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On the basis of article 84 of the Gas Market Act ("Official Gazette" number 28/13, 14/14) and the Decision of Approval by the Croatian Energy Regulatory Agency (Class: 310-05/14-02/98, reg. number: 371-01/14-05) from 30th December 2014 (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 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 reservation and usage of the transmission system's capacity, trading with the transmission system's capacity, balancing the transmission system, mutual rights and obligations of the Transmission System Operator and the Transmission System User, metering rules and allocation rules, publishing of information and exchange of information, connections with other parts of the gas system, conditions for restriction and termination of the gas delivery, unauthorized consumption of gas and compensation for damages.

Article 2

The Transmission System Operator, Distribution System Operator, Storage System Operator, Natural Gas Producer, End Client connected to the transmission system and the Balance Group Responsible are obliged to apply this Network Code.

Article 3

(1) The terms which are used within this Network Code have a certain meaning which is determined by laws which govern the energy sector, regulation of energy activity, gas market, as well as provisions and acts which were 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. *accumulation of the transmission system* – total quantity of gas in the transmission system,
2. *daily change of the transmission system accumulation* – 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,
3. *energy approval* – a document which determines the right to connecting capacity in the event of withdrawal of gas from the transmission system or delivery of gas into the transmission system, at the determined connection point on 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

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4. *energy conditions*– a document which determines the possibility of connecting capacity for the withdrawal of gas from the transmission system or delivery of gas into the transmission system, at the determined connection point on 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
5. *construction of the connection* – procurement of necessary material and equipment as well as mechanical, electric, construction and other works which are carried out by the contractor of the connection for the purpose of constructing the connection
6. *interconnection*– a point on the interstate connecting gas pipeline on which the physical connection between transmission systems of neighbouring countries is achieved
7. *connection investor* – investor or owner of the building which is to be connected to the transmission system,
8. *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 condition in the transmission system and execution of the connection
9. *output measuring-reduction station* – aboveground facility of the transmission system with connections to the transmission system where the gas is prepared (filtration and pre-heating), regulation of pressure and measuring of gas quantities which are to be delivered to the Transmission System Users under contracted terms
10. *extraordinary creation of technical conditions* – construction of new parts of the transmission system which are not 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 doesn't suit the investor of the connection
11. *execution of the connection* – preparatory-finishing works and construction of the connection
12. *Transmission System User* – gas supplier or gas trader who concludes a gas transmission agreement with the Transmission System Operator
13. *surveillance and management of the transmission system*– procedures carried out by the Transmission System Operator with the goal of keeping the transmission system parameters within the limits required for secure and reliable transmission of gas
14. *connection and increase of connecting capacity fee* – 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 of determining the connection fee, this Network Code, and the Transmission System Connection Agreement
15. *nomination*– announcement of the quantity of natural gas for a balance group for the following gas day which the Transmission System Users, or Balance Group members respectively, intend to deliver into the transmission system and/or receive from the transmission system
16. *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
17. *connection contractor* – legal or natural person who possesses all required evidence of professional and technical capability for constructing connections onto the transmission system
18. *gas node* – aboveground facility of the transmission system where two or more gas pipelines are connected

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19. *gas day* – a period of 24 hours which begins at 6:00 hours and lasts until 6:00 hours of the following day
20. *return capacity* – capacity of the transmission system which the Transmission System Operator offers at the interconnection in a direction opposite of the physical gas flow, and is used until there is gas flow in the physical direction
21. *rule of less* – a rule which is applied at an interconnection in the event of difference between the nomination amounts ascertained in the pairing procedure,
22. *interruptible capacity* – capacity of the transmission system which the Transmission System Operator has the right to restrict or totally deny
23. *Transferor*– Transmission System Users who transfers his 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
24. *connection*– an assembly of gas devices and installations, including the billing metering point, which connect the gas devices and installations of the End Client, Distribution System Operator, Storage System Operator, LNG Terminal Operator or Natural Gas Producer with the transmission system
25. *connecting capacity* – largest gas flow which can be achieved on an individual connection in accordance with the Energy Approval
26. *preparatory - finishing works* – works carried out by the System Operator for the purpose of executing the connection, which are comprised of: verification of compliance of the connection construction with the main project, ascertaining that the testing of validity and tightness of the connection has been successfully completed, connection to the transmission system, filling the connection with gas, ascertaining that the testing of the connection's tightness under gas has been successfully completed and administrative works
27. *operational balance account* – records in which the operators of connected systems record the differences between allocated and physically measured gas quantities
28. *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
29. *regular creation of technical conditions* – construction of new and/or reconstruction of 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 connecting buildings to the transmissions system, or increasing the connection capacity of already connected buildings respectively
30. *renomination*– altered nomination
31. *secondary capacity market* – capacity market in which the Transmission System Users mutually trade with contracted capacity of the transmission system
32. *available capacity* – part of the technical capacity which hasn't been contracted
33. *specific point* – place on the transmission system within a specific area where the composition of gas is measured 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 attached to that specific area
34. *specific area* – physically connected parts of the transmission system within which gas of similar quality and calorific value is transmitted

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35. *constant capacity* – capacity of the transmission system which the Transmission System Operator ensures for the user in a complete amount for the contracted period and he cannot terminate or restrict it, except in events prescribed by current legal regulations
36. *Acquirer* – supplier or gas trader onto whom the contracted capacity is transferred or who acquires the right to use the capacity of the transmission system from an existing Transmission System User in accordance with the provisions of this Network Code
37. *creating technical conditions in the transmission system* – regular and/or extraordinary creation of technical conditions
38. *system for remote surveillance, 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
39. *technical capacity* – largest constant capacity of the transmission system which the Transmission System can offer to the Transmission System Users, while taking into consideration the integrity and technical capabilities of the transmission system
40. *gas transmission agreement* – agreement with which the Transmission System Operator undertakes to provide the gas transmission service to the Transmission System User, and the Transmission System User undertakes to pay the regulated fee for the use of the transmission system
41. *contracted capacity* – capacity which the Transmission System Operator, in the reservation procedure, or the transmission system's capacity allocation respectively allocated to the Transmission System User
42. *contractual congestion* – state in which the demand for constant capacity is greater than the level of offered available constant capacity at an individual interconnection, during which total firm capacity is contracted and at least a part of interruptible capacity
43. *input measuring station* – aboveground facility of the transmission system where the Transmission System Operator receives gas into the transmission system and where purification is carried out as well as the measuring of gas quantities and gas quality parameters
44. *pairing* – process of comparing and verifying amounts of nominated gas quantities which is conducted by operators of connected transmission systems and/or Transmission System Operator and Storage System Operator
45. *congestion management* – management of transmission system capacities with the goal of optimally and maximally using the technical capacity
46. *protective zone* – a zone 30 meters wide on each side of the gas pipeline, measured from the axis of the pipeline, in which it is forbidden to construct buildings intended for habitation or human residence

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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) input measuring stations,
- c) output measuring-reduction stations,
- d) gas nodes,
- e) connection
- f) system for remote surveillance, 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 website (www.plinacro.hr).

Article 6

(1) The following are connected to the entrances of 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) End Client's 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.

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(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 created 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,
- real 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 the development and updating of the transmission system development plans the Transmission System Operator is obliged to take into account 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's capacity usage, maintenance of transmission system's equipment and fulfilment of other legal obligations, during which he is obliged to take into account the:

- secure and efficient functioning of interconnected systems,
- approved investment projects of the 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 managing congestions 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) The Transmission System Operator, during the preparation of plans, organises a public procedure in order to express the interest of 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 the technical and safety criteria while adhering to the minimum expenses principle.

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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 corresponding operation and maintenance plans.

Article 11

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

(2) By scaling the capacities at the entrances into the transmission system, during the planning and construction of the transmission system, realizes the conditions for appropriate safety of gas supply of all clients, reliable transmission and 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, Storage System Operator or LNG System Operator. In the development and construction plan these facilities are recorded separately from the other facilities of the transmission system.

(2) International standards and norms are applied during the planning and construction of facilities which 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 the other facilities of the transmission system.

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 current standards and norms are used during the planning, construction, commissioning and maintenance of the transmission system facilities. The Transmission System Operator publishes on his website the list of current standards and norms.

(3) The Transmission System Operator can also apply internal guidelines and rules during the planning, construction, commissioning and maintenance, which contain at least the minimal requirements 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 fashion the procedure for receiving approvals and permits required for the construction of facilities.

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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, protects the transmission system from harmful influences and supervises the activities of third parties in the protective zone of the gas pipeline and other parts 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 damages, leaks, malfunction 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 transmission capacity can take place at any time without previous announcements to the Transmission System Users.
- (2) Planned work activities on the transmission system which cause an interruption of gas transmission or can have an impact on the use of capacities have 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 transmission capacity usage to a minimum.
- (3) Announcement of works which affect the use of capacities is conducted in accordance with articles 134 to 139 of this Network Code.

Article 16

Unplanned maintenance activities which cause an interruption of gas transmission or restriction of 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 parties, 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) The Transmission System Operator will verify the effect of works from paragraph 1 of this article during the issuance of Special construction conditions on the conditions in the transmission system and will state in the Special construction conditions the consequences which the requested works cause and for which the third party who submitted the claim for the issuance of Special construction conditions or on whose behalf the request was submitted is responsible.
- (3) If the consequences of the works from paragraph 1 of this article are disturbances in the operation of the transmission system, the client bears all costs for the removal of the

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disturbances and all possible damages and expenses of the Transmission System Users, the Distribution System Operator and End Clients on the transmission system.

(4) The Transmission System Operator will allow a third party to carry out works from paragraph 1 of this article when he receives confirmation that the third party has regulated relationships with the Transmission System Users, Distribution System Operators and End Clients connected to the transmission system from paragraph 3 of this article.

(5) 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) Energy conditions are acquired in the act issuance procedure which determines the location conditions or the special conditions in accordance with which the main project has to be prepared pursuant to the laws which govern the area of physical planning, construction and construction products or for connecting an existing building to the transmission system.

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

(4) The competent management body, investor of the building which is being connected to the transmission system or a third party who is authorised by the investor of the building 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 a written or electronic form on the official website.

Article 19

(1) In the event of connection capacity change or change on the connection, the investor or owner of the building connected to the transmission system 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.

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Article 20

(1) Energy conditions contain information on:

- a. investor or owner of the building,
- b. position of the building,
- c. location and manner of connection construction,
- d. connection capacity,
- e. total annual gas consumption,
- f. metering point,
- g. connection deadline,
- h. transmission system's terms of use,
- i. economic conditions,
- j. deadline and condition of expiry
- k. instructions on the right to issue a complaint,

(2) Energy conditions can also contain:

- a. conditions for the building's 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. detailed information on the gas meter and other measuring equipment,
- f. manner of exchanging measuring data,
- g. programme of obligatory testing
- h. and other information in relation to connecting 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 or building owner, during which the Transmission System Operator decides on the justifiability of the reason.

Right to appeal the energy conditions

Article 22

(1) The applicant from article 18 paragraph 4 and article 19 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.

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(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 received or the decision with which the energy conditions are issued.

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

Control of the technical documentation's compliance with the energy conditions

Article 23

(1) Transmissions System Operator is obliged 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 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 requests compliance with energy conditions.

Preagreement on the connection to the transmission system

Article 24

After the issuance of energy conditions, the parties to the proceedings can request the conclusion of a preagreement on the connection to the transmission system.

Energy approval for connecting to the transmission system

Article 25

(1) Energy approval for connecting to the transmission system (hereinafter: energy approval) contains all the information as the energy conditions and information on the act with which construction has been approved in accordance with the laws which govern the area of physical planning, construction and construction products.

(2) The investor or owner of the building 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 physical planning, construction and construction products.

(3) For the connection of an existing building to the transmission system, the owner or investor of an existing building encloses along with a request for the issuance of energy approval a main project which contains the project of the gas installation of the building prepared in accordance with the laws which govern the area of physical planning, construction and construction products.

(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 from paragraph 3 of this article has been harmonised with the energy conditions, and if the owner or investor obtained a decision on the amendment of the act with which construction is approved in accordance with the laws which govern the area of physical planning, construction and construction products.

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- (5) Energy approval ceases to be valid if within two years from the day the energy approval was issued an agreement on the connection to the transmission system is not concluded.
- (6) The investor or owner of the building 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.
- (7) The Transmission System Operator publishes a form of the request for the issuance of energy approval in a written or 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 removed from the transmission system.

Article 28

- (1) The Transmission System Operator has the right to reduce the connection capacity of the connection of the owner or building investor connected to the transmission system if he determines that for 12 consecutive months the usage of the connection capacity is less than 20% of the connection capacity approved by the energy approval.
- (2) In the event from paragraph 1 of this article, the Transmission System Operator will issue to the owner or investor of a building connected to the transmission system a new energy approval with which the connection capacity will be harmonised with the actually determined usage of the connecting capacity of the connection.
- (3) The costs for the issuing of a new energy approval and reconstruction of the connection will be borne by the investor or owner of the building connected to the transmission system according to the Price List of the Non-standard Services of the Transmission System Operator.

Right to appeal 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 received or the decision with which the energy approval was issued.
- (3) The decision of the Agency on the appeal is executive, and the unsatisfied party can initiate an administrative dispute against the Agency's decision.

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

The request for connecting to the 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, certificate of occupancy
- 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 of the building's investor, 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 of 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 of the responsible person of the connection contractor which 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
- 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:

- technical details of the construction of new parts or reconstruction of existing parts of the transmission system,
- compliance of the construction of new parts or reconstruction of 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 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 prepared by a natural or legal person authorised for planning, in which case 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 existing parts of the transmission system and the real cost of construction of new parts or reconstruction of existing parts of the transmission system is an integral part of the agreement from paragraph 5 of this article.

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

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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 the connection 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,
- technical details 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 reconstructing the measuring reduction station,
- estimated total connection capacity which is the result of the reconstruction of the measuring reduction station,
- estimated individual connection capacity which is the result of the reconstruction of the measuring reduction station,
- manner 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 from paragraph 1 of this article the connection construction study can be prepared by a natural or legal person authorised for planning, in which case the Transmission System Operator approves 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 who is chosen by the connection investor or the Transmission System Operator, and in accordance with the decision of the connection investor.

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(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) Only interventions which require the modification of one of the connection elements are considered as an increase of connection capacity.

(11) The investor pays the fee for the increase of the connection capacity, in accordance with the Methodology of determining the connection fee.

Article 34

(1) The Transmission System Operator is obliged to connect a building in accordance with the concluded agreement on the connection 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 investor or owner of the building which is being connected to the transmission system ascertain in writing the data on the connection's elements.

Putting the connection into operation

Article 35

(1) The Transmission System Operator is obliged to put into operation, on the basis of energy approval, the building's connection to the transmission system on the day the delivery of gas from the gas supply agreement begins, and after the investor or owner of the building which is being connected to the transmission system has fulfilled all financial and other obligations in accordance with the agreement on the connection to the transmission system and has obtained an occupancy 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, supervising engineer and connection contractor on assuming responsibility during the temporary operation of the connection.

(3) The Transmission System Operator is obliged within at least three days before the building's connection is put into function to inform in writing the investor or owner of the building and his gas supplier, on the day and hour when the building's connection will be put into operation.

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Agreement on the connection to the transmission system

Article 36

- (1) The agreement on the connection to the transmission system is concluded on the basis of the issued energy approval.
- (2) The agreement on the connection to the transmission system is concluded between the Transmission System Operator and the Distribution System Operator or the Storage System Operator or the Natural Gas Producer or the End Client on the transmission system during the transmission system connection procedure and during the increase of connection capacity procedure.
- (3) The agreement on the connection 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 the connection to the transmission system contains information on contracting parties, the energy approval number, technical conditions for connecting equipment, 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 the connection 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 management bodies, obtaining location and building permits, resolution of property disputes, construction of the connection by connection contractors who was chosen by the investor or owner of the building, events at the building site and similar), about which the Transmission System Operator informs the other contracting party in a timely fashion.
- (7) The payment schedule of the connection fee for the construction of the connection to the transmission system is ascertained by the agreement on the connection to the transmission system.
- (8) The Transmission System Operator publishes on his official website the standard agreement on the connection to the transmission system.

VI. CONNECTING OTHER PARTS OF THE GAS SYSTEM

Article 37

- (1) Connection of other parts of the gas system to the transmission system is done 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 which was 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 done in order to transmit gas internationally.

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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 surveillance 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 capabilities 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 capabilities of the LNG terminal.

(4) If the Transmission System Operator or the Storage System Operator or the LNG Terminal Operator or the Producer of Natural Gas or the End Client 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 interstate connecting gas pipelines, is carried out on the basis of an agreement on mutual rights and obligations with the Transmission System Operator of a neighbouring country.

(2) Connection of the transmission system, distribution system and gas storage system, as well as the technical details regarding planning, construction and operation of interstate connecting gas pipelines, is carried out on the basis of an agreement on mutual rights and obligations with the Distribution System Operator or a Storage System Operator respectively.

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 one hydraulic whole, 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 obligated to conclude an agreement on the introduction of a joint exit from the transmission system before the deadline for the submission of the request for the reservation of transmission system's capacities on an annual level.

(3) The Transmission System Operator publishes a standard agreement on the introduction of a 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.

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

VII. SURVEILLANCE 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, balance of the transmission system and fulfilment of contractual obligations at prescribed pressure conditions and gas quality.

(2) The surveillance 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 surveillance 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 accumulation of the transmission system, timely forwarding of information on the status of the transmission system, status of equipment and system elements, physical surveillance of technological facilities, systematic preventative 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 surveillance 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's status, ascertaining the gas quantity in the transmission system and the change of operational accumulation,
- measuring, recording and centralized gathering of data on the achieved gas flow at the entrances 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 Group Responsible and Gas Market Operator,
- operational communication with the Transmission System User,
- operational communication with the gas system operators which are connected to the transmission system, End Clients who are connected to the transmission system and Natural Gas Producer,
- reporting on the achieved 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 supply.
- (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 supply.
- (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 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.

Pressure and gas quality in the transmission system

Article 44

- (1) For entrances 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 entrances 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 greater than the nominal pressure.
- (2) The pressure at which the Transmission System User delivers the gas into the transmission system can be lower than the values prescribed in paragraph 1 of this article at certain entrances into the transmission system under the condition that this doesn't 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 the receipt of gas which the Transmission System User is delivering 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 entrances into the transmission system on his official website.

Article 45

- (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.

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(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 or the End Client 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 46

The pressure value for the interconnection which is the entrance 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 entrances into the transmission system are defined by energy approvals.

Article 47

(1) The standard gas quality is prescribed with the General gas supply conditions.

(2) The Transmission System User who has contracted capacities at the entrance to the transmission system is obliged to ensure gas of standard quality, during which the calorific gas value of the delivered gas can deviate no more than $\pm 5\%$ from the average calorific value of gas at the corresponding entrance 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 delivery into the transmission system.

(3) The Transmission System Operator will suspend the receipt of gas which is not of standard quality.

(4) The Transmission System User who is delivering gas at the entrance into the transmission system is obligated 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.

(5) The Transmission System Operator is obliged to notify End Clients connected to the transmission system and the Distribution System Operator on the afore stated circumstances if they can have an impact on the End Clients.

Article 48

(1) As an exception from article 47 of this Network Code the Transmission System Operator can receive 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 transmitted to other parts of the transmission system.

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(2) The Transmission System Operator will in the event from paragraph 1 of this article receive the gas if this doesn't 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 Operator of a Distribution System into which such gas is delivered and/or the End Client 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.

Article 49

(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 was established that he delivered a liquid technological impurity is obligated at his own expense to remove and dispose the separated liquid technological impurity at first call of the Transmission System Operator.

(3) In the event that the Transmission System User for whom it was established that he delivered into the transmission system a liquid technological impurity doesn't answer 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 who is 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 surveillance of the Transmission System Operator, which is considered a non-standard service.

Article 50

(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 analysis.

(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 state of crisis

Article 51

(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, leftover after the implementation of measures from article 53 of this Network Code, and which causes the restriction of transmission system capacity usage and endangers the security of gas supply.

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(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 decreases 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 to the gas pipelines which are not affected by the disturbance,
- using the available operational accumulation of the gas pipe line and operational supply.

(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, Storage System operator, the LNG System Operator, Natural Gas Manufacturer, End Client connected to the transmission system, Balance Group Responsible and Transmission system User who was affected by the event, in order for them to undertake their own security measures, balancing measures and if required to deliver a renomination of transmission.

(5) The emergency notification of users in the event from paragraph 3 of this article is carried out in accordance to articles 138, 139 and 140 of this Network Code.

Article 52

(1) During the state of crisis the Transmission System Operator manages the transmission system on the basis of measures which are 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 state of crisis the Transmission System Operator and the Transmission System User, Distribution System Operator, Storage System Operator, LNG Terminal Operator, End Client connected to the transmission system and the Gas Producer act in accordance with the provisions of the Transmission System Operator's Plan for state of crisis.

VIII. BALANCING

Article 53

(1) The balancing of the transmission system is carried out on the level of a gas day.

(2) The Balance Group Responsibles are obligated to ensure on the level of a gas day an equality of the gas amount quantities which they deliver into the transmission system and the gas quantities which they take from the transmission system.

(3) In order to balance the transmission system the Transmission System Operator uses the balancing energy.

(4) If the balancing energy from paragraph 3 of this article is not sufficient to balance the transmission system, the Transmission System Operator notifies without delay the Balance Group Responsible of that fact, after which the Balance Group Responsibles undertakes corresponding measures to balance the balance group which they organise and lead and without delay notify the Transmission System Operator on the undertaken measures and implementation deadlines thereof.

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(5) If the undertaken balancing measures are not sufficient, and the regular operation of the transmission system is still endangered, the Transmission System Operator notifies without delay the Ministry of that fact.

Article 54

The responsibility of participants in the gas market for their deviations, manner of balancing energy activation and the rules for calculating the balancing energy are prescribed by the Rules on the organization of the gas market.

Rules for using the operational supply

Article 55

(1) The Transmission System Operator maintains and uses the operational supply for the purpose of optimal management of technological process of gas transmission which includes the following.

- a. balancing the entire accumulation status of the transmission system with the current load and transmission system operating mode depending on the intensity of use of individual entrances and exits from the transmission system,
- b. temporary corrections of the total accumulation status of the transmission system which occurred due to losses and measuring differences,
- c. compensation for the reduction of the total accumulation status of the transmission system due to damage and performance of repair works on the gas pipeline,
- d. other required corrections to the accumulation status of the transmission system.

(2) The Transmission System Operator carries out the reservation and usage of the storage system capacity for the requirements of maintenance and usage of operational supply in accordance with the Rules for using the gas storage system.

(3) The Transmission System Operator has the right during the gas day, for the use of operational supply, to additionally use the not-nominated capacity of other users of the gas storage system which the Storage System Operator offers as interruptible capacity.

IX. TRANSMISSION SYSTEM OPERATOR'S SERVICES

Article 56

(1) The Transmission System Operator provides the service to use capacities at the entrance into the transmission system and capacities at the exit from the transmission system as a standard service on an annual, monthly and daily level, on the basis of a Gas Transmission Agreement concluded between the Transmission System Operator and the Transmission System User and under the conditions established in this Network Code.

(2) 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.

(3) 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 gas transmission agreements.

Firm capacity

Article 57

- (1) The firm capacity of the transmission system can be contracted at all entrances into the transmission system and at all exits from the transmission system where free firm capacity exists.
- (2) The Transmission System Operator publishes on his website the information on the available firm capacity.
- (3) Firm capacity can be contracted as:
 - Firm capacity on an annual level - for one or for several consecutive gas years, but no longer than five consecutive years.
 - Firm capacity on a monthly level - for one or several consecutive months, but no longer than the period until the end of the gas year for which the service is contracted.
 - Firm capacity on a daily level - for one or several consecutive days, but no longer than the period than the end of the month in which the request is submitted.
- (4) Firm capacity on a daily level can be contracted if the Transmission System User has capacity contracted minimally on a monthly level.

Interruptible capacity

Article 58

- (1) The Transmission System Operator offers the possibility of reserving interruptible capacity at the entrance into the transmission system and at the exit from the transmission system on which there is no free firm capacity.
- (2) Interruptible capacity of the transmission system can be contracted up to the amount of technical capacity at an individual entrance into the transmission system and at an individual exit from the transmission system.
- (3) Information on available interruptible capacity are published on the official website of the Transmission System Operator.
- (4) Interruptible capacity can be contracted as:
 - Interruptible capacity on an annual level - no longer than one gas year.
 - Interruptible capacity on a monthly level - for one or several consecutive months, but no longer than the period until the end of the gas year for which the service is contracted.
 - Interruptible capacity on a daily level - for one or several consecutive days, but no longer than the period until the end of the month for which the service is contracted.
- (5) Interruptible capacity on a daily level can be contracted if the Transmission System User has capacity contracted minimally on a monthly level.

Return capacity

Article 59

- (1) The Transmission System Operator offers the possibility of reserving return capacity on an interconnection.
- (2) The return capacity of the transmission system can be contracted up to the amount of contracted firm capacity at the interconnection.
- (3) Information on available return capacity are published on the official website of the Transmission System Operator.
- (4) Return capacity of the transmission system can be contracted as:
 - Return capacity on an annual level - no longer than one gas year.
 - Return capacity on a monthly level - for one or several consecutive months, but no longer than the period until the end of the gas year for which the service is contracted.
 - Return capacity on a daily level - for one or several consecutive days, but no longer than the period than the end of the month in which the request is submitted.
- (5) Return capacity on a daily level can be contracted if the Transmission System User has capacity contracted minimally on a monthly level.

Article 60

The service of using the capacities for the exit from the transmission system which is also the entrance into the gas storage system and the capacities for the entrance 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.

X. MUTAL RIGHTS AND OBLIGATIONS OF THE TRANSMISSION SYSTEM OPERATORS AND TRANSMISSION SYSTEM USERS

Article 61

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 current 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 the concluded gas transmission agreement and
- 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 62

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

- a) pay the regulated price for the services which are provided by the Transmission System Operator on the basis of the gas transmission agreement;

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- 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 current legal regulations and this Network Code;
- c) adhere to the instructions of the Transmission System Operator's dispatcher centre;
- d) ensure technical conditions necessary for communication with the Transmission System Operator;
- e) ensure pressure conditions for delivery of gas into the transmission system;
- f) ensure the quality of gas in accordance with the quality prescribed by the General terms of natural gas supply.

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

Article 63

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

- a) conclude a gas transmission agreement with the Transmission System User, under the conditions prescribed in this Network Code;
- b) ensure objective, equal and transparent conditions for accessing the transmission system in accordance with the current provisions of the Gas Market Act and this Network Code;
- c) transmit gas which the Transmission System User delivers into the transmission system, or which the third party delivers into the transmission system on behalf of the Transmission System User respectively, on the basis of concluded gas transmission agreements;
- d) ensure access to firm, interruptible and return capacities of the transmission system, under the conditions prescribed in this Network Code;
- e) ensure the protection of confidential data which he learned during the performance of activity;
- f) ensure the exchange of information with mutually connected operators;
- g) ensure information to the gas market participants which are required to access the transmission system and
- h) allocate capacities in accordance with article 69 of this Network Code.

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

Article 64

(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 to execute a public service obligation.
- b) Refuse a request for the reservation of transmission system capacity in the event:
 - that the request is contrary to the current provisions of the Gas Market Act, and this Network Code and other sublegal acts;
 - if the Transmission System Operator doesn't 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;

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- due to removal of faulty on the transmission system;
- in the event when the Transmission System User is not adhere to his contractual obligations from the gas transmission agreement;
- when the Transmission System User takes gas in a manner which could endanger the lives and health of people or property;
- in the event when the Transmission System User doesn't ensure the corresponding pressure conditions;
- in the event when the Transmission System User doesn't ensure the gas of prescribed quality;
- in the event of unauthorised gas consumption; and
- for other reasons foreseen by this Network Code, the Gas Market Act and other legal and sublegal regulations.

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

Article 65

(1) The energy entity which has the right to access the transmission system on the basis of the current Gas Market Act, if he wishes to become a Transmission System User, he is obliged to conclude a gas transmission agreement and deliver the corresponding means of payment security in accordance with the General Terms of Use of the Transmission System.

(2) The integral part of the gas transmission agreement are:

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

(3) The Transmission System Operator publishes the form of the gas transmission agreement and the form of the Notice on the allocated capacity of the transmission system on his official website.

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

Article 66

(1) The gas transmission agreement is considered concluded on the day the Notice is issued which the Transmission System Operator delivered to the Transmission System User with the gas transmission agreement, within the deadline from article 69 paragraphs 11, 12 and 13 of this Network Code.

(2) The Transmission System Operator delivers to the Transmission System User the gas transmission agreement from paragraph 1 of this article for signing and record keeping purposes.

(3) The Transmission System User is obligated immediately after receiving the gas transmission agreement 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 gas transmission agreement 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 Notice from article 69 paragraphs 11, 12 and 13 of this Network Code.

XII. RESERVATION OF CAPACITY

Article 67

The Transmission System Operator carries out the reservation procedure of firm, interruptible and return capacity of the transmission system on the basis of received request for the reservation of capacities.

Request for the reservation of transmission system's capacity

Article 68

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

(2) The request for the reservation of capacity for the exit from the transmission system which is also the entrance into the gas storage system and the capacities for the entrance into the transmission system which is also the exit from the gas storage system is submitted by the Balance Group Responsible 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 reservation of transmission system's capacity is submitted through the information platform of the Transmission System Operator with the assigned user rights, in accordance with article 133 of this Network Code, or exceptionally, in the event that 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 reservation of capacities the Balance Group Responsible 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 which the Transmission System Operator publishes on the official website.

(5) The Balance Group Responsible is allowed to submit requests for the reservation of transmission system's capacity 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 Group Responsible submits a request for the reservation of capacity separately for each individual type of capacity and separately for each individual period in the event of different time periods for which an individual Transmission System User, Balance Group Member, wishes to reserve capacity.

(7) The request for the reservation of capacity is submitted for the capacity on an individual entrance 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 entrance into the transmission system and/or identification of the exit from the transmission system,

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- type of capacity,
- type of reservation,
- requested transmissions system capacity for an individual entrance 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 the event of a request for a reservation of transmission system capacity on an annual level, during which the requested capacity cannot be less than 240 kWh/d
- requested transmissions system capacity for an individual entrance 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 the event of a request for a reservation of transmission system capacity on a monthly level, during which the requested capacity cannot be less than 240 kWh/d
- requested transmissions system capacity for an individual entrance 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 the event of a request for a reservation of transmission system capacity 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 from paragraph 7 of this article, the request for the reservation of capacity for the exit from the transmission system which is also the entrance into the gas storage system and capacity for the entrance 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 the Storage System User and the corresponding information on the contracted maximum injection and withdraw gas capacity for each individual Storage System User.

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

- during the withdraw period, the reserved capacity at the present entrance into the transmission system, on an annual, monthly and/or daily level, has to be equal to the amount of the contracted maximum withdraw capacity from the concluded multi annual, annual, monthly and/or daily agreements on gas storage, expressed in kWh/d.
- during the injection period, the reserved capacity at the present exit from the transmission system, on an annual, monthly and/or daily level, has to be equal to the amount of the contracted maximum injection capacity from the concluded multi annual, 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 withdraw period uses the injection service, the reserved capacity at the present exit from the transmission system, on an annual, monthly and/or daily level, has to be equal to the amount of the contracted maximum injection capacity from the concluded multi annual, annual, monthly and/or daily agreements on gas storage, expressed in kWh/d.
- during the injection period uses the withdraw service, the reserved capacity at the present entrance into the transmission system, on an annual, monthly and/or daily level, has to be equal to the amount of the contracted maximum withdraw capacity from the concluded multi annual, annual, monthly and/or daily agreements on gas storage, expressed in kWh/d.

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(11) The request for the reservation of capacities on an annual or multi annual level is submitted no later than the 1st of July of the current year for the following gas year or consecutive following gas year, for a maximum of five gas years.

(12) The request for the reservation of capacities on a monthly level is submitted no later than the 15th day of the current month for the following month or the following consecutive months, and at most for a period until the end of the gas year to which the request relates.

(13) The request for the reservation of capacity on a daily level is submitted under the condition that the Transmission System User has contracted in the current gas year the usage of transmission system capacity minimally on a monthly level. The request is submitted no later than 11:30 hours of the current day for the following gas day or following consecutive gas days of the current month, and exceptionally on the last day of the month for the gas days of the following month.

Allocation of the transmission system's capacities

Article 69

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

(2) The transmission system's capacity for the exit from the transmission system which is also the entrance into the gas storage system and for the entrance 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, in the amount of contracted maximal withdraw capacity or contracted maximal injection capacities respectively.

(3) If the available capacity is greater or equal to the total requested capacity, for an individual entrance 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 reservation of capacities.

(4) If the available capacity is less than the total requested capacity, for an individual entrance 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 reservation of the transmission system's capacity, 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 Group Responsible and the Transmission System User on the proposal for the allocation of the transmission system's capacity on an annual level in 15 business days from the deadline from article 68 paragraph 11 of this Network Code.

(6) The Transmission System Operator notifies the Balance Group Responsible and the Transmission System User on the proposal for the allocation of the transmission system's capacity on an annual level no later than 20 days in the current month.

(7) If the Transmission System User doesn't want to contract interruptible capacity, specified in the proposal of transmission system capacity allocation from paragraph 5 of this article, he has the right to notify the Transmission System Operator of that fact within two business days after receiving the notification on the proposal of transmission system capacity allocation.

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(8) For the purpose of implementing congestion management measures the Transmission System Operator will allow the Transmission System User, in the event of allocation of interruptible capacity at an interconnection he requests firm capacity at another interconnection which has available capacity, in the amount of the allocated interruptible capacity from paragraph 5 of this article and for a period from the request for the reservation of capacities.

(9) If the Transmission System Operator doesn't receive in the stated deadlines the written notification from the Transmission System User on the rejection of the proposal for the allocation of interruptible capacity, it is considered that the Transmission System User agrees to the allocation of capacities from paragraph 5 of this article.

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

(11) The Transmission System Operator carries out the final capacity allocation on a monthly level and delivers to the Transmission System User a gas transmission agreement and Notice, no later than the 25th 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 gas transmission agreement and Notice to the Transmission System User, no later than the 13:00 hours of the current day.

(13) After the transmission system capacities have been allocated the Transmission System Operator notifies the Gas Market Operator and the Agency on the contracted capacities for each balance group and for the Transmission System User members of an individual balance group and notifies the Distribution System Operator on whose entrances into the distribution the capacity has been contracted on the allocation of capacity for an individual balance group and an individual Transmission System User a member of that balance group.

(14) The Notice from paragraph 13 of this article contains the information on the name of the balance group, name of the Transmission System User, identification of the entrance into transmission system and/or identification of the exit from the transmission system, type of reservation, type of capacity, reservation period and the amount of allocated capacity.

Article 70

(1) The Transmission System Operator has the right to close the exit from the transmission system to which the End Client is connected if capacity hasn't been reserved for the exit in question, of which he notifies the End Client.

(2) The condition for the reopening of the exit from the transmission system is the contracting of gas transmission, delivery of a nomination and written notice by the End Client of his readiness to accept gas. The notice for the readiness to accept gas, with the specified date and time when the acceptance of gas can commence, needs to be delivered at least 48 hours in advance.

Article 71

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

XIII. TRADING WITH THE TRANSMISSION SYSTEM'S CAPACITIES

Trading with capacities on the secondary market

Article 72

(1) The Transferor can transfer to the Acquirer the contracted capacity on an individual entrance into the transmission system and/or exit from the transmission system by trading on the secondary market.

(2) The trading with capacities on the secondary market from paragraph 1 of this article is allowed only on the basis of a previous written approval by the Transmission System Operator, in accordance with the conditions of this Network Code.

Article 73

(1) The Transmission System Operator allows the Transmission System Users to exchange supply and demand information through the capacity demand form or the capacity supply form respectively, which he publishes on the official website.

(2) Forms from paragraph 1 of this article especially contain the following information:

- name of the Transferor or the Acquirer respectively,
- identification of the entrance into the transmission system or identification of the exit from the transmission system,
- amount and type of the transmission system's capacity which is the subject of the trade on the secondary market,
- period for which the right of use of the transmission system's capacity is transferred or acquired.

(3) The Transmission System Operator will publish on his official website the capacity supply and demand list on the first business day after receiving the duly completed form from the Transmission System User.

(4) The Transmission System User confirms that he agrees to the application of this Network Code by submitting to the Transmission System Operator the supply or rather the demand form for the capacity on the secondary market, or the notification of trading on the secondary capacity market from article 75 of this Network Code.

Article 74

(1) The Transmission System Users can trade at the entrance to the transmission system with the contracted capacities of the transmission system by concluding the following agreements:

- (a) agreement on the transfer of the gas transmission agreement, or
- (b) agreement on the transfer of the right to use contracted capacity.

(2) The Transmission System Users can trade at the exit from the transmission system with the contracted capacities of the transmission system by concluding the agreement on the transfer of the gas transmission agreement.

(3) Agreements from paragraphs 1 and 2 of this article cannot be concluded nor can they produce legal effect without the previous written approval of the Transmission System Operator.

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Article 75

(1) In the event that the Transmission System Operators have the intention of concluding some of the agreements from article 74 of this Network Code they are obliged beforehand to deliver to the Transmission System Operator a notice of trade on the secondary market (hereinafter: Notice of trade), duly signed by both Transmission System Users.

(2) The Notice of trade has to be delivered on an appropriate form published on the official website of the Transmission System Operator, which especially contains the following information:

- name of the Transferor and the Acquirer respectively,
- identification of the entrance into the transmission system or identification of the exit from the transmission system,
- information on the concluded gas transmission agreement,
- amount and type of transmission system's capacity whose right of use is transferred or acquired,
- period for which the right of use of the transmission system's capacity is transferred and acquired.
- type of agreement from article 74 of this Network Code which is concluded (transfer of the gas transmission agreement or transfer of the right to use contracted capacity);

(3) The subject of the agreement from article 74 of this Network Code can only be rights and obligations to which the Transmission System User is entitled to on the basis of the concluded gas transmission agreement, from which the contractual relationship or the right to use the contracted capacity is transferred to another Transmission System User.

(4) In the event of capacity trading for a period of one or several consecutive calendar months the notice from paragraph 1 of this article has to be delivered to the Transmission System Operator no later than two business days before the expiry of the month preceding the months or months to which the trade relates. The Transmission System Operator will decide on granting the approval for the conclusion of the agreement from article 74 of this Network Code and will notify the Transferor and Acquirer of it.

(5) In the event of capacity trading for a period of one or several consecutive gas days the notice from paragraph 1 of this article has to be delivered to the Transmission System Operator no later than two business days before the first day of the period to which the trade relates. The Transmission System Operator will decide on granting the approval for the conclusion of the agreement from article 74 of this Network Code and will notify the Transferor and Acquirer of it.

Article 76

(1) The Transmission System Operator will deny approval for the conclusion of the agreement from article 74 of this Network Code in the following situations:

- a. if the Acquirer of the right to use the capacity doesn't satisfy the legal and sublegal conditions for a Transmission System User;
- b. if the Acquirer of the right to use the capacity has any due debts towards the Transmission System Operator;
- c. in the event of gas transmission agreement conclusion if the Acquirer doesn't deliver to the Transmission System Operator valid means of payment security in accordance with article 77 paragraph 5 of this Network Code and/or

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- d. if the information from the Notice of trade is not in accordance with the concluded gas transmission agreement from which the contractual relationship is being transferred from, or the right to use capacities respectively.

Agreement on the transfer of the gas transmission agreement

Article 77

- (1) By concluding the agreement on the transfer of the gas transmission agreement, the Transferor transfers his rights and obligations from the concluded gas transmission agreement to the Acquirer in accordance with the conditions from the Notice of trade, and the Acquirer accepts those rights and obligations and becomes a contracting party to the said gas transmission agreement.
- (2) The integral parts of the Agreement on the transfer of the gas transmission agreement are:
- (a) Notice of trade, cosigned by the Transmission System Operator, Transferor and Acquirer and
 - (b) gas transmission agreement concluded between the Transmission System Operator and the Transferor, including all of its integral parts.
- (3) The agreement on the transfer of the gas transmission agreement is concluded between the Transferor and the Acquirer on the day when the Transmission System Operator signs the Notice of trade as a sign of approval of the conclusion of the agreement on the transfer, and it enters into force on the day which is marked in the Notice of trade as the beginning of the period for which the contractual relationship is transferred for.
- (4) The Subject of the Agreement on the transfer of the gas transmission agreement (hereinafter: Subject of transfer) can be:
- (a) all the rights and obligations of the Transferor from the gas transmission agreement, or
 - (b) all the rights and obligations of the Transferor from the gas transmission agreement relating to an individual entrance and/or exit from the transmission system and the amount of capacity as stated in the Notice of Trade.
- (5) With the Notice of trade, the Acquirer is obligated to deliver, within the deadline from article 75 paragraphs 4 and 5 of this Network Code, to the Transmission System Operator means of payment security of the type and amount in accordance with the General contractual terms of the gas transmission agreement which constitute Annex 1 of the Network Code. Otherwise, the Transmission System Operator will withhold the approval for the conclusion of the agreement on the transfer of the gas transmission agreement.
- (6) With the entry into force of the agreement on the transfer of the gas transmission agreement, the Transferor completely leaves the contractual relationship in relation to the Subject of transfer, and the Acquirer enters into his contractual position.
- (7) 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 gas transmission agreement, which occur until the day the agreement on the transfer of the gas transmission agreement enters into force.
- (8) The Acquirer 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 gas transmission agreement in relation to the Subject of transfer, which occur from the day the agreement on

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the transfer of the gas transmission agreement enters into force until the termination of agreement on the transfer of the gas transmission agreement .

(9) In the event from paragraph 4 item b) of this article, the Transferor remains the contracting party of the gas transmission agreement regarding all other rights and obligations of the Transmission System User from the gas transmission agreement, which were not the Subject of transfer.

(10) In the event from paragraph 4, item b) of this article if after the conclusion of the agreement from paragraph 1 of this article the gas transmission agreement is terminated regarding the rights and obligations which the Transferor retained, such circumstance will not have an effect on the validity of the agreement from paragraph 1 of this article and the agreement from paragraph 1 of this article still remains in force, under the condition that the Acquirer duly settles his obligations towards the Transmission System Operator.

Agreement on the transfer of the right to use contracted capacity

Article 78

(1) By concluding the agreement on the right to use contracted capacity, the Transferor transfers his right to use the capacity contracted on the basis of the gas transmission agreement, fully or partially, onto the Acquirer in accordance with the conditions from the Notice of trade.

(2) The agreement on the transfer of the right to use the contracted capacity is concluded between the Transferor and the Acquirer on the day when the Transmission System Operator cosigns the Notice of trade as a sign of approval of the conclusion of the agreement, and it enters into force on the day which is marked in the Notice of trade as the beginning of the period in which the right to use the transferred capacity is transferred.

(3) The integral parts of the Agreement on the transfer of the right to use contracted capacity are:

- (a) Notice of trade, cosigned by the Transmission System Operator, Transferor and Acquirer and
- (b) gas transmission agreement concluded between the Transmission System Operator and the Transferor, including all of its integral parts.

(4) The conclusion of the agreement on the transfer of the right to use contracted capacity has no bearing on the contractual relationship between the Transmission System Operator and the Transferor based on the concluded gas transmission agreement. 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) and all obligations (except as determined by paragraph 5 of this article) from the concluded gas transmission agreement.

(5) By concluding the agreement on the transfer of the right to use contracted capacity, the Transmission System Operator entitles the Balance Group Responsible whose member is the Acquirer the right to use the transmission system for entry into the transmission system specified in the Notice of trade, and in the amount specified in the Notice of trade.

(6) In the event of termination of the gas transmission agreement from which the right of use has been transferred, the agreement from paragraph 1 of this article is automatically terminated.

Article 79

(1) Agreements from article 74 are governed by Croatian law.

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(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 74 of this Network Code, their breach, termination or validity.

XIV. USE OF TRANSMISSION SYSTEM'S CAPACITIES

Harmonisation of nominations at the interconnection

Article 80

(1) The Balance Group Responsible, 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 delivered into the transmission system at an individual interconnection and/or which will be 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 gas transmission agreements for the following gas day at an individual interconnection.

(2) The Balance Group Responsible 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 pairing procedure with the Transmission System Operator of a neighbouring country, in accordance with the interconnection treaty.

(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 of said fact via e-mail the Balance Group Responsible whom the applied rule affects.

(5) The Balance Group Responsible is obligated, for an individual interconnection in the nomination from article 83 of this Network Code for a balance group which he organises and leads, to nominate the same amount which the Transmission System Operators of neighbouring countries confirmed in the nomination pairing procedure.

(6) In the event that the nomination of gas quantity from paragraph 1 of this article needs to be modified the Balance Group Responsible is obligated, at least two full hours before the required modification, to deliver to the Transmission System Operator information on the renomination of the gas quantity which will be delivered into the transmission system at an individual interconnection and/or which will be taken from the transmission system at an individual interconnection during a gas day to which the renomination 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 gas transmission agreements for the gas day in question at an individual interconnection, after which the Transmission System Operator carries out the pairing process from paragraph 3 of this article.

(7) In the event that the gas quantity nomination from paragraph 1 of this article is modified due to the activation of the balancing energy at an interconnection, the Balance Group Responsible doesn't include in the nomination of transmission system usage from article 83 of this Network Code the amount of activated balancing energy for the balance group he organises and leads.

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Harmonisation of nominations at the gas storage system

Article 81

(1) The Balance Group Responsible is obligated for a nomination or renomination, 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 entrance into the gas storage system and for the entrance into the transmission system which is the exit from the gas storage system, to deliver the same amount as in the nomination which was previously accepted by the Storage System Operator in the nomination procedure of gas storage system usage.

(2) The nomination or renomination from paragraph 1 of this article can be greater 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 82

(1) The Balance Group Responsible is obligated 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 renomination 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 renomination of the corresponding balance group respectively, or is not stated in the amount from the accepted transaction, the Transmission System Operator will refuse the nomination or renomination respectively.

Nomination of transmission system usage,

Article 83

(1) The Balance Group Responsible is obligated to deliver daily to the Transmission System Operator the nominations for all entrances 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 by hours of the following gas day in kWh/h unit of measure

(3) The nomination of daily quantities at an individual entrance into the transmission system and at an individual exit from the transmission system, for an individual Transmission System User, cannot be greater than the sum of contracted capacity at an individual entrance into the transmission system, or at an exit from the transmission system for the following day.

(4) The nomination from paragraph 1 of this article also contains confirmed trade transactions at the virtual trading point in accordance with the Rules on the organisation of the gas market.

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

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Article 84

- (1) The Balance Group Responsible is obligated to deliver the nomination from paragraph 83 of this Network Code to the Transmission System Operator through the information platform, and as an exception if unable to access the information platform, he is obliged to deliver the file via e-mail, of prescribed content and format, until 13:00 hours 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) The Transmission System Operator notifies the Balance Group Responsible until 14:00 hours of the current day on the acceptance or refusal of the nomination for the following gas day.
- (3) The Transmission System Operator forwards by e-mail the notice from paragraphs 2 and 12 of this article.
- (4) If the Transmission System Operator refuses the nomination, the Balance Group Responsible has the right to deliver a new nomination until 15:00 hours of the current day for the following gas day.
- (5) The Transmission System Operator notifies the Balance Group Responsible until 16:00 hours of the current day on the acceptance or refusal of the nomination for the following gas day.
- (6) The Balance Group Responsible 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 refuse or reduce the nomination, or renomination from paragraph 11 of this article, delivered on the basis of contracted return and/or interruptible capacity for an individual entrance into the transmission system and/or for an individual exit from the transmission system, depending on the sum of received nominations for an individual entrance 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 Group Responsible whose nomination was refused or reduced, has the right within a period of one hour after receiving the notice of refusal or reduction of the nomination to deliver a corrected nomination for the balance group which he organises and leads.
- (10) The Balance Group Responsible has the right to deliver to the Transmission System Operator a renomination for the gas day D in the period from 16:00 hours of the gas day D-1 until 03:00 hours of the gas day D.
- (11) The Balance Group Responsible can renominate the nomination amount only for the hours which follow at least two full hours after the moment when the renomination was submitted.
- (12) The Transmission System Operator notifies the Balance Group Responsible within one full hour after receiving the renomination from paragraph 11 of this article on the acceptance or refusal of the renomination for the following gas day.
- (13) If the Transmission System Operator refuses a nomination or renomination, he notifies the Balance Group Responsible on the reasons for refusing the nomination.
- (14) The nomination or the last renomination for an individual gas day which is accepted by the Transmission System Operator become binding for the Balance Group Responsible.
- (15) 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:

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- if the Balance Group Responsible doesn't deliver the nomination,
- if the Transmission System Operator refuses a nomination, and the Balance Group Responsible doesn't deliver a new nomination,
- if the Transmission System Operator refuses the new nomination.

(16) In the event that the Transmission System Operator refuses a renomination, the last accepted nomination or renomination is valid.

XV.MEASURING RULES AND GAS QUANTITY ALLOCATION RULES

Article 85

With the aim of ensuring technical preconditions for receiving 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 received 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 documentation from the billing metering point.

Article 86

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 288.15 K (15°C) and pressure 101.325 kPa (1.01325 bar abs)
- the volume of gas at standard reference conditions and reference combustion temperature of 288,15 K (15°C) is used to calculate the calorific value and Wobbe index.

Article 87

(1) The basic measured quantities at the entrances 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

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- 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 amount in MJ/m³ into kWh/m³, at reference conditions 15°C/15°C is done by dividing with 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 88

(1) The measuring of the passed gas volume is 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 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, recommendations from the equipment manufacturer and this Network Code.

Article 89

(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 90

(1) If the billing metering point isn't 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's standards.
- allow the inclusion of the equipment into the Transmission System Operator's remote surveillance and data gathering system,
- allow the Transmission System Operator at each request without delay access to the installed equipment and insight into the accompanying maintenance documentation,
- inform the Transmission System Operator on the accuracy, all malfunctions during operation, repairs and planned equipment maintenance works.

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(2) If the owner of the billing metering point from paragraph 1 of this article doesn't 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 said owner.

Article 91

The Transmission System Operator will read the status of the gas meter at the special request of the Transmission System User or the End Client 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 92

The billing metering point at the entrance 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.

Article 93

(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 determining in a laboratory the composition and calorific value of natural gas.

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

Article 94

(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 passed gas volume with 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 95

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

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

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- 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 96

- (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 and temperature and calculates the volume of natural gas at standard conditions.
- (3) The device for the conversion of gas volume can be associated equipment for ascertaining the composition of gas with the possibility of continuous refreshing of data on the composition of gas and physical characteristics of gas.

Article 97

- (1) The turbine gas meters and ultrasonic gas meters are used at the billing metering points at the entrances into the transmission system.
- (2) The following criteria is used for choosing the metering equipment at the billing metering points at the exit from the transmission system:
- for flows up to 500 m³/h in operating conditions the rotary piston gas meters or turbine gas meters are used;
 - for flows greater than 500 m³/h but less than 30,000 m³/h in operating conditions the turbine gas meter, rotary piston gas meters or ultrasonic gas meters are used;
 - for flows greater than 30,000 m³/h in operating conditions the turbine gas meters or ultrasonic gas meters are used.

Article 98

- (1) The number of metering lines at a billing metering point is determined according to the 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 points with a maximum daily flow which is greater than 1,000,000 m³/day 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 less 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 gas meter's metering point has to be greater than the connecting capacity (from the energy approval).

Testing the metering equipment

Article 99

- (1) The preparation for the testing of the metering equipment is carried out at authorised services for the preparation of gauges for testing, with the metering supervision of the State Office for Metrology.

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- (2) The metering equipment has to be tested in a metering sense in an accredited testing laboratory and certified by the State Office for Metrology.
- (3) The metering equipment can be used for billing purposes only if it has been calibrated and certified in the prescribed time periods by the State Office for Metrology.
- (4) The control of the gauges can also be more frequent with the aim of verifying the operation of metering equipment.
- (5) 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 100

- (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 certification of the gas meter
 - information on the built-in 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 certification of the corrector or flow computer
 - information on the backup metering equipment

Article 101

- (1) The End Client connected to the transmission system, the Distribution System Operator or the Transmission System Operator 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 is accurate, the applicant for 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 when he received 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 102 of this Network Code.

Article 102

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

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- 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 received in the previous periods, with the condition that the receipt of natural gas in those 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 End Client 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 103

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

(2) If the replacement of 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) During the replacement of 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, the volume which is equal to the multiple of the current gas flow will be considered as the received or delivered gas volume, ascertained at the device for the conversion of gas flow, immediately before the commencement of the replacement of metering equipment and duration of the replacement or evaluation on the basis of consumption trend analysis before the replacement and duration of replacement.

Ascertaining the quality of gas

Article 104

(1) The quality of gas is ascertained:

- 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 105

(1) The measuring of gas quality 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) The taking of gas samples at specific points of the transmission system 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

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ensures a representative and suitable sample of the operating flow for the equipment for determining gas quality.

Article 106

- (1) The equipment for determining 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 sulphur compounds shares 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 equipment manufacturer's recommendations and it has to be protected from the harmful environmental influences and vibrations.

Article 107

- (1) The continuous ascertaining of gas quality for the entrances into the transmission system 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) The Producer of Natural Gas and the Transmission System Operator are obliged to install the equipment for measuring the gas quality parameters at the entrances into the transmission system at their own cost.

Article 108

- (1) The continuous ascertaining 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 and publishes them on the official website.

Article 109

- (1) The Transmission System Operator is obliged in accordance with the Regulation of the Commission (EU) no 601/2012 to prepare a Sampling plan.
- (2) The Sampling plan is available to users only on written request.

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The allocation rules of jointly measured quantities

Article 110

(2) For interconnections the allocation rules of measured gas quantities per Transmission System Users are ascertained by a bilateral agreement between the Transmission System Operator and the Transmission System Operator of a neighbouring country.

(2) The Transmission System Operator publishes on the official website the rules established by agreement for each individual interconnection. The rules state the use of measuring units, metering rules and determining and allocating the daily gas quantity.

Article 111

(1) For the entrance into the transmission system from the Natural Gas Producer's production gas pipeline network and for the exit from the transmission system towards the End Client 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 116 of this Network code to the Transmission System Users in proportion to the share of an individual nomination in the sum of all nominations, or by applying rules established with the Agreement on the rules of allocation of measured gas quantities, in accordance with articles 113 and 114 of this Network Code, if such an agreement was signed in a timely manner.

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

(3) The Producer of Natural Gas or the End Client connected to the transmission system is obliged to deliver to the Transmission System Operator the information on contracting parties from article 113 of this Network Code which are required for the preparation of the Agreement on the rules of allocation of measured gas quantities from paragraph 1 of this article, within the deadline prescribed in article 112 of this Network Code.

Article 112

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 114 of this Network Code, the accepted or delivered quantities of gas are considered to be quantities from the last accepted nomination and in that case an Agreement on the rules of allocation of measured gas quantities is not concluded.

Article 113

(1) The Agreement on the rules of allocation of measured gas quantities from article 114 of this Network Code is signed by:

- a) for the exit from the transmission system towards the End Client connected to the transmission system, the End Client connected to the transmission system, his gas suppliers who are Transmission System Users, Balance Group Responsibles and the Transmission System Operators
- b) for entrances into the transmission system from the production gas pipeline network the gas suppliers who are Transmission System Users, Balance Group Responsibles, Natural Gas Producer and the Transmission System Operator.

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(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 114

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

Article 115

The Transmission System Operator has, at any moment, the right to request an amendment of the agreement from articles 113 and 114 of this Network Code, if he ascertains that there is a valid reason.

Article 116

(1) The Transmission System Operator reads daily, for the previous gas day, the billing metering points through a system for remote reading of billing metering, for the purpose of determining daily 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 reports from article 117 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 117

Data from article 116 of this Network Code, are continuously gathered at the metering point, and are read once a day, at the end of the gas day.

Article 118

(1) In the event from article 114 of this Network Code the Transmission System Operator delivers to the Natural Gas Producer or the End Client connected to the transmission system the data on the total measured quantity of gas for the previous gas day no later than 08:30 hours.

(2) In the event from article 114 of this Network Code the Natural Gas Producer or the End Client connected to the transmission system is obligated 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 hours for the previous gas day.

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Article 119

If the Natural Gas Producer or the End Client connected to the transmission system don't deliver the information from article 118 of this Network Code until 9:00 hours, the Transmission System Operator allocates the measured quantities of gas proportionally to the share of an individual nomination in the sum of all nominations.

Article 120

The Transmission System Operator receives daily from the Transmission System Operator of a neighbouring country, on business and non-business days, by 9:00 hours, for the previous gas day, the 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 121

The Storage System Operator is obliged daily, on business and non-business days, no later than 9:00 hours, for the previous gas day, to deliver to the Transmission System Operator for each Gas Storage System User in an individual balance group information on the gas storage system capacity usage expressed in kWh/day.

Article 122

The Producer of Natural Gas is obliged daily, on business and non-business days, no later than 8:30 hours, 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 entrance 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 123

- (1) The Transmission System Operator allows the Distribution System Operator, daily until 10:00 hours of the current day for the previous gas day, access to the information on the measured daily gas quantities at the exit from the transmission system which is also the entrance 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 entrance into the distribution system.
- (3) The Transmission System Operator carries out the initial allocation from paragraph 2 of this article per individual user in an individual balance group, proportional to the nomination share of an individual user from an individual balance group in the sum of all nominations for that exit or joint exit respectively.

Article 124

- (1) The Transmission System Operator delivers to the Storage System Operator, daily until 8:30 hours of the current day, the daily report on the activated balancing energy in the previous gas day, expressed per balancing energy bidders, in kWh/day.

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(2) The Transmission System Operator allows the Balance Group Responsible daily until 10:00 hours for the previous gas day access to the daily report which contains the following information:

1. confirmed nomination or renomination of an individual Transmission System User in a balance group, expressed in kWh/h,
2. allocated quantity of gas per individual Transmission System User in a balance group, not including the balancing energy, expressed in kWh/h,
3. sale and/or purchase at the virtual trading point, expressed in kWh/h,
4. daily deviation of the balance group, expressed in kWh/day.

(3) The Transmission System Operator allows the Gas Market Operator and the Agency, daily until 11:00 hours of the current day, access to the daily report for the previous gas day which contains the following information:

1. total contracted transmission system capacity of an individual Transmission System User in an individual balance group, expressed in kWh/h,
2. confirmed nomination or renomination 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, not including the balancing energy, expressed in kWh/h,
4. sale and/or purchase at the virtual trading point, expressed in kWh/h,
5. daily deviation of an individual balance group, expressed in kWh/day.
6. activated balancing energy, expressed in kWh/day,
7. used operational accumulation, expressed in kWh/day,
8. used operational supply, expressed in kWh/h.

(4) The Transmission System Operator allows the balancing energy bidder, daily until 11:00 hours of the current day, access to the daily report on the activated balancing energy in the previous gas day, from that bidder, in kWh/day.

Ascertaining the gas quantity for the monthly report

Article 125

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 126

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.

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Article 127

The Producer of Natural Gas 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 entrance into the transmission system which is also the exit from the Natural Gas Producer's production gas pipeline network, expressed in kWh, for each gas day of the previous month.

Article 128

(1) The Transmission System Operator will deliver information on the third business day of the current month to the Distribution System Operator, 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 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 system of that Distribution System Operator in which two or more Transmission System Users have contracted capacity or one Transmission System User as member of two or more balance groups 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 is obliged no later than the eighth day of the month, to deliver to the Transmission System Operator information on the accepted 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 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 accepted gas in such a manner that the measured monthly delivered gas energy is multiplied with the share of daily accepted energy at an individual exit from the transmission system which is also the entrance into the distribution system, for an individual gas day, which is ascertained 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 entrance 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 entrance 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 entrance into the distribution system, in a month (kWh).

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Article 129

(1) The Transmission System Operator will deliver information to the End Client connected to the transmission system on the third business day of the current month, or allow access to the information, 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 information to the End Client connected to the transmission system on the third business day of the current month, or allow access to the information, 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 allocation from article 114 of this Network Code. Access will be allowed to the following information:

- measured daily quantity of gas, for each individual exit from the transmission system of the End Client 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 End Client 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 information on the usage of the transmission system's contracted capacity per Transmission System Users and per balance groups, during which the sum of 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.

Article 130

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

Article 131

(1) The Transmission System Operator will deliver to the Balance Group Responsible, on the basis of information from articles 125, 126, 127, 128 and 129 of this Network Code, no later than the tenth day of the month, for each gas day of the previous month, the following information:

1. confirmed nomination or renomination 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, not including the balancing energy, expressed in kWh/day,
3. sale and/or purchase at the virtual trading point, expressed in kWh/day,
4. daily deviation of the balance group, expressed in kWh.

(2) The Transmission System Operator will deliver to the Gas Market Operator and the Agency, on the basis of information from articles 125, 126, 127, 128 and 129 of this Network Code, no later than the tenth day of the month, for each balance group, for each gas day of the previous month, the following information:

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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 renomination 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, not including the balancing energy, expressed in kWh/day,
4. 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. activated balancing energy, elaborated per balancing energy bids, expressed in kWh/day,
7. used operational accumulation, expressed in kWh/h.
8. used operational supply, expressed in kWh/day.

XVI. PUBLICATION OF INFORMATION

Article 132

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

(2) The Transmission System Operator presents 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.

XVII. EXCHANGE OF INFORMATION AND COMMUNICATION

Article 133

(1) The Transmission System Operator exchanges information on a daily and monthly basis with the following operators of connected systems and gas market participants:

- a. Transmission System Operator of a neighbouring country,
- b. Natural Gas Producer,
- c. Storage System Operator,
- d. Distribution System Operator,
- e. Supplier of End Clients on the transmission system,
- f. Balance Group Responsible,
- g. Gas Market Operator.

(2) The Transmission System Operator exchanges with the gas market participants information which is defined with this Network Code, for the reservation, nomination and reporting procedures, through 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 for the delivery of information and communication with market participants.

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- (4) The Transmission System Operator determines the format, structure and content of the exchange file, and the gas market participants don't have the right to change it.
- (5) In order to exchange information through the information platform the Transmission System Operator will allow participants from paragraph 1 of this article access, assign a user account and password for access and user instructions, on the basis of a signed Agreement on the Access to the Transmission System Operator's Information Platform. The Transmission System Operator publishes the form of the Agreement on the Access to the Transmission System Operator's Information Platform on the official website.
- (6) The contact information of the Transmission System Operator are listed on the official website.
- (7) The Balance Group Responsible is obliged before submitting the request for the reservation of capacity, from article 68 of this Network Code, to deliver information for official and operational contact, on a form which the Transmission System Operator publishes on his website.
- (8) The market participant from paragraph 1 of this article is obliged to notify the Transmission System Operator on every change of contact, otherwise such a change of contact is not binding to the Transmission System Operator.

XVIII. RESTRICTION AND SUSPENSION OF GAS DELIVERY

Article 134

- (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 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 and sublegal regulations.
- (2) The restriction or suspension of gas delivery can be carried out in a planned manner with prior notice or by urgent procedure.

Article 135

- (1) The Transmission System Operator plans and publishes on the official website, before the beginning of the calendar year, 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 entrance into the transmission system and/or 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 the Transmission System Users, Distribution System Operator, Storage System Operator, LNG Terminal Operator, Natural Gas Producer and End Clients connected to the transmission system which will be affected by the planned works, individually on the works and consequences on the usage of capacities one month in advance with a written notice with a final confirmation of works 48 hours before works commence.

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(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 system users, mustn't affect the delivery of gas to protected buyers for longer than six hours.

(6) In the event that the restriction or suspension of gas delivery from paragraph 1 of this article has lasted in accordance with the deadlines from the notice from paragraph 3 of this article or has been extended due to reasons which the Transmission System Operator could not foresee and/or prevent, the Transmission System Operator is not obligated to reimburse possible damages or expenses to the Transmission System User, Distribution System Operator, Storage System Operator, LNG Terminal Operator, End Client connected to the transmission system or Natural Gas Producer which occurred as the result of restriction or suspension of gas delivery.

Article 136

(1) The Transmission System Operator, Storage System Operator, LNG Terminal Operator, Natural Gas Producer and the End Client 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 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 as 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 damages and consequences which the End Client connected to the transmission system, Distribution System Operator, 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 137

(1) The Transmission System User can, due to breach of contractual obligations by the End Client 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 not possible to carry out the suspension of delivery on the request of just one user, at the exit from the transmission system on which two or more Transmission System Users use the gas transmission service.

(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.

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Article 138

(1) In the event of a malfunction or damage 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, Storage System Operator, LNG Terminal Operator or the End Client 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 damage on the connected system the Distribution System Operator, Storage System Operator, LNG Terminal Operator or the End Client 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 duration 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 damage to the connected system, of which the Transmission System Operator is aware cause or can cause a threat to the lives and health of people or cause property damage, the Transmission System will without delay temporarily detach the connected system from the transmission system.

(4) All notices from this article have to at least contain the following information: period in which the gas delivery will be suspended, reasons for the suspension, estimated duration of gas delivery suspension, 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 removed and will notify the Transmission System Users who were affected by the suspension of gas delivery of said fact.

Article 139

(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 entrance 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 140

(1) Before re-establishing the gas delivery the Transmission System Operator, Storage System Operator, LNG Terminal Operator, Natural Gas Producer or the End Client connected to the transmission system are obliged to deliver to the Transmission System Operator's dispatcher centre the written statement on the readiness to accept gas in a safe manner.

(2) The Transmission System Operator is not responsible for possible damages and consequences which the Transmission System User, Distribution System Operator, Storage System Operator, LNG Terminal Operator or the End Client 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.

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XIX. UNAUTHORISED CONSUMPTION OF GAS

Article 141

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

- receipt of gas outside the billing metering point,
- receipt of gas through a gas meter which is disabled for proper operation,
- arbitrary connection to the to the transmission system,
- receipt of gas through a gas meter whose Transmission System Operator's seal has been removed or damaged and
- receipt of gas without contracted transmission system capacity for the exit from the transmission system to which the End Client 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 End Client connected to the transmission system, without prior notice, and inform of said fact within 24 hours the Transmission System User who supplies the End Client connected to the transmission system with gas.

(3) Should 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 End Client connected to the transmission system of which he informs him within 24 hours before the suspension of gas delivery.

Article 142

(1) The End Client 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 143

(1) In the event of unauthorised gas consumption from article 141 paragraph 1 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 End Client 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 End Client connected to the transmission system settles all due debts from article 142 of this Network Code and replacement costs of the gas meter and/or other metering equipment.

Article 144

(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

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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.

XX. COMPENSATION FOR DAMAGES

Article 145

(1) The Transmission System Operator is only responsible for damages 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 delivered gas which was not of standard quality into the transmission system is obliged to reimburse all expenses and damages caused to the Transmission System Operator, Storage System Operator, Distribution System Operator, Transmission System User and the End Client connected to the transmission or distribution system, as a consequence of delivering gas which is not of standard quality.

(3) The Transmission System Operator will upon the request of the Distribution System Operator, Storage System Operator, Transmission System User or the End Client connected to the transmission or distribution system who has suffered damage due to gas which is not of standard quality, will inform the aforementioned on the Transmission System User or the Natural Gas Producer connected to the transmission system who delivered into the transmission system gas which is not of standard quality.

XXI. CONGESTION MANAGEMENT

Article 146

(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 also applies the following procedures.

1. Return of contracted firm capacity
2. repossession of long-term contracted but unused firm capacity.
3. Offer of additional firm capacity and repurchase 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 each year, and for the period from 1st October until 31st March no later than 1st May each year.

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

Return of contracted firm capacity

Article 147

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

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(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 return 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 return 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 reservation procedure and will in the event of receiving request for the reservation of capacities allocate the returned 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 return 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 capacity, the Transmission System Operator firstly allocates the capacity from the gas transmission agreement 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 gas transmission agreement on an annual, or multi-annual basis.

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

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

- a) Notice on the return of contracted firm capacity from paragraph 2 of this article, cosigned by the Transmission System Operator and the Transmission System User.
- b) Gas transmission agreement concluded between the Transmission System Operator and the Transmission System User.
- c) Notice on the allocated capacity of the transmission system with which the returned capacity is allocated to another Transmission System User.

(7) The Transmission System User after delivering the notice on the return of contracted firm capacity from paragraph 2 of this article, doesn't 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 return 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 return of capacity were received.

Repossession of long-term contracted unused firm capacity

Article 148

(1) The repossession of 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 a individual period from paragraph 3 of this article.
- the Transmission System User doesn't offer or offers less than 20% of the total contracted capacity on an annual level on the secondary market

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- there is demand for firm capacity from 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 on the basis of delivered information from paragraph 2 of this article will decide on the amount and period of the repossessed contracted unused firm capacity.
- (5) The Transmission System Operator will completely or partially repossess a unused contracted firm capacity, in accordance with the Agency's decision 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 repossessed.
- (6) The Transmission System User, whose capacity was repossessed by the Agency's decision from paragraph 4 of this article, is obliged without delay to deliver to the Transmission System Operator a duly filled out notice on the return of 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 gas transmission agreement concluded with the Transmission System Operator in relation to the capacity specified in the Agency's decision on the repossession of capacity, until the moment the unused contracted firm capacity from paragraph 3 is allocated to another Transmission System User. The agreement on the return of capacities is concluded under the condition that the Transmission System Operator gives his approval for its conclusion, and on the day the Transmission System Operator's notice on the allocation of the repossessed capacity to another Transmission System User is issued.
- (8) The integral parts of the agreement on the return of firm capacity are:
- a) Agency's decision from paragraph 4 of this article
 - b) Notice on the return of contracted firm capacity from paragraph 4 of this article, cosigned by the Transmission System Operator and the Transmission System User.
 - c) Gas transmission agreement concluded between the Transmission System Operator and the Transmission System User.
 - d) Notice on the allocated capacity of the transmission system with which the repossessed capacity is allocated to another Transmission System User.
- (9) The Transmission System Operator will offer the capacity from the Agency's decision from paragraph 4 of this article to the Transmission System Users in the regular capacity reservation procedure and will in the event of receiving request for the reservation of capacities allocate the repossessed capacity from through a regular transmission system capacity allocation procedure.
- (10) The Transmission System User doesn't have the right to sell contracted capacity on the secondary market in the period after the Agency's has adopted the decision on the repossession of capacity.

Offer of additional firm capacity and repurchase of contracted firm capacity

Article 149

- (1) The Transmission System Operator will offer, in the event of contractual congestion at an individual interconnection, additional capacity on a daily level, above the level of technical capacity, applying the measure of offering additional firm capacity and repurchase of

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contracted firm capacity, while accepting the technical conditions of the transmission system, calorific value, expected usage of the transmission system's 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 transmission 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 on using the entire contracted firm capacity, which is greater 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 repurchase 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 repurchase and the tender delivery deadline. The offer has to contain the amount of offered capacity (kWh/day) and the repurchase capacity 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 repurchase unit capacity price (HRK/kWh/day), and in the event of receiving two or more offers with the same lowest price he will choose 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 repurchase of contracted firm capacity. The conclusion date of the Agreement on the repurchase of contracted firm capacity is the date from the notice on the acceptance of the offer, and its integral parts are:

- a) Transmission System Operator's notice on the acceptance of the offer,
- b) Gas transmission agreement concluded between the Transmission System Operator and the Transmission System User.

(7) In the event that the Transmission System Operator hasn't received the offer in the prescribed deadline or the amount of repurchased capacity is not sufficient, the Transmission System Operator will proportionally decrease a part of 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 additionally contracted 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 doesn't have firm capacity

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contracted on the interconnection in question on an annual level, the reduction will apply to the contracted firm capacity on a monthly level.

XXII. PROTECTION FROM TRANSMISSION SYSTEM OPERATOR'S CONDUCT

Article 150

(1) A party who is dissatisfied with the conduct, or the undertaking or failure 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, until 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.

(6) If after the decision by the Transmission System Operator which was 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, until the act or failure to act of the Transmission System Operator lasts.

XXIII. AMENDMENTS OF THE NETWORK CODE

Article 151

(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 of this Network Code, which affect the modification of the information system for the management of the transmissions system's 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.

XXIV. TRANSITIONAL AND FINAL PROVISIONS

Article 152

(1) If the metering point at the entrance into the transmission system is owned by the Natural Gas Producer or an operator of a storage system with a capacity greater than 20,000 kWh/h, at the time this Network Code enters into force, 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 30th June 2016.

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(2) If the metering point at the entrance into the transmission system is owned by the Natural Gas Producer or a operator of a storage system with a capacity greater than 20,000 kWh/h, at the time this Network Code enters into force, is not equipped with a process gas chromatograph, the deadline for the complete equipping of the metering point is 30th June 2015.

(3) In the event from paragraph 2 of this article, the owner the metering point, can deliver natural gas into the transmission system up to the 100,000 kWh/h capacity, until the installation and commissioning of the process gas chromatograph, and is obliged, daily, to determine the chemical composition of gas with his own method and report the results to the Transmission System Operator.

(4) If the metering point at the entrance into the transmission system is owned by the Natural Gas Producer or a operator of a storage system with a capacity less than 20,000 kWh/h, at the moment this Network Code enters into force, is not equipped with equipment for determining the quality of gas in accordance with article 105 of this Network Code, the deadline for the complete equipping of the metering point is 30th June 2016.

(5) If the owner of the metering point at the entrance into the transmission system doesn't equip the metering point in accordance with the deadlines from this article, the Transmission System Operator has the right to refuse to accept gas at the entrance in question into the transmission system until the billing metering point in question is equipped, with appropriate equipment, which will be carried out by the Transmission System Operator at the expense of the metering point owner.

(6) The Transmission System Operator will equip all specific points with equipment which will allow the ascertaining of the lower calorific value of gas which is necessary to calculate the energy of gas in accordance with article 87 paragraph 3 of this Network Code no later than the 31st December 2016.

(7) The Transmission System Operator and the Distribution System Operator will conclude an agreement on mutual rights and obligations from article 39 paragraph 2 of this Network Code no later than the 30th September 2015.

(8) 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 realisation 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 2014-2016 regulation period.

Article 153

(1) This Network Code will be published on the official website of the Transmission System Operator and the Agency, and they enter into force on the 1st January 2015.

(2) On the day this Network Code enters into force the Network Code of the Transmission System from 1st June 2014 cease to be valid.

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Date: 30/12/2014

PLINACRO d.o.o.
Chairman of the Board
Marin Zovko

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XXV. ANNEX

1. General Terms of Use of the Transmission System

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

Article 1

SUBJECT

(1) The subject of this GT is to ascertain the mutual rights and obligations of 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 gas transmission agreement. The Transmission System Users also enters into contractual relationships with other gas market participants (Storage System Operator, Balance Group Responsible, Gas Market Operator) in accordance with legal regulations; and the obligations from those agreements are the sole responsibility of the Transmission System User and the obligations of the Transmission System User from agreements with other gas market participants can in no way affect the rights and obligations of the Transmission System Operator from the gas transmission agreement which the Transmission System Operator concluded with the Transmission System User.

(2) This GT is an integral part of the gas transmission agreement 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 fact of submitting a request to the Balance Group Responsible that he submits on behalf of the Transmission System User a request for the reservation of capacity and/or
- (b) the acceptance of the allocation of awarded capacity of the transmission system from the Notice by the Transmission System User, regardless on when the form of the gas transmission agreement was signed between the Transmission System User and the Transmission System Operator in record keeping purposes.

Article 2

DEFINITIONS

The terms which are used within this GT have meanings which are determined by the Network Code and laws which govern the energy sector, regulation of energy activity, gas market, as well as provisions which were adopted on the basis of those laws.

Article 3

RIGHTS WHICH ARISE FROM THE CONTRACTED SERVICE

(1) The Transmission System Operator will accept at the entrances into the transmission system the gas which he is transmitting for the Transmission System Operator, 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 receipt 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 Group Responsible, 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 gas transmission agreement, fee for exceeding the contracted capacity.
- charge a fee for the deviation from the announced calorific gas value and fee for deviating from the standard gas quality
- restrict/terminate the provision of gas transmission service which is the subject of the concluded gas transmission agreement, 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 gas transmission agreement) and in accordance with the legal and sublegal regulations;
- refuse a nomination, renomination and modification of an accepted nomination which relates to the usage of contracted capacity, if it is greater 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 in the prescribed deadline;
- refuse to give approval for the transfer of capacities, for capacity trading on the secondary market, in accordance with the provisions of the Network Code;
- refuse to receive gas into the transmission system which doesn't satisfy the quality conditions and/or other conditions prescribed by the General terms of gas supply and Network Code;
- refuse to receive gas into the transmission system which doesn't satisfy the pressure conditions 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;
- receive gas quantities which the Transmission System User delivers into the transmission system, on the basis of confirmed nominations at the entrance 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 delivers 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 received gas quantities from the Transmission System Users at the exit/entrance into the transmission system;
- keep records on the delivered gas quantities of the Transmission System Users at the entrance/exit from the transmission system;
- notify the Transmission System User on the received gas quantities 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 and sublegal regulations.

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 Notice;
- deliver gas into the Transmission System and/or receive gas from the transmission system in accordance with the transmission system usage nomination;
- trade with contracted capacities in accordance with the Network Code provisions.

(2) The Transmission System User is obligated to:

- sign a gas transmission agreement 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 which arise from the gas transmission agreement 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 delivering into the transmission system satisfies the gas quality conditions determined by the provisions of the General terms of gas supply and Network Code;
- ensure that the gas which he is delivering into the transmission system satisfies the pressure conditions determined by the provisions of the Network Code and corresponding energy approval for the connection to the transmission system;
- deliver into the transmission system gas quantities which are in accordance with the transmission system usage nomination;
- receive from the transmission system gas quantities which he delivered or were delivered 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 gas transmission agreement or which are essential for the implementation of the gas transmission agreement;
- restrict or terminate gas delivery into the transmission system and/or receipt 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 gas transmission agreement, based on the gas transmission agreement and/or mandatory regulations and
- restrict or terminate the delivery of gas into the transmission system and/or receipt of gas from the transmission system, if so requested by the Transmission System Operator because the gas quality he is delivering into the transmission system does not satisfy the gas quality conditions 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 and sublegal regulations.

Article 6

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 and a fee for exceeding contracted capacity.

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

Article 7

CALCULATION OF THE FEE FOR THE USE OF THE TRANSMISSION SYSTEM 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 tariff item amount for the gas transmission, and 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 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 legal penalty interest which is current 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.

Article 8

FEE FOR THE DEVIATION FROM THE ANNOUNCED CALORIFIC GAS VALUE AND FEE FOR DEVIATING FROM THE STANDARD GAS QUALITY

(1) If the Transmission System Operator ascertains that the Transmission System User delivered into the transmission system gas with a calorific value outside the limits prescribed by the article 46 item 1 of the Network Code the Transmission System Operator has the right to charge a fee to the user for deviating from the announced calorific gas value.

(2) The fee amount for an individual Transmission System User from paragraph 1 of this article is ascertained as follows:

$$N1 = 0,01 * Ceu.poz * KU1$$

where:

N1 – fee amount for the deviation from the announced calorific value of gas (in HRK);
Ceu.poz – announced price of balancing energy (in HRK/ kWh);
KU1 – quantity of gas for which a deviation was ascertained outside the limits prescribed by the paragraph 1 of this article of this GT (in kWh).

(3) If the Transmission System Operator ascertains that the quality of gas which the Transmission System Users is delivering into the transmission system deviates from standard quality (except from article 47 of this Network Code), prescribed by the General

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terms of gas supply, the Transmission System Operator has the right to charge the user the fee for deviating from standard gas quality.

(4) The fee amount for an individual Transmission System User from paragraph 3 of this article is ascertained as follows:

$$N2 = 0,03 * Ceu.poz * KU2$$

where:

N2 – fee amount for the deviation from standard quality of gas (in HRK);
Ceu.poz – announced price of balancing energy (in HRK/ kWh);
KU2 – gas quantity which is ascertained to deviate from standard gas quality for the time period from the moment the deviation was ascertained until the moment the receipt of gas into the transmission system was suspended (in kWh).

(5) The application of fee charges from paragraph 2 and 4 of this article commences on the 1st March 2017.

(6) If multiple Transmission System Users are delivering gas into the transmission system at an individual entrance, the fees from paragraph 1 and paragraph 3 of this article are determined for each Transmission System User in proportion to the share of an individual nomination in the sum of all nominations at an individual entrance for the period in question.

Article 9

CALCULATION OF THE FEE FOR THE DEVIATION FROM THE ANNOUNCED CALORIFIC GAS VALUE AND FEE FOR DEVIATING FROM THE STANDARD GAS QUALITY

(1) The Transmission System User is obliged to pay the fees from article 8 of this GT within 8 days after 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.

(2) For each day of delay in the payment of the fee from paragraph 1 of this article, the Transmission System User is obliged to pay, aside from the owed principle the legal penalty interest which is current 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.

Article 10

MEANS OF PAYMENT SECURITY

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

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

The Transmission System User is obliged after the receipt of the Notice and gas transmission agreement to deliver without delay the means of payment security in accordance with this article .

(2) The Transmission System User who has submitted a request for the reservation of transmission system capacity 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,

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unconditional, without protest and on first call, issued from a bank which is acceptable to the Transmission System Operator, in the amount which corresponds to 10 (ten) % or 30 (thirty) % of the fee for the use of transmission system's contracted capacity for the contracted period from the Notice (depending on the solvency of the Transmission System User), increased for VAT. The bank guarantee has to be valid for the entire duration of the gas transmission agreement, 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, if in the last 12 months the Transmission System User has executed duly and on time 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) regular promissory note issued in accordance with the Execution 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 for VAT; with which the Transmission System User gives his consent for all the Transmission System User's accounts to be seized which the Transmission System has with legal entities which carry out payment transactions and that the money from those accounts is to be paid to the Transmission System Operator, or that immediate execution is carried out on the entire property of the Transmission System User in order to settle the Transmission System Operator's claim in the amount specified on the promissory note;

(4) The Transmission System User who has submitted a request for the reservation of transmission system capacity on two month, monthly, multi-day or daily level is obliged to deliver to the Transmission System Operator a bank guarantee, unconditional, without protest and on first call, issued from a bank which is acceptable to the Transmission System Operator, in the amount which corresponds to 100 % of the fee for the use of transmission system's contracted capacity for the contracted period from the Notice, increased for VAT. The bank guarantee has to be valid for the entire duration of the gas transmission agreement, 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, if in the last 12 months the Transmission System User has duly and on time 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) regular promissory note issued in accordance with the Execution Act, in the amount of 100 (one hundred) % of the fee for the use of contracted capacity of the transmission system for the contractual period from the Notice, increased for VAT; with which the Transmission System User gives his consent for all the Transmission System User's accounts to be seized which the Transmission System has with legal entities which carry out payment transactions and that the money from those accounts is to be paid to the Transmission System Operator, or that immediate execution is carried out on the entire property of the Transmission System User in order to settle the Transmission System Operator's claim in the amount specified on the promissory note;

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

(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's claim arisen on the basis of the gas transmission agreement, in the amount which the Transmission System Operator specifies during the activation of the mean of payment security, and with which the Transmission System User is in complete

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agreement. 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 gas transmission agreement in relation to 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 to expire. In the event the means of payment security which is expiring 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 activate the means of payment security before its deadline expiration and deposit the money collected in such way in a separate account (without the obligation of the Transmission System Operator to receive 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 automatically counted into the fulfilment of the Transmission System User's obligations under the gas transmission agreement, 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 of one of the 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 gas transmission agreement 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 activate the means of payment security before its deadline expiration and deposit the money collected in such way in a separate account (without the obligation of the Transmission System Operator to receive 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 automatically counted into the fulfilment of the Transmission System User's obligations under the gas transmission agreement, 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 doesn't 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 doesn't 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 Operator will be deemed as a substantial violation of obligations from the gas transmission agreement and the Transmission System Operator will be authorised to terminate the gas transmission agreement in accordance with article 17 paragraph 5 of this GT and/or restrict or terminate the provision of gas transmission service in accordance with article 16 of this GT.

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Article 11

GUARANTEES

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

- that he possesses all authorisations, approval and necessary permits required for him to engage in energy activity during the duration of this gas transmission agreement on the basis of which he achieves access to the transmission system;
- that legal, valid and enforceable obligations arise with this gas transmission agreement 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 gas transmission agreement and that no third party has nor will have reason to dispute it, more exactly that the third party isn't disputing them nor will he dispute their validity and recoverability.

Article 12

LIQUIDATED DAMAGES

(1) The Transmission System User will be obligated 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 doesn't deliver any means of payment security form the gas transmission agreement in a manner and in accordance with conditions from article 10 of this GT;
- b) if the Transmission System User doesn't renew means of payment security form the gas transmission agreement in a manner and in accordance with conditions from article 10 paragraph 8 of this GT;
- c) if the Transmission System User doesn't 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 10 paragraph 9 of this GT.

(2) The liquidated damages which the Transmission System User is obligated 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 gas transmission agreement (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 doesn't 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 certified 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.

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(4) The Transmission System Operator and the Transmission System User are in agreement that the amount of liquidated damages from this article corresponds to the value of the protected property.

(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 and the reimbursement of total damages suffered.

Article 13

LIABILITY

(1) The Transmission System Operator is only liable for damages caused as a result of intent or gross negligence by the Transmission System Operator and will not be liable for damages (including general damages, loss of potential profit and immaterial damages) which occurs as a result of general negligence of 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 gas transmission agreement has to solely relate to the functioning of the transmission system and/or availability of transmission system's 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 gas transmission agreement.

(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 as 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 of fulfilment, or the inability to fulfil contractual obligations of one party lasts longer than 30 consecutive days the contracting party 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 gas transmission agreement.

Article 15

EXCEEDING CAPACITIES

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

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(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 entrance 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 entrance/exit into 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 entrance 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 entrance into the transmission system and/or exit from the transmission system in that day, for all damages and other consequences resulting from exceeding the technical capacity.

Article 16

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

(1) In the event that the Transmission System User fails to fulfil or is late with the fulfilment of any obligations of the Transmission System User on the basis of this GT and the gas transmission agreement, especially but not solely: obligations regarding the payment of the fee for the transmission system use, fee for exceeding the contracted capacity, and the obligation of delivering means of payment security, the Transmission System Operator has the right, with prior notice to the Transmission System User which has to be delivered at least 24 hours in advance before the restriction or termination of the provision of 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 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, 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 wholly fulfils the obligation from the gas transmission agreement due to whose violation 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

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Operator is entitled on the basis of this GT and the gas transmission agreement or the Network Code.

(4) By concluding the gas transmission agreement 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 damages which the Transmission System User could suffer or a third party, 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 17

RESTRICTION, OR TERMINATION OF THE PROVISION OF SERVICES ON THE BASIS OF LAW AND SUBLEGAL ACTS

(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 gas transmission agreement, which also includes the temporary restriction and/or termination of transmission, or the receipt 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 and sublegal regulations.

(2) The restriction and/or termination of the provision of services which are the subject of this GT and the gas transmission agreement, 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

SUSPENSION OF GAS DELIVERY TO THE END CLIENT

(1) If the End Client 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 End Client connected to the transmission system who hasn't 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 certified mail with return receipt, at least 48 hours in advance, the Order for the suspension of gas delivery to the End Client connected to the transmission system (hereinafter: Order) which contains all the information from paragraph 3 of this article. If the Order doesn't 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 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 End Client 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 End Client connected to the transmission system a controlled suspension of gas consumption in a safe manner, and in order that the gas delivery suspension doesn't cause damage

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to the facilities of the End Client 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 obligated to assess the veracity/grounds/foundation of evidence that the remaining suspension deadline allows for controlled suspension of gas consumption by the End Client, 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 End Client 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 End Client); and

- the evidence that the deadline from the notice which the Transmission System User sent to the End Client connected to the transmission system for the payment of a monetary obligation has expired and that the End Client 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: memo addressed to the End Client connected to the transmission system with the confirmation that the client received the memo).

(4) The suspension of gas delivery to the End Client connected to the transmission system is carried out by immediately closing the cut-off devices on the connection, in the presence of the authorised representative of the Transmission System Operator, 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 End Client connected to the transmission system is carried out by gradual or immediate opening of the cut-off devices on the connection, upon the special request to the Transmission System User, in the presence of the authorised representative of the Transmission System Operator, 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.

(6) The suspension and re-establishment of gas delivery to the End Client 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 indemnify the Transmission System Operator from any claims of the End Client and/or third party due to the suspension of gas delivery to the End Client connected to the transmission system on the request of the Transmission System User.

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

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Article 19

DURATION AND TERMINATION OF THE AGREEMENT

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

(2) The Transmission System User has the right to terminate the gas transmission agreement, without misconduct of the Transmission System Operator, by way of a written termination notice which is sent to the other contracting party by certified mail with return receipt, or delivered in some other way with which the date of receipt of notice can be securely ascertained, under the conditions from paragraph 3 of this article.

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

- For short term and annual agreements: 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 damages 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 gas transmission agreement termination in accordance with the previous paragraph until the expiry of the gas transmission agreement validity specified in the Notice.
- For multi-annual agreements: on the basis of a previous written termination notice, delivered at least six months prior to the commencement of the following gas year. The agreement termination begins to have legal effect at 06:00 hours 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 damages 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 transmissions services from the termination of the gas transmission agreement until the expiry of the gas transmission agreement validity specified in the Notice.

(4) The maturity of the compensation for damages payment which the Transmission System Operator 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 damages 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 agreement 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 damages (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 gas transmission agreement 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 gas transmission agreement, within 15 days from the conclusion of a gas transmission agreement with another Transmission System User and receipt of corresponding means of payment security from such other user (depending on which event occurs later).

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(6) Each contracting party has the right to terminate the gas transmission agreement through a written termination notice delivered to the other contracting party by way of certified mail with return receipt, in the event that the other contracting party doesn't fulfil any of its obligations in any way under the gas transmission agreement and this GT, which make up its integral part. The contracting party who is terminating the gas transmission agreement is obligated to leave an additional 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, except in events listed below. If the other contracting party doesn't correct such an omission in the additional deadline for fulfilment, it is considered that the gas transmission agreement was terminated by law on the first day after the expiry of the additional deadline for fulfilment.

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

- if the Transmission System User hasn't paid the due monthly fees for the use of the transmission system or any other due amount under the gas transmission agreement in the amount of two monthly fees, and that omission is not corrected within the additional 15 day deadline after the Transmission System User received a written notice for non-payment and on the intent for the gas transmission agreement to be terminated for that reason.
- if the Transmission System User doesn't deliver any of the contracted means of payment security from the gas transmission agreement in a manner and under the conditions from article 10 paragraphs 2-5 of this GT, and that omission is not corrected within the additional five business day deadline after the Transmission System User received a written termination notice;
- if the Transmission System User doesn't renew any of the contracted means of payment security from the gas transmission agreement in a manner and under the conditions from article 10 paragraph 8 of this GT, and that omission is not corrected within the additional five business day deadline after the Transmission System User received a written termination notice;
- if the Transmission System User doesn't replace a disputed means of payment security from the gas transmission agreement upon the request of the Transmission System Operator with an identically valid means of payment security in accordance with article 8 paragraph 9 of this GT, and that omission is not corrected within the additional 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 gas transmission agreement 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.

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- In the event of any circumstance from this indent, the Transmission System Operator is authorised to terminate the gas transmission agreement without leaving an additional deadline for fulfilment.

(8) In the event of the gas transmission agreement 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 gas transmission agreement was terminated.

Article 20

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 certified mail with return receipt, through a messenger 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 gas transmission agreement, or indirectly, if such information is not listed in the gas transmission agreement for any reason, then on those specified in the request for the reservation of capacities.

(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 made through e-mail: on the day when a confirmation of successful delivery of the e-mail to the e-mail of the recipient specified in the gas transmission agreement, or the request for the reservation of capacities, arrives to the e-mail address of the sender, with the proviso that if such a delivery confirmation occurs after 16:00 hours of any day the delivery will be considered as received at 8:00 hours of the following business days after the day the confirmation was received.
- in the event of hand-delivery: on the day which is specified on the notice or other communication along with the signature of the addressee from the gas transmission agreement with which he confirms the receipt (delivery) of the dispatch;
- if 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 deliver to the post office via certified mail with return receipt or courier service;
- if the delivery is made through telefax: on the day which is listed on the telefax confirmation when the letter was successfully sent to the telefax number specified in the gas transmission agreement, or the request for the reservation of capacities, with the proviso that if such a confirmation of receipt occurs after 16:00 hours of any day, the notice will be considered as received at 8:00 hours 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 gas transmission agreement, or the request for the reservation of capacities, and such change will be binding, under the condition that they previously notify the other contracting party in writing by certified mail with return receipt.

Article 21

TRANSFER OF THE AGREEMENT AND ASSIGNMENT OF RIGHTS

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(1) Neither the Transmission System User nor the Transmission System Operator can partially nor wholly transfer the gas transmission agreement, nor assign rights from the gas transmission agreement without prior written consent of the other contracting party. The procedure for the assignment of individual rights from the gas transmission agreement 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 implementation of the change of supplier and guaranteed supply procedure, the Transmission System Operator can without the prior written consent of the other contracting party carry out the transfer of the gas transmission agreement whereby the Transferor is the existing supplier, and Acquirer the new supplier in accordance with the provision of General conditions of gas supply.

By concluding the agreement on the transfer of the gas transmission agreement, the Transferor transfers partially or wholly his rights and obligations from the concluded gas transmission agreement to the Acquirer, and the Acquirer accepts those rights and obligations and become a contracting party to the said gas transmission agreement.

(3) The integral parts of the agreement on the transfer of the gas transmission agreement in the event of supplier change are:

- (a) statement with which the End Client connected to the transmission system confirms that after the change of supplier the gas supply by the existing gas supplier at the exit from the transmission system completely stops,
- (b) form OBR2-TS prescribed by the General terms of gas supply (hereinafter: OBR2-TS) and
- (c) gas transmission agreement concluded between the Transmission System Operator and the Transferor, including all of its integral parts.

(4) In the event of supplier change, the agreement on the transfer of the gas transmission agreement from paragraph 3 of this article relates to the exit capacity from the transmission system from OBR2-TS, and enters into force on the day the supplier change procedure is carried out from OBR2-TS.

(5) The integral parts of the agreement on the transfer of the gas transmission agreement in the event of guaranteed supply 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) gas transmission agreement concluded between the Transmission System Operator and the Transferor, including all of its integral parts.

(6) In the event of guaranteed supply, the agreement on the transfer of the gas transmission agreement from paragraph 5 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.

(7) In the event of the transfer of the gas transmission agreement due to the change of supplier or due to guaranteed supply, the Acquirer is obligated, on the written request of the Transmission System Operator, no later than the day the agreement on the transfer of the gas transmission agreement is concluded, to deliver means of payment security in accordance with article 10 of this GT. Otherwise, the Transmission System Operator will withhold the approval for the conclusion of the agreement on the transfer of the gas transmission agreement.

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(8) 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 gas transmission agreement, which occur until the day the agreement on the transfer of the gas transmission agreement enters into force.

Article 22

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 gas transmission agreement, its breach, termination or validity.

Article 23

GOVERNING LAW AND LANGUAGE OF THE AGREEMENT

(1) The gas transmission agreement is governed by 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) The gas transmission agreement and this GT are made in Croatian and English version, and in the event of incongruity between the Croatian and English language the Croatian version is authentic.

Article 24

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 gas transmission agreement there are changes to the current legal and sublegal regulations due to any change in the current regulatory framework, such change has to be applied to all gas transmission agreements which are in force at the moment of entry into force of legal or sublegal changes. Such changes will enter into force for all users on the same day which is 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 before this GT.

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

Article 25

CONFIDENTIALITY

(1) Contracting parties mutually agree that the information from the gas transmission agreement 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 gas transmission agreement. The contracting party who made available the information which is considered under the gas transmission

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agreement as confidential without authorisation, is responsible to the other contracting party for damages 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 or Agency which have jurisdiction over the Transmission System Operator, or
- in the measure which is required in accordance with current laws and sublegal regulations, 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 effort in order to ensure that the information is kept secret.

Article 26

FINAL PROVISIONS

The General terms of the Transmission System Operator which were in force at the time the gas transmission agreements were concluded apply to the gas transmission agreements which were concluded before the entry into force of this GT until their expiry.

I, Zdravka Krndelj court interpreter for English, as appointed by the President of the County Court – Commercial Court in Zagreb Decree No. 4 Su-1155/12 of 13th November 2012 do hereby certify that the above translation is a faithful and complete translation of the original document written in the Croatian language.

