party lasts longer than 30 consecutive days the contracting parties will, as soon as possible, begin negotiations in order to find a solution which is acceptable to both contracting parties. In the event if an agreement cannot be reached on a solution which is acceptable to both parties, within an additional 15-day deadline, both parties have the right to unilaterally terminate the Natural gas transmission contract.

Article 13

EXCEEDING CAPACITIES

(1) The Transmission System User has the right to use the transmission system capacities which he has contracted.

(2) The Transmission System Operator has the right to restrict and/or terminate the gas transmission service if the Transmission System User exceeds the contracted capacity at an individual entry into the transmission system and/or exit from the transmission system, and the consequence of exceeding the capacity caused the technical capacity of the transmission system to be exceeded at an individual entry into /exit from the transmission system

(3) In the event that the Transmission System User individually or jointly with another Transmission System User or Transmission System Users exceeds the technical capacity of an individual entry into the transmission system and/or exit from the transmission system, the Transmission System User is responsible, proportionally to the share of his nomination in the sum of all nominations at an individual entry into the transmission system and/or exit from the transmission system in that day, for all damage and other consequences resulting from exceeding the technical capacity.

Article 14

RESTRICTION OR TERMINATION OF TRANSMISSION DUE TO NON-FULFILMENT OF CONTRACTUAL OBLIGATIONS

(1) In the event that the Transmission System User does not fulfil or is late with fulfilling any of the Transmission System User obligations on the basis of the GT and the Natural gas transmission contract, especially but not exclusively: obligations regarding the payment of the fee for the use of the transmission system, fee for exceeding contracted capacity, and obligation of delivering means of payment security, the Transmission System Operator has the right, with prior notification of the Transmission System User which has to be delivered at least 24 hours in advance before the restriction or termination of the gas transmission service:

- restrict or completely terminate the provision of gas transmission service, beginning 30 days from maturity of any obligation of the Transmission System User at the earliest, unless otherwise provided by this article; or

- restrict or completely terminate the provision of gas transmission service if the total due debt of the Transmission System User corresponds to at least two monthly fees for the use of the transmission system, beginning at the earliest five days from the day of maturity of the monthly fee which becomes due later; or
- restrict or completely terminate the provision of the contracted services in the event of violation of obligations from article 8 of this GT, beginning at least five business days after the expiry of deadlines for the delivery of means of security from that article.

(2) The termination or restriction of the provision of gas transmission service in accordance with the previous paragraph of this article can last until the Transmission System User fulfils the obligation from the Natural gas transmission contract in full due to the violation of which the provision of the gas transmission service was terminated/restricted.

(3) In the event that the Transmission System Operator terminates/restricts the provision of gas transmission service on the basis of this article due to misconduct of the Transmission System User or any associated third party, in any individual event of termination or restriction of gas transmission service by the Transmission System Operator the Transmission System User is obliged to pay the entire amount of the fee for the use of the transmission system to the Transmission System Operator for the months in which the Transmission System Operator terminated the provision of gas transmission service, and which he should have paid if the gas transmission service was provided as was contracted, without it restricting other rights of the Transmission System Operator to which the Transmission System Operator is entitled on the basis of this GT and the Natural gas transmission contract or the Network Code.

(4) By concluding the Natural gas transmission contract the Transmission System User confirms that he agrees that the reasons stated in paragraph 1 of this article represent a justifiable reason for the restriction or termination of the provision of gas transmission service. In the event of restriction or termination of the provision of gas transmission service in accordance with this article, the Transmission System Operator will not be held liable for any damage which the Transmission System User or third parties could suffer, with which the Transmission System User is in agreement and undertakes to defend and indemnify the Transmission System Operator in the event of any third party claims.

Article 15

RESTRICTION OR TERMINATION OF THE PROVISION OF SERVICES ON THE BASIS OF LAW AND BY-LAWS

(1) The Transmission System Operator is authorised to restrict and/or terminate the provision of services which are the subject of this GT and the Natural gas transmission contract, which also includes the temporary restriction and/or termination of transmission, or the takeover and/or delivery of gas, in order to ensure the regular operation of the transmission system adhering to the safety and balance conditions and taking into consideration the fulfilment of the public service obligation; and for other reasons due to which he is obliged or authorised to restrict and/or terminate the provision of gas transmission service in accordance with legal regulations and by-laws.

(2) The restriction and/or termination of the provision of services which are the subject of this GT and the Natural gas transmission contract, which includes the right to restrict and/or terminate the gas transmission, is carried out in the manner as prescribed by relevant regulations.

Article 16

SUSPENSION OF GAS DELIVERY TO THE FINAL

(1) If the Final Customer connected to the transmission system is supplied by one gas supplier on one connection, or the Transmission System User, in that case the Transmission System User can request from the Transmission System Operator that he suspends the delivery of gas to the Final Customer connected to the transmission system who has not paid his monetary obligation towards the Transmission System User.

(2) The Transmission System User is obliged to deliver to the Transmission System Operator in writing by way of registered mail with return receipt, at least 48 hours in advance, the **Order** for the suspension of gas delivery to the Final Customer connected to the transmission system (hereinafter: Order) which contains all the information from paragraph 3 of this article. If the Order does not contain all the information from paragraph 3 of this article, the 48 hour deadline for the suspension of gas delivery will commence from the day when the Transmission System Operator receives the proper Order of the Transmission System User.

(3) The Order will be deemed valid if:

- it contains information on the name of the Final Customer connected to the transmission system, exact time and place of gas delivery suspension;
- evidence that the deadline for the suspension of gas delivery allows the Final Customer connected to the transmission system controlled suspension of gas consumption in a safe manner, and in order that the gas delivery suspension does not cause damage to the facilities of the Final Customer connected to the transmission system or extraordinary circumstances which could endanger the lives and health of people or cause material property damage or pollute the environment; during which the Transmission System Operator is not obliged to assess the veracity/grounds/foundation of evidence that the remaining suspension deadline allows for controlled suspension of gas consumption by the Final Customer, and it will be deemed that this condition has been satisfied if the deadline in question is at least seven days from the day the Final Customer connected to the transmission system received the written notice on the suspension of gas delivery (the Transmission System User is obliged to deliver to the Transmission System Operator the evidence on the receipt of notice from the Final Customer); and
- the evidence that the deadline from the notice which the Transmission System User sent to the Final Customer connected to the transmission system for the payment of a monetary obligation has expired and that the Final Customer connected to the transmission system to whom the Order applies has been notified on the intent of the Transmission System User to suspend his gas delivery and the duration of gas delivery suspension (for example: a memo addressed to the Final Customer connected to the transmission system with the confirmation that the client has received the memo).

(4) The suspension of gas delivery to the Final Customer connected to the transmission system is carried out by immediate closing of the valves on the connection, in the presence of the authorised representative of the Transmission System User, during which the representatives of the Transmission System User and Transmission System Operator sign the corresponding minutes in which the time and date of gas delivery suspension is stated, the status of the meter and the existence of the seal on the bypass line.

(5) The re-establishment of gas delivery to the Final Customer connected to the transmission system is carried out by gradual or immediate opening of the valves on the connection, upon the special request of the Transmission System User, in the presence of the authorised representative of the Transmission System User, during which the representatives of the Transmission System User and Transmission System Operator sign the corresponding minutes in which the time and date of gas delivery re-establishment is stated, the status of the meter and the existence of the seal on the bypass line.

(6) The suspension and re-establishment of gas delivery to the Final Customer connected to the transmission system is carried out in accordance with the General terms of gas delivery and Network Code.

(7) The Transmission System User will be exempt from liability and/or will indemnify the Transmission System Operator from any claims of the Final Customer and/or third party due to the suspension of gas delivery to the Final Customer connected to the transmission system on the request of the Transmission System User.

(8) The Transmission System Operator has the right to reject the suspension of gas delivery to the Final Customer which the Transmission System User requests in accordance with this article, before the Transmission System User upon the request of the Transmission System Operator provides an acceptable means of security to the Transmission System Operator for the settlement of possible claims of the Final Customer or third party towards the Transmission System Operator regardless of the probability and estimate of the legal grounds of such a claim toward the Transmission System Operator.

Article 17

DURATION AND TERMINATION OF THE CONTRACT

(1) The Natural gas transmission contract is concluded for the period specified in the Notice on the allocation of transmission system capacities.

(2) The Transmission System User has the right to terminate the Natural gas transmission contract, without misconduct of the Transmission System Operator, by way of a written termination notice which is sent to the other contracting party by registered mail with return receipt, or in any other way provided that the date of the receipt of the relevant notice can be determined with certainty, under the conditions from paragraph 3 of this article.

(3) The Transmission System User has the right to terminate the Natural gas transmission contract under the following conditions:

- For short-term and annual contracts: at any time on the basis of a previously written termination notice, with the termination deadline of 30 days from the day on which the Transmission System Operator received the termination notice, and the payment of the compensation for damage to the Transmission System Operator which corresponds to 100% of the fee for the use of the transmission system for the contracted gas transmission service from the Natural gas transmission contract termination in accordance with the previous paragraph until the expiry of the Natural gas transmission contract validity specified in the Notice.
- For multi-annual contracts: on the basis of a previously written termination notice, delivered at least six months prior to the commencement of the following gas year. The contract termination begins to have legal effect at 6:00 AM of the last day of the gas year in which the termination notice was delivered to the Transmission System Operator. In that event the Transmission System User is obliged to pay compensation for damage to the Transmission System Operator which corresponds to 90% (ninety percent) of the fee for the use of the transmission system for the contracted gas transmission services from the termination of the Natural gas transmission contract until the expiry of the Natural gas transmission contract validity specified in the Notice.

(4) The maturity of payment for the compensation for damage which the Transmission System User is obliged to pay to the Transmission System Operator in accordance with this paragraph is 15 days from the day the notice of the Transmission System Operator was delivered to the Transmission System User on the amount of compensation for damage which the Transmission System User is obliged to pay.

(5) If the Transmission System Operator manages to partially or wholly sell the transmission system capacity which was the subject of a validly terminated multi-annual gas transmission service in accordance with paragraph 3 of this article for the period from the termination of the contract until the expiry of the contracted period from the Notice, on the primary market to another Transmission System User, the corresponding amount of compensation for damage (depending on the fact whether the Transmission System Operator managed to sell the entire capacity or just part of the capacity which relates to the remaining contracted period from the termination of the Natural gas transmission contract until the expiry of the contracted period from the Notice) which the Transmission System User previously paid to the Transmission System Operator will be reimbursed by the Transmission System Operator to the Transmission System User who terminated the Natural gas transmission contract, within 15 days from the conclusion of a Natural gas transmission contract with another Transmission System User and receipt of corresponding means of payment security from such other user (depending on which event occurs later).

(6) Each contracting party has the right to terminate the Natural gas transmission contract through a written termination notice delivered to the other contracting party by way of registered mail with return receipt, in the event that the other contracting party does not fulfil any of its obligations in any way under the Natural gas transmission contract and this GT, which make its integral part. The contracting party who is terminating the Natural gas transmission contract is obliged to provide a subsequent deadline for fulfilment in the termination notice for the other contracting party, which cannot be shorter than 15 days from the day the written termination notice was received, except in the events listed below. If the other contracting party does not correct such an omission within the provided subsequent deadline for fulfilment, it is considered that the Natural gas transmission contract was terminated by law on the first day after the expiry of the subsequent deadline for fulfilment.

(7) The Transmission System Operator has the right to terminate the Natural gas transmission contract under the following conditions:

- if the Transmission System User has not paid the due monthly fees for the use of the transmission system or any other due amount under the Natural gas transmission contract in the amount of two monthly fees, and that omission is not corrected within the subsequent 15-day deadline after the Transmission System User received a written reminder for non-payment and on the intent for the Natural gas transmission contract to be terminated for that reason.
- if the Transmission System User does not deliver any of the contracted means of payment security from the Natural gas transmission contract in a manner and under the conditions from article 8 paragraphs 2 - 5 of this GT, and that omission is not corrected within the subsequent five business day deadline after the Transmission System User received a written termination notice;
- if the Transmission System User does not renew any of the contracted means of payment security from the Natural gas transmission contract in a manner and under the conditions from article 8 paragraph 8 of this GT, and that omission is not corrected within the subsequent five business day deadline after the Transmission System User received a written termination notice;
- if the Transmission System User does not replace a disputed means of payment security from the Natural gas transmission contract upon the request of the Transmission System Operator with an identical valid means of payment security in accordance with article 8 paragraph 9 of this GT, and that omission is not corrected within the subsequent five business day deadline after the Transmission System User received a written termination notice;
- if the statements or guarantees which the Transmission System User gave in the Natural gas transmission contract and this GT prove to be inaccurate; or

- if:
 - a) a proposal has been submitted for the initiation of bankruptcy proceedings against the Transmission System User, or the competent court has adopted a final decision on the initiation of bankruptcy or pre-bankruptcy proceedings against the Transmission System User, or a proposal was submitted for the initiation of pre-bankruptcy settlement, or a procedure of pre-bankruptcy settlement was initiated against the Transmission System User; or
 - b) the Transmission System User terminates the payment of all or some groups of his debts or announces his intention to do so;
 - c) the Transmission System User and his members/shareholders adopt a decision on the submission of a request for the initiation of the pre-bankruptcy settlement or bankruptcy procedure or Transmission System User liquidation procedure; or
 - d) the Transmission System User terminates his activities and this circumstance lasts for five consecutive days or a total of 20 days in any calendar year.
- In the event of any circumstance from this article, the Transmission System Operator is authorised to terminate the Natural gas transmission contract without providing an additional deadline for fulfilment.

(8) In the event of the Natural gas transmission contract termination, and without restriction of any other rights which the Transmission System Operator has by law, the Transmission System User is obligated to pay to the Transmission System Operator the fee for the use of the transmission system and the fee for exceeding the contracted capacity in relation to the gas transmission service provided until the moment the Natural gas transmission contract was terminated.

Article 18

DELIVERY OF NOTICE

(1) Except when otherwise provided by this GT, the delivery of all notices and other communication between the Transmission System Operator and the Transmission System User will be carried out primarily via e-mail and in other cases in writing through registered mail with return receipt, through a courier service or hand-delivery or by telefax. The delivery is made to the addresses, telephone and telefax numbers specified in the signed form of the Natural gas transmission contract, or indirectly, if such information is not listed in the Natural gas transmission contract for any reason, then on those specified in the request for the capacity booking.

(2) Except if not otherwise contracted with this GT, it will be considered that the delivery of notice or other communication has been duly executed:

- if the delivery is carried out via an e-mail: on the day when the sender receives to its e-mail address a confirmation of successful delivery of the e-mail to the recipient specified in the Natural gas transmission contract, or the request for the capacity booking, and if such a delivery confirmation occurs after 4:00 PM of any day the delivery confirmation will be considered received at 8:00 AM of the following business day after the day the confirmation was received;
- in the event of on-hand delivery: on the day which is specified on the notice or other communication along with the signature of the addressee from the Natural gas transmission contract with which he confirms the receipt (delivery) of the letter;
- if the delivery is carried out by mail or courier service: on the expiry of two business days from the day when the notice or other communication was delivered to the post office via registered mail with return receipt or a courier service;
- if the delivery is carried out by telefax: on the day which is listed on the telefax

confirmation when the letter was successfully sent to the telefax number specified in the Natural gas transmission contract, or the request for the capacity booking, and if such a delivery confirmation occurs after 4:00 PM of any day the delivery confirmation will be considered received at 8:00 AM of the following business day after the day the confirmation was received.

(3) Each contracting party has the right to change the information (addresses, telephone and telefax numbers) for the delivery of notices and other communications specified in the Natural gas transmission contract, or the request for the capacity booking, and such change will be binding, under the condition that they previously notify the other contracting party in writing by registered mail with return receipt about it.

Article 19

TRANSFER OF THE CONTRACT AND ASSIGNMENT OF RIGHTS

(1) Neither the Transmission System User nor the Transmission System Operator can partially nor wholly transfer the Natural gas transmission contract, nor assign rights from the Natural gas transmission contract without a prior approval of the other contracting party. The procedure for the assignment of individual rights from the Natural gas transmission contract in the event when the Transmission System User sells the capacity on the secondary market is regulated in more detail by the Network Code.

(2) As an exception from paragraph 1 of this article, in the event of guaranteed supply, the Transmission System Operator can without the prior consent of the other contracting party carry out the transfer of the Natural gas transmission contract whereby the Transferor is the existing supplier, and Acquirer the guaranteed supplier and in this case the Acquirer assumes rights and obligations and becomes a contracting party to the relevant Natural gas transmission contract.

(3) The integral parts of the Natural gas transmission contract in the event of guaranteed supply as of paragraph 2 hereof are:

- (a) notice by the competent body in accordance with the provisions of the Gas Market Act in the event of guaranteed supply and
- (b) Natural gas transmission contract concluded between the Transmission System Operator and the Transferor, including all its integral parts.
- (c) adequate means of payment security in accordance with the provisions of the Network Code of the Transmission System

(4) In the event of guaranteed supply, the Natural gas transmission contract from paragraph 3 of this article relates to all the transmission system capacities of the existing supplier, and enters into force on the day which is specified in the notice of the competent body in accordance with the provisions of the Gas Market Act as the start of guaranteed supply.

(5) In the event of the transfer of the Natural gas transmission contract the Acquirer is obligated, to the Transmission System Operator, no later than on the day of the transfer, to deliver means of payment security in accordance with article 8 of this GT.

(6) The Transferor is obligated to settle all claims towards the Transmission System Operator regarding the fee for the use of the transmission system and for exceeding the capacity, as well as all other claims of the Transmission System Operator from the Natural gas transmission contract, which occur until the day of the transfer of the Natural gas transmission contract.

Article 20

The competent court in Zagreb has jurisdiction for the resolution of all disputes between the Transmission System Operator and the Transmission System User which arise from or are related to the Natural gas transmission contract, its breach, termination or validity.

Article 21

GOVERNING LAW AND LANGUAGE OF THE CONTRACT

(1) The Natural gas transmission contract is governed by the Croatian law.

(2) The Transmission System User can submit an appeal to the Agency in accordance with article 82 of the Gas Market Act.

(3) If the Natural gas transmission contract and this GT are made in Croatian and English version, and if there is incongruity between the Croatian and English language the Croatian version will prevail.

Article 22

CHANGED CIRCUMSTANCES

(1) The Transmission System User understands that the regulations regarding the energy activity of gas transmission are evolving, and he accepts that if during the duration of the Natural gas transmission contract there are changes to the valid legal regulations and by-laws due to any change in the valid regulatory framework such change has to be applied to all Natural gas transmission contracts which are in force at the moment of entry into force of the changes of legal acts and by-laws. Such changes will enter into force for all users on the same day determined by the Agency or the legislator or another competent body, in accordance with the transitional and final provisions of such acts, and they will have precedence in application over this GT.

(2) If certain provisions of this GT require modification after the change of current laws or by-law, the Transmission System Operator has the right to amend or modify this GT after the public consultations and after the approval of the Agency in accordance with valid laws and regulations, in order to harmonise with the valid laws and other regulations.

Article 23

CONFIDENTIALITY

(1) Contracting parties mutually agree that the information from the Natural gas transmission contract is considered a trade secret and as such will not be revealed or made available to third parties without prior written consent of the other party nor used for purposes which exceed the execution framework of the Natural gas transmission contract. The contracting party, who made available the information which is considered under the Natural gas transmission contract as confidential without authorisation, is responsible to the other contracting party for damage suffered thereby.

(2) However, the prior written consent by the other contracting party will not be necessary if the contracting party is revealing information from paragraph 1 of this article:

- to an associated company in terms of the Companies Act, under the condition that it is

- ensured that the confidential information are kept secret, or
- to any state or other body or any state agency or Agency which have jurisdiction over the Transmission System Operator, or
 - in the measure which is required in accordance with valid laws and by-laws, at the request of the court or other body in an administrative or similar proceedings, or
 - to a connected Transmission System Operator, under the condition that he will use reasonable efforts in order to ensure that the information is kept secret.

Article 24

FINAL PROVISIONS

(1) This GT-INT enters into force on 1 April 2017 and shall also be applied to all Natural gas transmission contracts which were concluded before this GT-INT entered into force.

(2) Transmission System Operator is entitled to amend the Network Code of the Transmission System and this GT-INT as its integral part, in compliance with the procedure stipulated by the Gas Market Act.

**Annex 2 General Terms of Use of the Gas Transmission service at an Interconnection
(hereinafter: GT-INT)**

Article 1

SUBJECT

(1) The subject of this GT-INT is to ascertain the mutual rights and obligations by and between the Transmission System Operator and the Transmission System User. The rights and obligations of the Transmission System Operator and the Transmission System User are regulated with the Contract on gas transmission at an interconnection. The Transmission System User also enters into contractual relationships with other gas market participants(Balance Responsible Party, Gas Market Operator) in accordance with legal regulations; and the obligations from these contracts are the sole responsibility of the Transmission System User and the obligations of the Transmission System User from contracts with other gas market participants can in no way affect the rights and obligations of the Transmission System Operator from the Contract on gas transmission at an interconnection which the Transmission System Operator concluded with the Transmission System User.

(2) This GT-INT is an integral part of the Contract on gas transmission at an interconnection concluded between the Transmission System Operator and the Transmission System User.

(3) It is considered that the Transmission System User agrees to apply the Network Code of the Transmission System (hereinafter: Network Code) and this GT-INT by concluding the Contract on gas transmission at an interconnection.

Article 2

DEFINITIONS

The terms and expressions used within this GT-INT have meanings determined by the Network Code, CAM Regulation and laws governing the energy sector, regulation of energy activity, gas market, as well as provisions adopted on the basis of these laws.

Article 3

PROCEDURE OF CONCLUDING THE CONTRACT ON GAS TRANSMISSION AT AN INTERCONNECTION

(1) The Contract on gas transmission at an interconnection is concluded in accordance with article 78 of the Network Code.

(2) The integral part of the Contract on gas transmission at an interconnection are:

- Contract on gas transmission at an interconnection form
- This GT-INT
- Corresponding means of payment security from article 5 of this GT-INT.
- Notification on the allocation of interconnection capacity (hereinafter: INT notification).

(3) Before concluding the Contract on gas transmission at an interconnection, and for the purpose of participating in auctions, the Transmission System User is obliged to first register with the manager of the platform which was chosen by the Transmission System Operator. The

platform manager determines the conditions for the registration and the usage rules of the platform service for the implementation of auctions.

(4) Prior to participating in auctions, the Transmission System User is obliged to conclude with the Transmission System Operator a Contract on gas transmission at an interconnection in writing and deliver the corresponding means of payment security from article 5 of this GT-INT.

(5) The Transmission System Operator is obliged to deliver the Contract on gas transmission at an interconnection and corresponding means of payment security from the previous paragraph to the Transmission System Operator at least 5 business days before the auction commencement date.

Article 4

(1) The energy expressed at the upper gas calorific value under normal conditions is used for the auction implementation procedure at an interconnection and matching of nominations with the Transmission System Operator of a neighbouring country.

(2) The capacity expressed at the upper gas calorific value under normal conditions is used for the auction implementation procedure at an interconnection. The capacity at the upper gas calorific value under normal conditions is calculated in such a manner that the capacity at the lower gas calorific value under standard conditions is divided by the coefficient 0.9010.

(3) In order to carry out an auction at an interconnection procedure the amount of tariff items from the Decision on the amount of tariff items for gas transmission is used, expressed at the upper calorific value under normal conditions, so that it is multiplied by the coefficient 0.9010.

Article 5

MEANS OF PAYMENT SECURITY

(1) The means of payment security that the Transmission System User is obliged to deliver to the Transmission System Operator under the terms of this article make an integral part of the Contract on gas transmission at an interconnection.

(2) The Transmission System User shall deliver to the Transmission System Operator an adequate means of payment security at least five business days before the start of an auction for an annual standard product; at least two business days before the start of an auction for a quarterly standard product; at least one business day before the start of an auction for a monthly standard product or at least five hours before the start of an auction for a daily and within-day standard product.

(3) Means of payment security can be delivered in the following forms:

- a) payable bank guarantees which are unconditional, irrevocable and at first call or
- b) cash deposit which the Transmission System User deposits in a special transaction account of the Transmission System Operator (deposit account).

(4) The purpose of the means of payment security is to ensure the fulfilment of Transmission System User obligations towards the Transmission System Operator, which will occur based on and in relation to the concluded Contract on gas transmission at an interconnection.

(5) The bank guarantee with which the Transmission System User ensures the settlement of his obligations towards the Transmission System Operator has to be duly issued by the first-class bank acceptable to the Transmission System Operator and it has to be valid for at least 60 days as of the completion of the contract period (except if the contract period is longer than one gas year in which case a provision of paragraph 10(b) is to be applied so the bank guarantee needs to be valid for at least 60 days as of the completion of each individual gas year during the contract period) for which the Transmission System User intends to contract capacity and it has to contain at least the following information:

- guarantee number;
- guarantee validity deadline, including the encashment deadline,
- amount from the previous paragraph up to which the guarantor guarantees;
- object of insurance;
- guarantee clause "at first call" or "without cavil";
- guarantor information (company, registration number, tax number, headquarters);
- date and place where the guarantee was issued;
- signature of the authorized person.

(6) The bank guarantee has to be issued in writing in the Croatian language or if it is delivered in some other language, along with the original it is necessary to deliver a translation by an authorised court interpreter in the Croatian language.

(7) As regards each individual Transmission System User, the Transmission System Operator shall open on its own behalf and for its own account a special deposit account in which the funds, which serve as the means of payment security of each individual Transmission System User, are to be deposited. The interest on funds in the deposit account belongs to the Transmission System User, decreased by the corresponding deposit account maintenance expenses. The corresponding expenses concerning the opening and maintenance of the deposit account shall be calculated to the Transmission System User as a monthly fee.

(8) It is considered that the Transmission System Operator has received the means of payment security when the original of the corresponding bank guarantee arrives at the address of the Transmission System Operator, that is, when the funds are in the deposit account of the Transmission System Operator and the Transmission System Operator is allowed access to these funds.

(9) The Transmission System User will deliver a means of payment security to the Transmission System Operator in the amount for which the Transmission System User estimates he will need to meet the condition from paragraph 2 of this article for participating in each individual auction, whereas it will be possible to use the existing means of payment security for any standard product auction and the relevant means of payment security has to be in the amount calculated in compliance with the criteria under paragraph 10 of this article.

(10) While delivering the means of payment security the Transmission System User shall notify in writing the Transmission System Operator on the method of distribution of the amount of the means per auction platforms. For each change of distribution of the amount, the Transmission System User shall deliver a written notification on the new distribution of the amount within a reasonable period before the auction that it wishes to participate in.

(11) The Transmission System User shall deliver the means of payment security in the following amount increased by the VAT:

- a. for an annual standard product for one gas year – the means of payment security at least in the amount of three monthly fees for the annual capacity for which it intends to submit the offer at the auction
- b. for an annual standard product for two or more consecutive gas years within the maximum period of 15 years – the means of payment security at least in the amount of three monthly fees for the annual capacity for the first gas year for which it intends to submit the offer at the auction as well as the renewed means of payment security according to paragraph 11 of this article
- c. for a quarterly standard product – the means of payment security at least in the amount of three monthly fees for the quarterly capacity for the period of the peak quarterly capacity for which it intends to submit the offer at the auction
- d. for a monthly standard product – the means of payment security at least in the amount of a monthly fee for the monthly capacity for which it intends to submit the offer at the auction
- e. for a daily and within-day standard product – the means of payment security at least in the amount of a monthly fee for the daily capacity for which it intends to submit the offer at the auction.

(12) If the Transmission System User has contracted capacity for the period of several consecutive gas years it has to renew the means of payment security at least 60 days before the beginning of the following gas year so as to deliver a new bank guarantee in the minimum amount of three monthly fees for the annual capacity for the following gas year or deposit the funds in the deposit account of the Transmission System Operator. If the Transmission System User fails to renew the means of payment security within the stipulated period the Transmission System Operator shall deny the Transmission System User the right to use the service of gas transmission for the duration of the contracted service for which it failed to deliver the new means of payment security and it shall commence a procedure of termination of the Contract on gas transmission at an interconnection in compliance with article 18 of this GT-INT.

(13) In case the Transmission System User failed to replace the bank guarantee, whose validity is expiring, with a new bank guarantee with a deadline, content and amount in accordance with this GT-INT, the Transmission System Operator shall collect the bank guarantee and deposit the funds in the special account. The Transmission System Operator shall keep the mentioned funds in the separate account until the conditions are met for the funds to be returned to the Transmission System User (collection of all Transmission System Operator claims against the Transmission System User, including paying for the possible damage). The Transmission System Operator is authorized to use the funds, deposited in this way, for the collection of all claims arising out of the Contract on gas transmission at an interconnection.

(14) Prior to each auction in which the Transmission System User wants to participate the Transmission System User shall duly ensure that the Transmission System Operator has at its disposal the means of payment security in the amount that corresponds to paragraph 10 of this article. If the Transmission System Operator does not have at its disposal the means of payment security in the sufficient amount the Transmission System User shall not be allowed to participate in the auction.

(15) If at the auction the Transmission System User wants to apply for the capacity whose value exceeds the currently available amount of the means of payment security in favour of the Transmission System Operator, the Transmission System User is obliged to deliver an additional means of payment security which covers the difference, and in the amount stated in paragraph 10 of this article. The supplement of the available means of payment security will be taken into consideration at the auction if the Transmission System User delivers to the Transmission System Operator the sufficient means of payment security at least five business

days before the beginning of the auction.

(16) Before the beginning of an auction the Transmission System Operator shall enter on the platform a credit limit for the Transmission System User in the amount of actually indisputably available means of payment security. The Transmission System User will be able to apply for the capacity in the amount up to the credit limit taking into consideration amounts for an individual standard product from paragraph 10 of this article. The available means of payment security of the Transmission System User shall be checked automatically on the platform by each offer that the Transmission System User submits within duration of the auction. If the capacity is allocated to the Transmission System User after the auction, the availability of the means of payment security, which existed prior to the relevant auction, shall be reduced by the amount used due to participation in that individual auction and in compliance with the regulation from paragraph 10 of this article, whereas the means of payment security shall be deemed reduced by that relevant amount and it will be impossible to use it in a next auction during the contract period in that amount.

(17) At the request of the Transmission System User the Transmission System Operator shall return the received means of payment security only if the Transmission System User has met all contractual obligations based on and in relation with the Contract on gas transmission at an interconnection and annex to the Contract on gas transmission at an interconnection.

(18) In case that the Transmission System User delivers to the Transmission System Operator the means of payment security in the amount larger than the one stipulated by paragraph 10 of this article, the Transmission System Operator shall at the request of the Transmission System User pay to the Transmission System User the requested difference in the amount of the funds paid in the deposit account and/or return the delivered bank guarantee under condition that it received the new bank guarantee or a cash deposit in the amount equal or larger than the one stipulated by paragraph 10 of this article.

(19) The Transmission System User undertakes to deliver the new means of payment security in the amount stipulated in paragraph 9 of this article to the Transmission System Operator, for the used means of payment security, within five business days after the Transmission System Operator has used the means of payment security. If the Transmission System User fails to deliver the new means of payment security within the stipulated period the Transmission System Operator shall deny the Transmission System User the right to use the service of gas transmission for the duration of the contracted service for which it failed to deliver the new means of payment security and it shall commence a procedure of termination of the Contract on gas transmission at an interconnection in compliance with article 18 of this GT-INT.

(20) If any third person disputes the validity of the means of payment security anticipated by this article, the Transmission System User is obliged to replace the disputed means of payment security at the request of the Transmission System Operator with a valid means of payment security provided by this GT-INT and the Contract on gas transmission at an interconnection, and which will not be burdened by the third person claims and which will be acceptable to the Transmission System Operator, within five business days from receiving the written invitation by the Transmission System Operator. In case the validity or the right to use the bank guarantee is disputed and the disputed bank guarantee is not replaced with a new means of payment security with a deadline, content and amount in accordance with this GT-INT, the Transmission System Operator has the right to collect the bank guarantee before its deadline expiration and deposit the money collected in such way in a separate deposit account (without the obligation of the Transmission System Operator to receive the interest on the deposit at the financial institution where he has the deposit, and without the obligation of the Transmission System Operator to pay any type of interest on the deposit to the Transmission System User, and in the event that the Transmission System Operator receives interest on the deposit,

such interest will not be automatically counted into the fulfilment of the Transmission System User obligations under the Natural gas transmission contract, but they will be added to the total deposit amount) and he will use it under the same conditions under which the Transmission System Operator is authorised to use the means of payment security in accordance with this GT-INT.

Article 6

RIGHTS ARISING FROM THE CONTRACT ON GAS TRANSMISSION AT AN INTERCONNECTION

(1) At the interconnection the Transmission System Operator will take over the gas which he is transporting for the Transmission System Operator, under the condition that the gas meets the natural gas quality requirements prescribed by the General terms of gas supply and Network Code, under the condition that the gas quantities are in accordance with the announced transmission system usage.

(2) The takeover of gas into the transmission system is carried out on the basis of nominations of transmission system usage made by the Balance Responsible Party, and accepted by the Transmission System Operator.

Article 7

RIGHTS AND OBLIGATIONS OF THE TRANSMISSION SYSTEM OPERATOR

(1) The Transmission System Operator has the right to:

- charge a fee for the transmission system use for the service of gas transmission which is the subject of the concluded Contract on gas transmission at an interconnection.
- restrict/terminate the provision of gas transmission service which is the subject of the concluded Contract on gas transmission at an interconnection, in accordance with this GT-INT and in a prescribed manner (termination/restriction of gas transmission due to failure of the Transmission System User to fulfil obligations from the concluded contract) and in accordance with the legal regulations and by-laws;
- reject a nomination, re-nomination and modification of an accepted nomination which relates to the usage of contracted capacity, if it is larger than the contracted capacity and/or is not harmonised with the temporary restrictions of the contracted capacity prescribed by the law, Network Code and/or is not delivered within the prescribed deadline;
- reject to take over gas into the transmission system which does not satisfy the quality requirements and/or other conditions prescribed by the General terms of gas supply and Network Code;
- reject to take over gas into the transmission system which does not satisfy the pressure requirements and/or other conditions prescribed by the Network Code provisions;

(2) The Transmission System Operator is obligated to:

- make available to the Transmission System User the contracted capacity in accordance with the contracted capacity;
- take over gas quantities which the Transmission System User inputs into the transmission system, on the basis of confirmed nominations at the entry into the transmission system at which the transmission system capacity was allocated to the Transmission System User;
- keep record on the gas quantities taken over from the Transmission System User at the interconnection;

- notify the Transmission System User on the gas quantities taken over from the Transmission System User in accordance with the provisions of the Network Code.

(3) The Transmission System Operator also has other rights and obligations prescribed by applicable legal regulations and by-laws.

Article 8

RIGHTS AND OBLIGATIONS OF THE TRANSMISSION SYSTEM USER

(1) The Transmission System User has the right to:

- contract transmission system capacity pursuant to the provisions of the CAM Regulation and Network Code,
- use capacity in accordance with the *Notice INT*;
- input gas into the transmission system in accordance with the nomination of the transmission system usage;
- trade in the contracted capacities on the secondary market in accordance with the provisions of CAM Regulation.

(2) The Transmission System User is obligated to:

- conclude a Contract on gas transmission at an interconnection and deliver to the Transmission System Operator the contracted means of payment security and other documentation pursuant to the Network Code,
- settle in full, upon maturity, invoices which are issued by the Transmission System Operator as fee for the use of the transmission system, as well as, if required, other payment obligations arising from the Contract on gas transmission at an interconnection and deliver to the Transmission System Operator means of payment security in accordance with this GT or the request of the Transmission System Operator respectively.
- ensure that the gas which he is inputting into the transmission system satisfies the gas quality requirements determined by the provisions of the General terms of gas supply and Network Code;
- input into the transmission system gas quantities which are in accordance with the transmission system usage nomination;
- notify the Transmission System Operator on each change of circumstances which preceded the conclusion of the Contract on gas transmission at an interconnection or which are essential for the implementation of the Contract on gas transmission at an interconnection;
- restrict or suspend gas delivery into the transmission system, in the event that the Transmission System Operator delivers to him a notice on the restriction/termination of the provision of services which are the subject of the concluded Contract on gas transmission at an interconnection, based on the Contract on gas transmission at an interconnection and/or compulsory regulations and
- restrict or suspend the delivery of gas into the transmission system, if so requested by the Transmission System Operator because the gas quality he is inputting into the transmission system does not satisfy the gas quality requirements determined by the General terms of gas supply and Network Code provisions.

(3) The Transmission System User also has other rights and obligations prescribed by applicable legal regulations and by-laws.

FEE FOR THE USE OF THE TRANSMISSION SYSTEM

(1) The Transmission System User is obligated to pay to the Transmission System Operator a fee for the use of the transmission system.

(2) The Transmission System User is obligated to pay the fee for the use of the transmission system regardless of whether he actually used the gas transmission service in the amount which corresponds to the contracted capacity, part of the contracted capacity or if he did not use the gas transmission service at all.

Article 10

CALCULATION OF THE FEE FOR THE USE OF THE TRANSMISSION SYSTEM

(1) The calculation of the fee for the use of the transmission system is carried out on the basis of the valid Methodology for determining the amount of tariff item for the gas transmission and the Decision on the amount of tariff items for gas transmission.

(2) The Transmission System Operator delivers the calculation and the invoice from this article to the Transmission System User no later than the 15th day of the current month for the previous month, which the Transmission System Operator is obliged to pay within 20 days from the last day of the calculation period for which the invoice was drawn up. The payment obligation is considered to be executed on the day the money has been credited onto the giro account of the Transmission System Operator.

(3) For each day of delay in the payment of the fee for the use of the transmission system from paragraph 1 of this article, the Transmission System User is obliged to pay, aside from the owed principle the statutory penalty interest valid in the relevant period. The penalty interest begins to accrue on the first day after the invoice became due. The interest payment deadline is 8 days from the receipt of the calculation.

(4) In the event of late payment by the Transmission System User, the Transmission System Operator is authorised to use any means of payment security, which is in the possession of the Transmission System Operator on any legal basis, in order to settle any Transmission System Operator claim arisen on the basis of the Contract on gas transmission at an interconnection, in the amount which the Transmission System Operator specifies during the use of the mean of payment security, and with which the Transmission System User agrees in full. The Transmission System Operator is authorised to use the received means of payment security in order to collect any claims of the Transmission System Operator towards the Transmission System User, which also includes claims which would arise after the termination of the Contract on gas transmission at an interconnection as a consequence of failure to fulfil obligations under that contract.

Article 11

GUARANTEES

The Transmission System User declares and guarantees on the date the Contract on gas transmission at an interconnection is concluded:

- that he possesses all authorisations, approvals and necessary permits required for

him to engage in energy activity during the term of this Contract on gas transmission at an interconnection on the basis of which he achieves the right to access to the transmission system;

- that by this Contract on gas transmission at an interconnection legal, valid and enforceable obligations arise for the Transmission System User, which can be fulfilled in accordance with its provisions;
- that the means of payment security, which the Transmission System User delivered to the Transmission System Operator, are validly established and that they will be kept in force and renewed in accordance with this GT-INT and that no third party has nor will have any reason to dispute it, more exactly, that the third party is not disputing them nor will it dispute their validity and recoverability,
- that he accepts as binding all the platform notifications on the contracted capacity at the interconnections and determined price with regards to auction participation,
- that the signatories and other persons who will participate in the auctions through the platform at the behalf of the Transmission System Operator for the purpose of contracting capacity at interconnections will issue orders, give requests and statements, have all the required approvals for giving such orders, requests and statements and that they will be validly binding for the Transmission System User.

Article 12

LIQUIDATED DAMAGES

(1) The Transmission System User will be obliged to pay liquidated damages to the Transmission System Operator if he is late in fulfilling or irregularly fulfils within the deadline the following obligations:

- a) if the Transmission System User does not deliver any means of payment security from the Contract on gas transmission at an interconnection in a manner and in accordance with conditions from article 5 of this GT-INT;
- b) if the Transmission System User does not renew the means of payment security from the Contract on gas transmission at an interconnection in a manner and in accordance with conditions from article 5 paragraph 8 of this GT-INT; or
- c) if the Transmission System User does not replace a disputed means of payment security upon the request of the Transmission System Operator with an identical means of payment security in accordance with article 5 paragraph 9 of this GT-INT.

(2) The liquidated damages which the Transmission System User is obliged to pay to the Transmission System Operator in the events from the previous paragraph amounts to 1 % of the value of the total fee for the use of transmission system contracted capacity for the entire duration of the Contract on gas transmission at an interconnection.

(3) The Transmission System Operator will notify the Transmission System User in writing on the amount of liquidated damages he is obliged to pay in the events from the previous paragraph, and the payment of such liquidated damages will become due within 15 days from the receipt of the notice delivered to the Transmission System User by registered mail with return receipt or delivered in some other manner which allows the Transmission System Operator to determine with certainty the date of the receipt of the relevant notice by the Transmission System User.

(4) The Transmission System Operator and the Transmission System User agree that the amount of liquidated damages from this article corresponds to the value of the protected assets.

(5) The Transmission System Operator has the right to charge liquidated damages even if after he receives the fulfilment of the obligation he fails to inform the Transmission System User without delay that he retains the right to liquidated damages.

(6) In the events from this item, the Transmission System Operator is authorised to request from the Transmission System User aside from the liquidated damages cumulatively the reimbursement of total damage suffered as well.

Article 13

LIABILITY

(1) The Transmission System Operator is only responsible for the damage incurred as a result of intent or gross negligence of the Transmission System Operator and will not be responsible for damage (including: normal damage, loss of prospective profit and immaterial damage) which would occur as a result of ordinary negligence by the Transmission System Operator.

Article 14

FORCE MAJEURE

(1) The contracting parties are released from the obligation for non-fulfilment or late fulfilment of their obligations, if the non-fulfilment, or late fulfilment is the result of force majeure, in terms of the Energy Act provisions. In order to avoid doubt the force majeure which causes the release from obligations which the parties accepted in the Contract on gas transmission at an interconnection has to relate solely to the functioning of the transmission system and/or availability of transmission system's capacity and/or availability of the platform. The force majeure which relates to gas in any way (including for example the quality, availability or shortage of gas) does not release the Transmission System Operator or the Transmission System User from obligations accepted in the Contract on gas transmission at an interconnection.

(2) In the event of force majeure the contracting party affected by the force majeure has to notify the other contracting party without delay on the occurrence of circumstances which he considers as force majeure and on the steps he is undertaking in order to mitigate, or remove the consequences of the force majeure.

(3) If, due to force majeure, the delay of fulfilment, or the inability to fulfil contractual obligations of one party lasts longer than 30 consecutive days the contracting parties will, as soon as possible, begin negotiations in order to find a solution acceptable to both contracting parties. In the event if an agreement cannot be reached on a solution which is acceptable to both parties, within an additional 15-day deadline, both parties have the right to unilaterally terminate the Contract on gas transmission at an interconnection.

RESTRICTION OF SERVICE, OR TERMINATION OF GAS TRANSMISSION SERVICE

Article 15

(1) In the event that the Transmission System User does not fulfil or is late with fulfilling any of the Transmission System User obligations on the basis of the GT-INT and the Contract on gas transmission at an interconnection, especially but not exclusively: obligations regarding the payment of the fee for the use of the transmission system and obligations of delivering means of payment security, the Transmission System Operator has the right, with prior notification of the Transmission System User which has to be delivered at least 24 hours in advance before the restriction or termination of the gas transmission service:

- restrict or completely terminate the provision of gas transmission service, beginning 30 days from maturity of any obligation of the Transmission System User at the earliest, unless otherwise provided by this article; or
- restrict or completely terminate the gas transmission service if the total due debt of the Transmission System User corresponds to at least two month fee for the use of the transmission system, beginning at the earliest five days from the day of maturity of the second owed monthly fee which becomes due later; or
- restrict or completely terminate the provision of contracted services in the event of violation of obligations from article 10 of this GT-INT, beginning at least five business days after the expiry of deadlines for the delivery of means of security from that article.

(2) The termination or restriction of the provision of gas transmission service in accordance with the previous paragraph of this article can last until the Transmission System User fulfils the obligation from the Natural gas transmission contract in full due to the violation of which the provision of the gas transmission service was terminated/restricted.

(3) In the event that the Transmission System Operator terminates/restricts the provision of gas transmission service on the basis of this article due to misconduct of the Transmission System User or any associated third party, in any individual event of termination or restriction of gas transmission service by the Transmission System Operator the Transmission System User is obliged to pay the entire amount of the fee for the use of the transmission system to the Transmission System Operator for the months in which the Transmission System Operator terminated the provision of gas transmission service, and which he should have paid if the gas transmission service was provided as was contracted, without it restricting other rights of the Transmission System Operator to which the Transmission System Operator is entitled on the basis of this GT-INT and the Natural gas transmission contract or the Network Code.

(4) By concluding the Contract on gas transmission at an interconnection the Transmission System User confirms that he agrees that the reasons stated in paragraph 1 of this article represent a justifiable reason for the restriction or termination of the provision of gas transmission service. In the event of restriction or termination of the provision of gas transmission service in accordance with this article, the Transmission System Operator will not be held liable for any damage which the Transmission System User or third parties could suffer, with which the Transmission System User is in agreement and undertakes to defend and indemnify the Transmission System Operator in the event of any third party claims.

Article 16

(1) The Transmission System Operator can terminate the gas transmission service to the Transmission System User, who was awarded interruptible capacity, while respecting the shortest time until the beginning of termination in compliance with the CAM Regulation.

(2) The Transmission System Operator determines the order in which the terminations are carried out, in accordance with the CAM Regulation.

(3) If the Transmission System User has contracted interruptible capacity it can be terminated at any time. The reasons for the termination of interruptible capacity can be the fulfilment of contractual conditions with Transmission System Users who have contracted capacity on a firm basis, transmission system conditions, gas quality, pressure, temperature, consumption profile trends, obligations towards neighbouring operators, fulfilment of public service obligations, transmission system maintenance, restrictions which occur at individual entries into and/or exits from the transmission system and for congestion management. The Transmission System Operator assesses daily the possibility of interruptible capacity usage, taking into account the contracted firm capacity and all available data on the transmission system usage.

Article 17

(1) The Transmission System Operator is authorised to restrict and/or terminate the provision of services which are the subject of this GT-INT and the Contract on gas transmission at an interconnection, which also includes the temporary restriction and/or termination of transmission, or the takeover and/or delivery of gas, in order to ensure the regular operation of the transmission system adhering to the safety and balance conditions and taking into consideration the fulfilment of the public service obligation; and for other reasons due to which he is obliged or authorised to restrict and/or terminate the provision of gas transmission service in accordance with legal regulations and by-laws.

(2) The restriction and/or termination of the provision of services which are the subject of this GT-INT and the Contract on gas transmission at an interconnection, which includes the right to restrict and/or terminate the gas transmission, is carried out in the manner as prescribed by relevant regulations.

Article 18

DURATION AND TERMINATION OF THE CONTRACT

(1) It is possible to lease capacity at an interconnection for a period which is not longer than 15 years. The Contract on gas transmission at an interconnection is concluded for a fixed- term, which will be defined with the concluded Contract on gas transmission at an interconnection.

(2) The Transmission System User has the right, under conditions from paragraph 3 of this article, to terminate the Contract on gas transmission at an interconnection, without misconduct of the Transmission System Operator, by way of a written termination notice sent to the other contracting party by the registered mail with return receipt, or delivered in any other way provided that the date of the receipt of the relevant notice can be determined with certainty.

(3) The Transmission System User has the right to terminate the Contract on gas transmission at an interconnection under the following conditions:

- For short-term and annual contracts: at any time on the basis of a previous written termination notice, with the termination deadline of 30 days from day the Transmission System Operator received the termination notice, and the payment of the compensation for damage to the Transmission System Operator which corresponds to 100% of the fee for the use of the transmission system for the contracted gas transmission service from the termination of the Contract on gas transmission at an interconnection in accordance with the previous paragraph until the expiry of the validity of the Contract on gas transmission at an interconnection.
- For multi-annual contracts: on the basis of a previous written termination notice, delivered at least six months prior to the commencement of the following gas year. The contract termination begins to have legal effect at 6:00 AM of the last day of the gas year in which the termination notice was delivered to the Transmission System Operator. In that event the Transmission System User is obliged to pay compensation for damage to the Transmission System Operator which corresponds to 90% (ninety percent) of the fee for the use of the transmission system for the contracted gas transmission services from the termination of the contract until the expiry of the Contract on gas transmission at an interconnection.

(4) The maturity of payment for the compensation for damage which the Transmission System User is obliged to pay to the Transmission System Operator in accordance with the previous paragraph is 15 days from the day the notice of the Transmission System Operator was delivered to the Transmission System User on the amount of compensation for damage which

the Transmission System User is obliged to pay.

(5) Each contracting party has the right to terminate the Contract on gas transmission at an interconnection through a written termination notice delivered to the other contracting party by the registered mail with return receipt, in the event that the other contracting party does not fulfil any of its obligations in any way under the Contract on gas transmission at an interconnection and this GT-INT, which make its integral part. The contracting party who is terminating the contract is obligated to provide a subsequent deadline for fulfilment in the termination notice for the other contracting party, which cannot be shorter than 15 days from the day the termination notice was received. In the events from paragraph 7 of this article the subsequent deadline for the fulfilment need not be provided. If the other contracting party does not correct such an omission within the subsequent deadline for fulfilment, it is considered that the contract was terminated by law on the first day after the expiry of the subsequent deadline for fulfilment.

(6) The Transmission System Operator has the right to terminate the Contract on gas transmission at an interconnection under the following conditions:

- if the Transmission System User has not paid the due monthly fees for the use of the transmission system or any other due amount under the Contract on gas transmission at an interconnection in the amount of two monthly fees, and that omission is not corrected within the subsequent 15-day deadline after the Transmission System User received a written reminder for non-payment and on the intent for the contract to be terminated for that reason.
- if the Transmission System User does not deliver any of the contracted means of payment security in a manner and under the conditions from article 5 of this GT-INT, and that omission is not corrected within the subsequent five business day deadline after the Transmission System User received a written termination notice;
- if the Transmission System User does not renew any of the contracted means of payment security in the manner and pursuant to conditions from article 5 of the GT-INT, and that omission is not corrected within the subsequent deadline of five business days after the Transmission System User received a written termination notice;
- if the Transmission System User does not replace a disputed means of payment security upon the request of the Transmission System Operator with an identical valid means of payment security in accordance with article 5 of this GT-INT, and that omission is not corrected within the subsequent five business day deadline after the Transmission System User received a written termination notice;
- if the statements or guarantees which the Transmission System User gave in the Contract on gas transmission at an interconnection and this GT-INT prove to be inaccurate; or
- if:
 - (a) a proposal has been submitted for the initiation of bankruptcy proceedings against the Transmission System User; or the competent court has adopted a final decision on the initiation of bankruptcy or pre-bankruptcy proceedings against the Transmission System User, or a proposal was submitted for the initiation of pre-bankruptcy settlement, or a procedure of pre-bankruptcy settlement was initiated against the Transmission System User; or
 - (b) the Transmission System User terminates the payment of all or some groups of his debts or announces his intention to do so;
 - (c) the Transmission System User and his members/shareholders adopt a decision on the submission of a request for the initiation of the pre-bankruptcy settlement or bankruptcy procedure or Transmission System User liquidation procedure; or
 - (d) the Transmission System User terminates his activities and this circumstance lasts for five consecutive days or a total of 20 days in any calendar year.
- In the event of any circumstance from this article, the Transmission System Operator is

authorised to terminate the Contract on gas transmission at an interconnection without providing an subsequent deadline for fulfilment.

(7) In the event of termination of the Contract on gas transmission at an interconnection, and without restriction of any other rights which the Transmission System Operator has by law, the Transmission System User is obliged to pay to the Transmission System Operator the fee for the use of the transmission system in relation to the gas transmission service provided until the moment the Natural gas transmission contract was terminated.

Article 19

DELIVERY OF NOTICE

(1) Except when otherwise provided by this GT-INT, the delivery of all notices and other communication between the Transmission System Operator and the Transmission System User will be carried out primarily via e-mail and in other cases in writing through registered mail with return receipt, through a courier service or hand-delivery or by telefax. The delivery is made to the addresses, telephone and telefax numbers specified in the signed form of the Contract on gas transmission at an interconnection, or indirectly, if such information is not listed in the contract for any reason, then on these specified in the request for the capacity booking.

(2) Except if not otherwise contracted with this GT-INT, it will be considered that the delivery of notice or other communication has been duly executed:

- if the delivery is carried out via an e-mail: on the day when the sender receives to its e-mail address a confirmation of successful delivery of the e-mail to the recipient specified in the Contract on gas transmission at an interconnection whereas if such a delivery confirmation occurs after 4:00 PM of any day the notice will be considered received at 8:00 AM of the following business day after the day the confirmation was received;
- in the event of on-hand delivery: on the day which is specified on the notice or other communication along with the signature of the addressee from the Natural gas transmission contract with which he confirms the receipt (delivery) of the letter;
- if the delivery is carried out by mail or courier service: on the expiry of two business days from the day when the notice or other communication was delivered to the post office via registered mail with return receipt or a courier service;
- if the delivery is carried out by telefax: on the day which is listed on the telefax confirmation when the letter was successfully sent to the telefax number specified in the Natural gas transmission contract, or the request for the capacity booking, and if such a delivery confirmation occurs after 4:00 PM of any day the notice will be considered received at 8:00 AM of the following business day after the day the confirmation was received.

(3) Each contracting party has the right to change the information (addresses, telephone and telefax numbers) for the delivery of notices and other communications specified in the Contract on gas transmission at an interconnection, and such change will be binding, under the condition that they previously notify the other contracting party in writing by the registered mail with return receipt.

Article 20

TRANSFER OF THE CONTRACT AND ASSIGNMENT OF RIGHTS

Neither the Transmission System User nor the Transmission System Operator can partially nor wholly transfer the Contract on gas transmission at an interconnection, nor assign rights from

it without prior written consent of the other contracting party. The process of assignment of certain rights from the Natural gas transmission contract in the case when the Transmission System User sells the capacity on the secondary market has been regulated in detail by the Network Code.

Article 21

DISPUTES

The competent court in Zagreb has jurisdiction for the resolution of all disputes between the Transmission System Operator and the Transmission System User which arise from or are related to the Contract on gas transmission at an interconnection, its breach, termination or validity.

Article 22

GOVERNING LAW AND LANGUAGE OF THE CONTRACT

- (1) The Contract on gas transmission at an interconnection is governed by the Croatian law.
- (2) The Transmission System User can submit an appeal to the Agency in accordance with article 82 of the Gas Market Act.
- (3) If the Contract on gas transmission at an interconnection and this GT-INT are made in Croatian and English versions, and if there is incongruity between the Croatian and English language the Croatian version will prevail.

Article 23

CHANGED CIRCUMSTANCES

- (1) The Transmission System User understands that the regulations regarding the energy activity of gas transmission are evolving, and he accepts that if during the duration of the Natural gas transmission contract there are changes to the valid legal regulations and by-laws due to any change in the valid regulatory framework such change has to be applied to all Natural gas transmission contracts which are in force at the moment of entry into force of the changes of legal acts and by-laws. Such changes will enter into force for all users on the same day determined by the Agency or the legislator or another competent body, in accordance with the transitional and final provisions of such acts, and they will have precedence in application over this GT.
- (2) If certain provisions of this GT require modification after the change of current laws or by-law, the Transmission System Operator has the right to amend or modify this GT after the public consultations and after the approval of the Agency in accordance with valid laws and regulations, in order to harmonise with the valid laws and other regulations.

Article 24

CONFIDENTIALITY

- (1) Contracting parties mutually agree that the information from the contract on gas transmission at an interconnection is considered a trade secret and as such will not be revealed or made available to third parties without prior written consent of other party nor used for purposes which exceed the execution framework of the contract on gas transmission at an

interconnection. The contracting party, who made available the information which is considered under contract on gas transmission at an interconnection as confidential without authorisation, is responsible to the other contracting party for damage suffered thereby.

(2) However, the prior written consent by the other contracting party will not be necessary if the contracting party is revealing information from paragraph 1 of this article:

- to an associated company in terms of the Companies Act, under the condition that it is ensured that the confidential information are kept secret, or
- to any state or other body or any state agency or Agency which have jurisdiction over the Transmission System Operator, or
- in the measure which is required in accordance with valid laws and by-laws, at the request of the court or other body in an administrative or similar proceedings, or
- to a connected Transmission System Operator, under the condition that he will use reasonable efforts in order to ensure that the information is kept secret.

Article 25

FINAL PROVISIONS

(1) This GT-INT enters into force on 1 April 2017 and shall also be applied to all Natural gas transmission contracts which were concluded before this GT-INT entered into force.

(2) Transmission System Operator is entitled to amend the Network Code of the Transmission System and this GT-INT as its integral part, in compliance with the procedure stipulated by the Gas Market Act

Annex 3 Standard products at an interconnection

Type of capacity	Contracting period	Note
Firm	A, Q, M, D, H	Firm capacity will be contracted as bundled capacity, under the condition that there is firm capacity available on both sides of the interconnection.
Interruptible	A, Q, M, D, H	The possibility of contracting at an interconnection at which there is no available firm capacity as well as at an interconnection at which technical conditions of the transmission system does not allow offering of firm capacity, up to the amount of technical capacity or a possibility of contracting capacity in the opposite direction on a one-way interconnection, up to the amount of contracted firm capacity.

A - contracting the capacity on an annual level- annual auction for one or more gas years, within a period of 15 gas years.

Q- contracting the capacity on a quarterly level - annual auction for four quarters of the following gas year.

M - contracting the capacity on a monthly level - monthly auction for the following month.

D - contracting the capacity on a daily level - daily auction for the following gas day.

H - contracting the within-day capacity on an hourly level – within-day auction for the remaining hours of the current gas day.

Annex 4 Services of the Transmission System Operator at the entry into and exit from the transmission system, except for the interconnection

Type of capacity	Name of the entry/exit	Contracting period	Note
Firm	Entry from production Entry from the gas storage Entry from the LNG terminal Exit in Croatia	A, Q, M, D	Possibility of contracting at entries/exit on which there is available firm capacity
Interruptible	Entry from production Entry from the gas storage Entry from the LNG terminal Exit in Croatia	A, Q, M, D	Possibility of contracting at entries/exit where there is no available firm capacity, up to the amount of technical capacity.

A - contracting the capacity on an annual level - for one or more gas years, within a period of 15 years.

Q - contracting the capacity on a quarterly level - for one or more quarters, within that gas year.

M - contracting the capacity on a monthly level - for one or more months, within that quarter.

D - contracting the capacity on a daily level - for one or more days, within that month