

AB AMBER GRID RULES FOR NATURAL GAS TRANSMISSION SYSTEM BALANCING

I. GENERAL PROVISIONS

1. AB Amber Grid Rules for Natural Gas Transmission System Balancing (hereinafter - the Rules) are designed to identify the principles of balancing (hereinafter - balancing), procedure and conditions of the natural gas transmission system in the natural gas (hereinafter - gas) transmission system (hereinafter - the transmission system) managed by AB Amber Grid (hereinafter - the Transmission System Operator).
2. The transmission system balancing purpose is to ensure safe and efficient operation of the transmission system.
3. The Rules are prepared in accordance with the Law on Natural Gas of the Republic of Lithuania (Official Gazette, 2000, No [89-2743](#); 2011, No [87-4186](#)), Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks, Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005, and requirements for the Balancing Rules of the Natural Gas Transmission System approved by Resolution No O3-48 of the National Commission for Energy Control and Prices (hereinafter - Commission) of 2 March 2012 (Official Gazette, 2012, No [29-1384](#)).
4. The Rules shall regulate the rights and obligations, and relationship between the Transmission System Operator, the transmission System Users (hereinafter - the System Users) and other market participants trading in gas under bilateral sale and purchase contracts and (or) on the Natural Gas Exchange (hereinafter - the market participants involved in balancing the transmission system), distribution system operators, and market operators involved in balancing the transmission system.
5. The primary responsibility for gas balancing falls on market participants involved in balancing the transmission system that must offset the amount of gas off-taken from the transmission system by injecting the same amount of gas into the transmission system during the balancing period.
6. The ultimate responsibility for the balanced transmission system operation falls on a Transmission System Operator. Its justified instructions for balancing of gas flow to market participants involved in balancing the transmission system, and to distribution system operators shall be required.
7. Consumers for which supply companies deliver gas to the consumer's system shall not be involved in balancing the transmission system. A supply company shall deliver gas to these users to a delivery point provided for in the sale and purchase and service contract (s). In this case, the supply company shall be the System User.

8. If the market participant, involved in balancing the transmission system, fails to offset the amount of gas, the Transmission System Operator shall transmit to it balancing gas if a market participant has caused lack of gas in the transmission system or buy from it balancing gas if a market participant caused the surplus of gas in the transmission system, and calculate the imbalance charge by applying balancing prices set by the Commission, and take measures to maintain the balance in the transmission system.
9. All the transmission system operated by the Transmission System Operator shall be one balancing zone.
10. Market participants in balancing the transmission system must comply with the requirements of the Rules and enter into contracts with the Transmission System Operator in which the following balancing conditions shall be specified:
 - 10.1. System Users shall comply with the balancing conditions under the provisions set out in the contracts for gas transmission services;
 - 10.2. Supply companies and other market participants in balancing the transmission system before buying and (or) selling gas must enter into balancing contracts with the Transmission System Operator.
11. The Rules shall not apply to:
 - 11.1. Technical gas balancing between the Transmission System Operator's system and the distribution system operator's system where pressure and (or) flow control devices are not installed. Such balancing conditions shall be set in the contract between the Transmission System Operator and distribution system operator, if the law does not provide otherwise;
 - 11.2. Balancing of the gas flow to be transmitted for technological needs of the distribution system operator if balancing conditions of such gas flow are set in the contract signed between the Transmission System Operator and distribution system operator.
12. In the event of a threat to the functioning of the transmission system and the security of the transmission system, or to the performance of any existing transmission service contracts due to the imbalance caused by the System User, the Transmission System Operator shall be entitled, without prior notice, to restrict (discontinue) gas transmission to this System User, and (or) in cases laid down by law, to issue binding instructions to the distribution system operator for the gas distribution restriction (discontinuance) for this System User at the delivery points where gas is distributed to it. Gas transmission and (or) distribution restriction shall be revoked (gas transmission and (or) distribution resumed) only when the safe functioning of the transmission system is guaranteed.

II. DEFINITIONS

13. Definitions used in the Rules:

Reporting period means a month of gas, i.e., the period from 7:00 am on the first calendar day of any month to 7:00 am on the first calendar day of the following month.

Balancing means the offset of the amount of gas delivered into the transmission system and the amount of gas off-taken from the transmission system.

Balancing gas means gas intended to eliminate imbalances of market participants involved in balancing the transmission system during the balancing period.

Balancing period means the gas day, i.e. a period commencing at 7:00 in the morning on each day and ending at 7:00 in the morning on the following day, during which every market participant involved in balancing the transmission system must offset the amount of gas off-taken from the transmission system and the amount of gas supplied to the transmission system in accordance with a contract concluded with the Transmission System Operator.

Balancing account means an account created on the website of the operator where information on the status of imbalance and other information related to the balancing in the transmission system, which the Transmission System Operator is obliged to provide in the procedure laid down by law, shall be published to market participants involved in balancing the transmission system.

Balancing services means ancillary services which the Transmission System Operator may purchase from other Transmission System Operators and (or) the distribution system operators, and (or) storage system operators, and (or) liquefaction system operators, and provide them to market participants involved in balancing the transmission system, also to offer the linepack services (if available) in order to maintain parameters ensuring the safe operation of the transmission system. Balancing services shall not include trade in balancing gas.

Balancing zone means an entry-exit system, which may include one or more infrastructure segments (systems) specified in part 24 of Article 2 of the Law on Natural Gas to which a specific balancing regime is applicable. The natural gas distribution system and the liquefaction and storage facility (both in the case of input and off-take from the transmission system) shall be one part of the balancing zone.

Imbalance means the situation in which the amount of gas supplied to the transmission system by a particular market participant involved in balancing the transmission system differs from the amount of gas off-taken from the transmission system by this market participant involved in balancing the transmission system, or a situation where the total amount of gas supplied to the transmission system differs from the total amount of gas off-taken from the transmission system through the balancing period.

Imbalance tolerance limit means the imbalance quantity of gas, which is not subject to the imbalance charge.

Imbalance charge means the charge, which the market participant, involved in balancing the transmission system, pays to the Transmission System Operator for balancing of its natural gas flows via the balancing period according to the natural gas balancing service prices set by the Commission.

Linepack means the storage of gas by compression in the gas transmission system with the exception of gas transmission facilities intended to perform the safe and reliable operation of the transmission system.

Gas sale and purchase contract means a bilateral contract concluded between the gas supply company and a user or system operator, or other natural gas distribution company, which allows a market participant the resale of natural gas in accordance with the procedure laid down in the Natural Gas Trading Rules.

Daily read metering points mean gas read metering points in the transmission or distribution systems where measuring instruments with remote (telemetry) data transmission are installed and where gas quantities are recorded at least every day.

Non-daily read metering points mean gas read metering points in distribution systems where the quantity of gas is recorded less than every day.

Transmission system user (System User) means a person who has concluded a contract with the Transmission System Operator, which supplies gas to the transmission system, or gas is supplied to him from the transmission system.

Trade in balancing gas means trade in gas seeking to offset the imbalance caused by market participants involved in balancing the transmission system, but not including balancing services provided by the Transmission System Operator to market participants involved in balancing the transmission system.

Delivery point means a place where the transmission of natural gas via the main pipeline ends and where gas is transferred to the System User by a Transmission System Operator.

Marginal sell price means a lower price of balancing gas over the balancing period among the lowest gas price at which the Transmission System Operator purchased gas during the balancing period, and (or) sold under a bilateral sale and purchase contract and (or) on the Exchange, and the weighted average price of gas traded on the Exchange over the balancing period, which shall be published by the market operator.

Marginal buy price means a higher price of balancing gas over the balancing period among the highest gas price at which the Transmission System Operator purchased gas during the balancing period, and (or) sold under a bilateral sale and purchase contract and (or) on the Exchange, and the weighted average price of gas traded on the Exchange over the balancing period, which shall be published by the market operator.

Market participants involved in balancing the transmission system means transmission system users and other market participants trading in gas under bilateral gas sale and purchase contracts and (or) on the Exchange (supply companies and other market participants who do not use the transmission system to transport gas).

Supply schedule means a monthly volume of gas distributed in days in the manner laid down in the gas sale and purchase contract concluded between a market participant and a supply company, or the volume of gas purchased during a shorter period, if the gas sale and purchase contract is concluded for a shorter period than one month.

14. Other definitions used in the Rules shall be construed as defined by the Law on Natural Gas of the Republic of Lithuania and other legislation regulating the natural gas sector of the Republic of Lithuania.

III. GAS FLOWS OF MARKET PARTICIPANTS AND THEIR DETERMINATION

15. The amount of gas supplied to the transmission system by a market participant involved in balancing the transmission system can be:

15.1. the amount of gas supplied from gas systems:

- 15.1.1. the amount of imported gas (purchased from external gas suppliers);
 - 15.1.2. the amount of gas supplied to a market participant from the Latvian underground storage facility;
 - 15.1.3. the amount of gas supplied from other gas systems.
- 15.2. The amount of gas purchased from a gas supply company under a bilateral gas sale and purchase contract and (or) on the Exchange.
16. The amount of gas off-taken from the transmission system by a market participant involved in balancing the transmission system can be:
- 16.1. the amount of gas supplied to the consumers' systems directly connected to the transmission system and (or) gas distribution systems;
 - 16.2. the amount of gas supplied to other gas transmission systems;
 - 16.3. the amount of gas sold under a bilateral gas sale and purchase contract and (or) on the Exchange.
17. The market participant involved in balancing the transmission system shall within a period of balancing inject into the transmission system the quantity of gas equal to the quantity of gas which the market participant off-takes from the transmission system. If the quantity of gas injected into the transmission system fails to meet the quantity of gas off-taken from the transmission system, i.e. is higher or lower, the market participant shall cause the imbalance.
18. The amount of gas actually injected into the transmission system over the balancing period shall be determined:
- 18.1. By distributing gas quantities actually imported by the market participants, importing gas, in accordance with the following principles:
 - 18.1.1. unless otherwise provided in the gas import contract, gas quantities imported during the balancing period and allocated to a market participant cannot be larger than gas quantities actually off-taken from the transmission system by the market participant;
 - 18.1.2. if larger gas quantities were supplied to the transmission system over the balancing period than under the gas import schedule, and accordingly gas quantities actually off-taken from the transmission system by the market participants were larger than gas quantities imported under the gas import schedule, the imported gas quantities exceeding the gas import schedule shall be distributed in proportion to the market participants however, not exceeding gas quantities actually off-taken from the transmission system by these market participants and the limitations of gas import established in the gas import contract;
 - 18.2. By assessing the information submitted about gas quantities purchased under the gas sale and purchase contracts and (or) on the Natural Gas Exchange;
 - 18.3. By assessing gas quantities off-taken from the Latvian underground gas storage facilities and delivered to the transmission system;
 - 18.4. By assessing gas quantities delivered from other gas systems to the transmission system.
19. The amount of gas actually off-taken from the transmission system over the balancing period shall be determined according to:
- 19.1. readings of gas metering devices at delivery points directly connected to the transmission system;

- 19.2. data provided by the distribution system operators on gas quantities delivered by the System Users from the transmission system to the distribution system;
- 19.3. information about the amount of gas sold under the gas sale and purchase contract and (or) on the Natural Gas Exchange;
- 19.4. by assessing actual gas quantities delivered to other gas transmission systems.

IV. POSSIBLE ACTIONS OF MARKET PARTICIPANTS IN BALANCING THE GAS FLOWS

20. Market participant involved in balancing the transmission system may undertake the following actions during the balancing period to counterbalance the quantities of gas delivered to the transmission system and off-taken from the transmission system:
 - 20.1. In the event the market participant discharges larger quantities of gas from the transmission system than supplies to the transmission system and this may cause an imbalance:
 - 20.1.1. to purchase the additional amount of gas in the procedure laid down in the bilateral gas sale and purchase contract by replacing the supply schedule or entering into another (additional) bilateral gas sale and purchase contract;
 - 20.1.2. to purchase the additional amount of gas on the Natural Gas Exchange;
 - 20.1.3. to deliver gas to the transmission system from the underground gas storage facility in Latvia if a market participant has entered into a gas storage and transportation contract with the operator of an underground gas storage in Latvia and during that balancing period the underground gas storage operator in Latvia can deliver gas from the storage facility under a contract;
 - 20.1.4. to increase the amount of gas imported or delivered from other gas systems;
 - 20.1.5. to reduce the volume of gas consumption.
 - 20.2. In the event the market participant discharges lower quantities of gas from the transmission system than injects into the transmission system and this may cause an imbalance:
 - 20.2.1. to change the gas supply schedule in the procedure laid down in the bilateral gas sale and purchase contract by reducing the amount of gas purchased during the balancing period;
 - 20.2.2. to sell surplus gas on the Exchange;
 - 20.2.3. to enter into a contract with the underground gas storage operator in Latvia for gas storage and transportation, and instruct the Transmission System Operator to transport surplus gas, which can occur within the balancing period to the Latvia's transmission system, if during that balancing period the underground gas storage operator in Latvia can store gas in the storage facility under a contract;
 - 20.2.4. to increase the volume of gas consumption;
 - 20.2.5. to reduce the amount of gas imported or delivered from other gas systems.

V. CALCULATION AND OFFSET OF THE IMBALANCE AND APPLICATION OF THE IMBALANCE CHARGE

21. The daily imbalance quantity of each market participant during each balancing period shall be calculated in accordance with the following formula:
daily imbalance quantity = inputs – off-takes
22. Market participant involved in balancing the transmission system in order to offset the imbalance caused over the balancing period, after the end of the balancing period is required:
- 22.1. to purchase balancing gas from the Transmission System Operator for the marginal purchase price if the market participant has caused shortages of gas in the transmission system, i.e. if gas quantities supplied by the market participant to the transmission system through a period of balancing was less than the volume of gas off-taken from the transmission system;
- 22.2. to sell balancing gas to the Transmission System Operator for the marginal sell price if the market participant has caused the surplus of gas in the transmission system, i.e. if gas quantities supplied by the market participant to the transmission system through a period of balancing exceeded the volume of gas off-taken from the transmission system.
23. Market participants involved in balancing the transmission system and causing imbalances shall be subject to the imbalance charge calculated as follows:
- 23.1. The imbalance tolerance limit shall be equal:
- 23.1.1. in October-April: to the quantity of gas corresponding to 5 percent of the gas quantity delivered during the balancing period to the transmission system by the market participant involved in balancing the transmission system;
- 23.1.2. in May-September: to the quantity of gas corresponding to 15 percent of the gas quantity delivered during the balancing period to the transmission system by the market participant involved in balancing the transmission system;
- 23.2. The imbalance charge for the imbalance quantity of gas, larger than the imbalance tolerance limit, shall be calculated by multiplying the imbalance amount of gas resulting during the balancing period, larger than the imbalance tolerance limit, of the balancing price established by the Commission.
24. When, at the end of the balancing period, the Transmission System Operator calculates for a market participant causing imbalances the amount payable or receivable for balancing gas and the imbalance charge payable, the imbalances shall be eliminated.
25. At the end of the reporting period, within 10 days, a report for each market participant involved in balancing the transmission system shall be formulated on the balancing account where information about the imbalance amounts recorded during specific periods of balancing, adjustments made, calculation of payments for the sold or purchased quantity of balancing gas and imbalance charge shall be provided.
26. At the end of the reporting period or duration of the contract concluded with the market participant involved in balancing the transmission system, if it is less than the reporting period, in the event the imbalance of the market participant has been recorded at least one balancing period in the course of the reporting period, within 10 days:

- 26.1. the Transmission System Operator shall calculate the amount due for balancing gas for market participant causing the shortage of gas in the transmission system, and provide a VAT invoice according to which a market participant must account for balancing gas acquired during the reporting period;
- 26.2. The market participant causing the surplus of gas in the transmission system shall calculate for the Transmission System Operator the amount due for gas balancing in the transmission system and provide a VAT invoice according to which gas sold to the Transmission System Operator during the reporting period must be paid for. Under a separate agreement, the Transmission System Operator can execute documents (or VAT invoices) on behalf of the market participant for balancing gas;
- 26.3. The Transmission System Operator shall calculate the imbalance charge due to a market participant causing imbalances (shortage or surplus gas in the transmission system), if it is to be calculated in accordance with the procedures set out in the Rules, and shall submit a VAT invoice, according to which the imbalance charge must be paid. In the event the imbalance charge is calculated to the market participant causing gas shortages, the imbalance charge shall be included in the same VAT invoice together with the estimated amount payable for balancing gas.
27. If, at the end of the reporting period, data on the amount of gas transferred into the distribution system for technological needs of the distribution system operator differ from the predicted amount of gas to be transferred for technological needs of the distribution system operator, the imbalance charge shall not be calculated and the resulting difference shall be offset as an imbalance within the tolerance limits.
28. If, at the end of the reporting period, data on the amount of gas transported to the delivery point connected to the distribution system are revised, the revised amount shall not be subject to the imbalance charge and the resulting difference between the original and revised imbalance shall be offset as an imbalance within the tolerance limits.
29. When the distribution system operator specifies data on the amount of gas transported to the delivery point connected to the distribution system, or when the Transmission System Operator specifies the amount of gas injected into the transmission system, or the amount of gas ejected into the user systems directly connected to the transmission system, changes in payment for balancing shall be recorded in a separate VAT invoice submitted along with a VAT invoice for the reporting period for those system users for whom the amounts of natural gas transported are changed. If a VAT invoice for the reporting period is not presented to the System User, changes in payment for balancing shall be indicated in a separate VAT invoice to be submitted under the same terms as the VAT invoice for the reporting period.
30. Information about balancing gas prices of the relevant balancing period and their changes, the procedure for calculating the imbalance charge and balancing service prices determined by the Commission shall be published on the website of the Transmission System Operator.

VI. SECURING CONTRACTUAL OBLIGATIONS FULFILLMENT

31. The Transmission System Operator shall have the right to request to submit appropriate security measures for the fulfil of all obligations under the contract and / or the Rules under the following circumstances:
 - 31.1. The Transmission System Operator shall identify changed (increased) risk due to the imbalances of a market participant; and / or
 - 31.2. The Transmission System Operator shall identify changed (increased) risk due to the solvency of a market participant; and / or
 - 31.3. A market participant under the terms and conditions set out in the transmission or balancing service contract fails or delays to fulfill its obligations to pay for the balancing services; and / or
 - 31.4. A market participant violates the basic conditions of contracts and / or Rules; and / or
 - 31.5. Bankruptcy, restructuring, separation or dissolution proceedings are initiated in respect of the market participant; and / or
 - 31.6. There are other circumstances (worsened financial situation, signs of insolvency in respect of other partners, and suppliers, etc.), which reasonably suggest that a market participant may fail to fulfill its obligations under the contract and / or the Rules.
32. The appropriate security measures for the fulfilment of obligations provided by the Transmission System Operator shall be an advance payment and / or bank guarantee.
33. The appropriate security measures for the fulfilment of obligations shall be recognized as duly submitted when the following conditions are met:
 - 33.1. The minimum amount of the security measures for the fulfilment of obligations must not be less than:
 - 33.1.1. 20 percent of the value of gas which market participant trading in gas under bilateral gas sale and purchase contracts and (or) on the Exchange must deliver over the next three reporting periods; and / or
 - 33.1.2. 20 percent of the value of gas which market participant transporting gas plans to transport over the next three reporting periods.
34. A market participant must provide additional security measures for the fulfilment of obligations in the event a minimum amount of the security measures for the fulfilment of obligations determined in accordance with paragraph 33 of the Rules increases by 10 percent.
35. If an amount payable by the market participant for imbalances caused during the current month exceeds the amount of the security measures for the fulfilment of obligations, the Transmission System Operator shall have the right to require additional security measures for the fulfilment of obligations the amount of which shall be not less than the value of gas planned to be delivered by a market participant to the transmission system in the current month.
36. Bank guarantee shall be recognized as a properly submitted security measure for the fulfilment of obligations when the following conditions are met:
 - 36.1. The bank guarantee was issued by a bank that has a long-term foreign currency credit rating not less than Baa1 by Moody's agency, or BBB+ - by Standard & Poor's agency, or BBB+

- by Fitch Ratings agency. Where at least one credit rating agency as specified by the present paragraph has given to the bank the aforesaid long-term credit rating then it shall be considered that the guarantee issued by such a bank is appropriate.

36.2. Bank guarantee is the first demand and irrevocable guarantee.

37. Security measures for the fulfilment of obligations must be submitted not later than five business days from the date of request.
38. The period of validity of the security measures for the fulfilment of obligations provided by a market participant cannot be less than 3 months after the last reporting period during which:
- 38.1. it is planned to deliver natural gas to the transmission system; and / or
- 38.2. It is planned to transport natural gas through the transmission system.
39. Funds received by the Transmission System Operator in accordance with the security measures for the fulfilment of obligations of the market participants may be used to cover missed payments for services and / or imbalance charges, and / or gas imbalances.
40. The Transmission System Operator shall no later than within fourteen calendar days after the fulfilment of all obligations under the transmission or balancing service contract and / or the Rules waive all or part of its rights under the security measures for the fulfilment of obligations.

VII. SUBMISSION OF INFORMATION ABOUT THE SITUATION IN RELATION TO BALANCING

41. The Transmission System Operator shall, no later than by 14:00 h on the working day preceding the balancing period (s), provide information on the balancing account on the status of the market participant involved in balancing the transmission system in relation to balancing. This information shall include data available with Transmission System Operator on the market participant's total volume of gas planned to be off-taken from the transmission system through the balancing period, and the total amount of gas planned to be injected into the transmission system. This information shall be updated during a working date, at least twice within a balancing period: information shall be updated first no later than by 15:00h, and the second time - not later than by 17:00h.
42. If the Transmission System Operator upon receipt of updated information about gas flows of the market participant determines that the gas quantity planned to be off-taken from the transmission system by a market participant involved in balancing the transmission system differs from gas quantities planned to be injected into the transmission system and this may cause imbalances, it shall immediately, after the receipt of such information, inform the market participant on its balancing account about the potential imbalance. The market participant must promptly take actions to ensure the offset of the quantities of gas during the balancing period.

VIII. SUBMISSION OF INFORMATION REQUIRED FOR BALANCING THE TRANSMISSION SYSTEM

43. System Users shall, in accordance with the procedure laid down in AB Amber Grid Rules for Access to the Natural Gas Transmission System, submit to the Transmission System Operator

- an application for the amount of gas for each balancing period according to delivery points directly connected to the transmission system and under the distribution systems.
44. Supply companies are required to provide a Transmission System Operator with information about the amount of gas sold under bilateral sale and purchase contracts and concerted gas supply schedules for each market participant who is purchasing gas, under the following terms:
 - 44.1. Initial monthly supply schedule - not later than 5 days before the start of the next month;
 - 44.2. Revised delivery schedule for the balancing period and subsequent days – by 13:00 h on the working day preceding the balancing period (s);
 - 44.3. Final delivery schedule - within one working day after the balancing period (s).
 45. Market participants, importing gas, must submit to the Transmission System Operator copies or extracts of gas import contracts, and (or) agreements, certified in the procedure approved by the legislative acts, confirming the commitment of suppliers to supply gas. The Transmission System Operator shall have the right to request market participants importing gas to provide other documentation necessary to ensure the timely, smooth and safe transmission of gas. Documents submitted to the Transmission System Operator *inter alia* shall include: parties to the contract, the object of the contract, gas reception point, gas supply procedure and regime, gas quantities supplied and time-limits, duration/validity of the contract, contract termination conditions, parameters of gas quality and pressure.
 46. Market participants, supplying gas from or to the Latvian underground gas storage, must submit to the Transmission System Operator copies or extracts of contracts and (or) agreements, certified in the procedure set out by the legislation, confirming the commitment to supply gas from the Latvian underground gas storage. The Transmission System Operator shall have the right to request market participants supplying gas from or into the Latvian underground gas storage to provide other documentation necessary to ensure the timely, smooth and safe transmission of gas. Documents submitted to the Transmission System Operator *inter alia* shall include: parties to the contract, the object of the contract, gas reception point, gas supply procedure and regime, gas quantities supplied and time-limits, duration/validity of the contract, contract termination conditions, parameters of gas quality and pressure.
 47. Market participants, supplying gas from other gas systems, must submit to the Transmission System Operator copies or extracts of agreements, certified in the procedure approved by the legislative acts, confirming the purchase of gas. The Transmission System Operator shall have the right to request market participants supplying gas from other gas systems to provide other documentation necessary to ensure the timely, smooth and safe transmission of gas. Documents submitted to the Transmission System Operator *inter alia* shall include: parties to the contract, the object of the contract, gas reception point, gas supply procedure and regime, gas quantities supplied and time-limits, duration/validity of the contract, contract termination conditions, parameters of gas quality and pressure.
 48. The forecasting party designated by the Commission must provide information to the Transmission System Operator about the quantities of gas forecasted to be taken at non-daily

read metering points by System Users at the delivery points connected to the distribution system under the following terms:

- 48.1. Initial forecast: by 12:00 h of the business day preceding the balancing period;
- 48.2. The first updated forecast: by 13:00 h of the balancing period;
- 48.3. The second updated forecast: by 15:00 h of the balancing period;
49. The distribution system operators must provide information to the Transmission System Operator about the quantities of gas off-taken by the System Users over a period of balancing at the delivery points connected to the distribution system under the following terms:
 - 49.1. At the daily read metering points: by 13:00 h on the working day following the end of the balancing period (s);
 - 49.2. At the non-daily read metering points: on the first working day following the balancing period (s) within two hours of receiving the data from the Transmission System Operator on gas quantities transmitted during the previous balancing period (s) to the distribution system, and no later than the third working day after the end of the reporting period, shall specify gas quantities of the ended reporting period, after the allocation by days.
50. Once the distribution system operator has revised gas quantities in accordance with paragraph 49.2 of the Rules, the System User shall have the right, having coordinated with a supply company, to revise the supply schedule. Supply Companies must provide information to the Transmission System Operator on the revised gas supply schedules for each market participant who is purchasing gas, within three working days following the reporting period.
51. If the actual data on the volume of gas transported to a delivery point connected to the distribution system is revised, the distribution system operator must provide to the Transmission System Operator the updated data on the quantities of gas actually distributed to the System Users, irrespective of the reporting period for which the data are revised but for no longer period than one year. Revised data are presented together with the data for the previous reporting period.
52. The market operator shall provide information on the gas purchase and sales transactions concluded during the trading session on the Natural Gas Exchange to the Transmission System Operator in the procedure laid down in the Natural Gas Trading Rules (Official Gazette, 2011, No 147-6900).
53. Information provided in this section of the Rules shall be provided to the Transmission System Operator in the forms set out in the annexes to the contracts, in which the balancing conditions are set, and (or) on the balancing account.

IX. ACQUISITION OF BALANCING SERVICES BY BALANCING THE SYSTEM BY THE TRANSMISSION SYSTEM OPERATOR

54. In order to ensure the balancing in the transmission system and proper functioning, the Transmission System Operator shall purchase gas on the Exchange and / or under bilateral contracts, and, if needed, shall acquire other balancing services. The Transmission System

Operator shall purchase balancing services and trade in gas for the purposes of balancing in order to minimizing the cost of balancing services.

55. The Transmission System Operator shall acquire balancing services for a period not longer than one year.
56. The Transmission System Operator by purchasing and selling gas on the Exchange shall seek to carry out transactions at near-market prices, however, considering the demand for gas for balancing the transmission system. The Transmission System Operator shall publish on its website information on balancing services purchased and natural gas purchased or sold for the balancing purposes.

X. COOPERATION WITH OTHER TRANSMISSION SYSTEM OPERATORS

57. The Transmission System Operator to ensure the proper functioning of the transmission system must coordinate balancing regimes and seek to cooperate, in carrying out the balancing activities, with the Transmission System Operators with which the transmission system operated by the Transmission System Operator is connected.
58. The Transmission System Operator, once a year, shall submit proposals to the EU Agency for the Cooperation of Energy Regulators (ACER) and the Commission on the possibility of unifying balancing regimes at regional and cross-systemic level (in the event the Transmission System Operators cooperate in carrying out the balancing activities).

XI. FINAL PROVISIONS

59. Contract forms in which standard conditions are determined shall be published on the website of the Transmission System Operator.
60. For exchange of information related to the transmission system balancing and publication on the balancing account created for a particular market participant involved in balancing the transmission system, an additional agreement shall be signed between the Transmission System Operator and market participant.
61. In the event of disruptions of gas supplies to Lithuania, gas quantities injected into the transmission system shall be allocated in accordance with the Description of Measures Ensuring Natural Gas Supply Security approved by Resolution No 163 of the Government of the Republic of Lithuania of 26 February 2008 (Official Gazette, 2008, No 27-966; 2012, No [39-1930](#)).
62. Complaints and disputes concerning violations of balancing conditions shall be examined in the procedure laid down by law.
63. The Transmission System Operator and market participants involved in balancing the transmission system and distribution system operators for improper execution of the Rules shall be responsible in the manner laid down by law.

64. If the Transmission System Operator starts to provide ancillary balancing services, the procedure for their ordering and conditions for their provision will be laid down in a separate Annex to the Rules.
