

Consultation paper
regarding draft interconnection agreement for
Connection Point Santaka

GAZ-SYSTEM S.A. and AB Amber Grid (hereinafter – GAZ-SYSTEM and Amber Grid respectively) intend to conclude an interconnection agreement. According to art. 4 (2) of the Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules, both TSO's shall invite the network users to comment on the proposed text of:

- 1) rules for the matching process,
- 2) rules for the allocation of gas quantities,
- 3) communication procedures in case of exceptional events.

This consultation will run from **27th April 2021 until 30th June 2021**. GAZ-SYSTEM and Amber Grid will evaluate the comments received during the consultation, and, if necessary, adjust the text of interconnection agreement.

GAZ-SYSTEM and Amber Grid are planning to offer the gas transport services at IP Santaka.

All market participants are invited to submit their comments and questions by sending them to the e-mail address: consultation@ambergrid.lt and instrukcja@gaz-system.pl.

Below you can find the content of interconnection agreement in the wording in which the TSO's intend to conclude the interconnection agreement with regard to the abovementioned rules:

1. Definitions

“Allocation”

Shall mean attribution of the energy quantities among individual Shippers as an in-put or off-take to/from transmission system (at IP Santaka will be equal to the last Confirmed Quantities).

“Confirmed Quantity”

Shall mean the hourly quantity of gas confirmed as scheduled to flow commercially on a Gas Day at the IP Santaka, taking into account the quantity of gas nominated confirmed at both sides of at IP Santaka and as the result of the Matching Process (expressed in energy units).

“DELORD”

Shall mean Edig@s message used in Matching Process which contains the Processed Quantities divided according to Shipper pairs.

“DELRES”

Shall mean Edig@s message used in Matching Process which contains the Processed Quantities divided according to Shipper pairs and the Confirmed Quantities divided according to Shipper pairs.

“Initiating TSO”

Shall mean the TSO initiating the Matching Process by sending the necessary data to the Matching TSO.

“Matching Process”

Shall mean the process of comparing and aligning Processed Quantities of gas for Shippers at both sides of IP Santaka, which results in Confirmed Quantities for the Shippers.

“Matching TSO”

Shall mean the TSO performing the Matching Process and sending the result of the Matching Process to the Initiating TSO.

“Nomination”

Shall mean the notification from the Shipper to the operator regarding the quantity of natural gas which the Shipper intends to deliver to/ offtake from the transmission system at the IP Santaka for the respective gas day (each hour of the gas day). Nomination means either Single-sided or Double-sided Nomination.

“Processed Quantity”

Shall mean the hourly quantity of gas determined by the Initiating TSO and by the Matching TSO, which takes into account the Shipper's nomination or re-nomination with contractual provisions as defined under the relevant transport contract and which are used as the basis for the Matching Process.

“Re-nomination”

Shall mean change of the previous nomination.

“Shipper Code”

Shall mean a distinctive alphanumeric identifier used to identify the Shipper.

2. Matching process

- 2.1. Designation of roles regarding the Matching process.
 - 2.1.1. The Parties agree to allocate the roles regarding the Matching process for IP Santaka regardless of flow direction as follows:
 - 2.1.1.1. Matching TSO: GAZ-SYSTEM,
 - 2.1.1.2. Initiating TSO: Amber Grid.
- 2.2. GAZ-SYSTEM Amber Grid shall send DELORD with Processed Quantities not later than 13:45 UTC (winter time) or 12:45 UTC (daylight saving) the day before, and GAZ-SYSTEM shall send DELRES with Confirmed Quantities within three-quarters of an hour.
- 2.3. In case of re-nominations Amber Grid shall send to GAZ-SYSTEM DELORD not later than H0+45min (with the re-nominations becoming effective not before H0+2h), where H0 means a full hour (from 15:00 UTC (winter time) or 14:00 UTC (daylight saving) on day D-1 to 02:00 UTC (winter time) or 01:00 UTC (daylight saving), day D), when the re-nomination is received. GAZ-SYSTEM shall send DELRES not later than H0+1h30min.
- 2.4. If there is no new re-nomination, no additional DELORD should be sent.
- 2.5. All Shipper pairs are sent every time a new matching is initiated by Amber Grid in case of re-nominations.

2.6. The application of "lesser rule"

2.6.1. In case of different Processed Quantities for a given Shipper Code pair at either side of IP Santaka, the "lesser rule" shall apply, i.e. the Confirmed Quantity for a given Shipper Code pair will be equal to the lower of the two Processed Quantities.

2.6.2. In case of different direction of the Processed Quantities for a given Shipper Code pair, the Confirmed Quantity for this Shipper Code pair (as a result of a "lesser rule") is equal to zero (0).

2.6.3. In case the Shipper Code pair provided in DELORD is not valid in the system of GAZ-SYSTEM, the Confirmed Quantity for this Shipper Code pair as a result of a "lesser rule" is equal to zero (0).

2.7. In the event that Amber Grid does not send DELORD, the last Confirmed Quantities from previous matching cycle, regarding each of the Shipper Code pair, will be considered as Processed Quantities in Amber Grid's DELORD for Matching purposes in this Renomination cycle. If no DELORD was issued by Amber Grid for a given Gas Day, 0 (zero) quantities will be considered as Processed Quantities in Amber Grid's DELORD.

2.8. In the event there is no possibility of transmitting the data concerning the Matching Process using the Edig@s format, such information shall be sent by electronic mail or other means.

3. Allocation rules

3.1. The Parties agreed that the allocated quantities are equal to Confirmed Quantities.

4. Communication procedures in case of exceptional events

4.1. In the event of an Exceptional Event occurring in the territory of either Party and if this may affect the flow of Gas through the IP Santaka, the relevant dispatching center is obliged to notify the other Party by phone as soon as possible, taking into account higher-priority safety-driven actions. The notification shall contain the following information:

4.1.1. The character and the cause of the Exceptional Event;

4.1.2. The impact on the volume of Gas to be transported through IP Santaka and the expected pressure level;

4.1.3. The possible impact on the Confirmed Quantities for Shippers active at IP Santaka;

4.1.4. The expected duration of the Exceptional Event, including the estimated time of its removal.

4.1.5. The information shall be subsequently confirmed in writing by email, in accordance with an agreed form.

4.2. Furthermore, the Parties shall as soon as possible inform each other by phone of:

4.2.1. Any change in the agreed or carried out maintenance works,

4.2.2. Completion dates for maintenance works and contingency situations in the transmission system of either Party, which resulted in the restriction of transmission capacity through the IP Santaka,

4.2.3. Any connections along cross-border pipeline sections that may affect the transmission of Gas through the IP Santaka,

4.2.4. Any significant change in the quality parameters of the natural gas flowing towards the IP Santaka.

4.3. The information shall be subsequently confirmed in writing.

- 4.4. The dispatching centres shall inform each other on the progress of the ongoing maintenance works and steps taken in order to remove a failure, emergency or contingency situation at least every four hours, or more frequently in exceptional situations on request of the other Party.
- 4.5. In cases of Exceptional Events, the Parties shall at least perform an oral communication in English for information, followed by an electronic written confirmation and coordinate the necessary actions to minimise the impact of such event on the Shippers.
- 4.6. The Party affected by an Exceptional Event shall be required, as a minimum, to inform its Shippers with respect to the information described in point b) and c) below if there is a potential impact on their Confirmed Quantities and the adjacent TSO with respect to point a) and c) of this clause of the occurrence of such Exceptional Event and to provide all necessary information about:
 - a) The possible impact on the quantities and quality of the Gas that can be transported through the IP Santaka,
 - b) The possible impact on the Confirmed Quantities for Shippers active at the IP Santaka,
 - c) The expected and actual end of the Exceptional Event.
- 4.7. Any communication in cases of Exceptional Events applies without prejudice to the provisions set forth under Regulation (EC) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency and to its implementing acts.
- 4.8. In case of an Exceptional Event at either the IP Santaka or elsewhere on one of the Parties transmission systems, the Parties shall collaborate upon request by the other Party on a reasonable endeavours basis allowing deviations (upwards/downwards) from the agreed flow schedule. In case of an Exceptional Event, where the Parties are not able to apply the Matching Process, they shall contact each other in the most appropriate way with a request for an immediate action to minimize the consequences of this Exceptional Event. The quantities to be allocated to the relevant Shippers for the period of time during which the Exceptional Event occurred, shall be defined ex-post and in mutual agreement between the Parties and in such a way that all relevant Shippers of all Parties shall be treated equally.