

Common Regulations for the Use of Natural Gas Transmission System

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1. General provisions

- 1.1. ~~4.1~~ This Regulation ~~sets out~~establishes the rights ~~and~~ obligations and the information exchange procedure between the natural gas (hereinafter - gas) transmission system operators of Estonia (Elering AS) and Latvia (~~hereinafter – the AS „Conexus Baltic Grid”~~) (referred to as “TSO and, where appropriate,” or jointly as “TSOs”) and the gas transmission network users (~~hereinafter – (– referred to as “network user”)~~) in relation to the use of the gas transmission systems (~~hereinafter – referred to as “transmission system”;~~), capacity booking, nominations and allocation ~~in~~within the common balancing zone ~~consisting of~~comprising Estonia and Latvia.
- 1.2. ~~4.2~~ This Regulation ~~shall apply~~applies:
 - 1.2.1. ~~4.2.1~~ to both transmission systems ~~in~~within the ~~territory~~territories of Estonia and Latvia;
 - 1.2.2. ~~4.2.2~~ to all network users ~~that~~who have ~~concluded~~entered into a legally binding balancing agreement and ~~the~~a transmission service agreement with any TSO ~~in~~within the common balancing zone;
 - 1.2.3. ~~4.2.3~~ in a non-discriminatory way~~manner~~ to any type of gas ~~in so far as such gas that can be~~ technically and safely ~~be~~ injected into, and transported through the transmission systems of the common balancing zone, in accordance with the ~~applicable~~ relevant national technical rules and safety standards applicable, provided that such gas ~~complies with~~meets the applicable gas quality requirements.
- 1.3. ~~4.3~~ The entry/ points and exit points regulated under this Regulation, where the gas can be ~~input~~injected or off-taken from the common balancing zone, are as follows:
 - 1.3.1. ~~4.3.1~~ entry/exit point Värskä (Russia-Estonia);
 - 1.3.2. ~~4.3.2~~ entry/exit point Luhamaa (Russia-Estonia);
 - 1.3.3. ~~4.3.3~~ entry/exit point Narva (Russia-Estonia).
 - 1.3.4. ~~4.3.4~~ entry/exit point Balticconnector (Estonia-Finland);
 - 1.3.5. ~~4.3.5~~ entry/exit point Kiemenai (Lithuania-Latvia);
 - 1.3.6. ~~4.3.6~~ entry/exit point Inčukalns underground gas storage facility (Latvia);
 - 1.3.7. ~~4.3.7~~ exit point to Estonian domestic consumption;
 - 1.3.8. ~~4.3.8~~ exit point to Latvian domestic consumption;
 - 1.3.9. ~~4.3.9~~ entry point from Estonian production;
 - 1.3.10. ~~4.3.10~~ entry point from Latvian production;
 - 1.3.11. ~~4.3.11~~ entry/~~exit~~ point from liquefied natural gas (hereinafter – LNG) facility.
- 1.4. ~~4.4~~ The applicant and the network user shall, when contacting the TSO in the ~~cases provided for~~situations outlined in this Regulation, ~~submit~~must provide information and documents to the TSO in either ~~in~~ English or the national language of the country where the TSO ~~has its~~is registered ~~office~~. The information and documents ~~laid down~~specified in this Regulation ~~and sent, when transmitted~~ electronically ~~shall~~,

must be signed with a secure electronic signature, unless otherwise agreed upon between the TSO and the applicant and the network user ~~agree otherwise~~.

- 1.5. ~~1.5~~—The transmission service agreement and any amendments contained modifications therein ~~shall be consistent~~must align with provision of this Regulation.
- 1.6. ~~1.6~~—The term terminology used in this Regulation ~~shall have~~holds the same meaning definitions as those outlined in European Union legislation unless otherwise specified in paragraph 2 of this Regulation.

2. ~~2~~ Definitions

- 2.1. ~~2.1~~ **Additional capacity** means firm capacity of entry or exit point made available in the event of congestion management, or in the event of submission of nominations capacity in excess of the network user's booked capacity.
- 2.2. ~~2.2~~ **Applicant** means a legal person who submits an application to the TSO to acquire the rights to use utilize the transmission system of the common balancing zone.

~~2.3 Biomethane means the biogas which has been upgraded with a view to meeting the quality specifications for gas injected to the transmission system.~~

- 2.3. ~~2.4~~ **Bundled capacity** means a firm capacity product offered on a firm basis which consists of corresponding entry and exit capacity at both sides of an interconnection point.
- 2.4. ~~2.5~~ **Business day** means any day from Monday to Friday that is not a public holiday in any of the countries in the common balancing zone, and working day transferred in accordance with the law of the respective country in the common balancing zone.
- 2.5. ~~2.6~~ **Capacity booking application** means a request which a network user submits to the TSO regarding the booking of capacity using the standard communication protocol.
- 2.6. ~~2.7~~ **Common balancing zone** means the common Estonian and Latvian balancing zone in which an imbalance position for each network user is determined and where this Regulation ~~apply~~applies.

~~2.7. 2.8 Common IT Platform means the IT platform for operational planning and information exchange with contracted parties within the Estonian-Latvian common balancing zone accessible at <https://platform.conexus.lv/>.~~

~~2.7-2.8.~~ **Connection agreement** means the agreement between the connected party and the TSO concerning the connected party's connection to the transmission system.

~~2.8-2.9.~~ **2.9 Counterparty** within the meaning of this Regulation means a natural or legal person making use of an adjacent gas transmission entry-exit system or ~~of,~~ gas storage facility or, LNG terminal facilities, supplying gas to the network user at

the entry ~~and~~ exit points of the transmission system, or the network user delivers gas to him.

~~2.9.2.10. 2.10~~ **Capacity booking** means the procedure of online booking of transmission capacity using the standard communication protocol.

~~2.11. 2.11~~ **Domestic consumption** is calculated by summing the gas injected to the exit point of the distribution system and the gas injected to the exit point of consumer directly connected to the transmission system.

~~2.10.2.12. 2.12~~ **Energy identification code** (hereinafter - the EIC) means the identification code assigned to market participants in accordance ~~of~~with the Energy Identification Coding scheme.

~~2.11.2.13. 2.12~~ **Entry capacity** means the available transmission system capacity at a given entry point.

~~2.12.2.14. 2.13~~ **Entry point** means a physical location or virtual point where gas is physically delivered or commercially injected into the transmission system or the distribution system connected to the transmission system, ~~and where the transmission of gas through the transmission system begin.~~

~~2.13.2.15. 2.14~~ **Exit capacity** means the available transmission system capacity at a given exit point.

~~2.14.2.16. 2.15~~ **Exit point** means a physical ~~point~~location where the gas transmission ends and gas is ~~supplied~~injected to the adjacent transmission system, distribution system or directly to the consumption site ~~directly~~that is connected to the transmission system. If the distribution system is connected to the transmission system in ~~several~~multiple points ~~of the transmission system, then,~~ all of these connection points ~~shall be~~are considered as a single exit point.

~~2.15.2.17. 2.16~~ **First-Come-First-Served principle** (hereinafter - FCFS principle) means the capacity allocation method when capacity is allocated primarily to the network users who have applied for capacity booking at the earliest.

~~2.16.2.18. 2.17~~ **Fixed delivery agreement** means type of gas sale - purchase agreement where gas is supplied in accordance to in advance arranged delivery schedule.

~~2.17.2.19. 2.18~~ **Flexible delivery agreement** means type of gas sale - purchase agreement that allows gas to be supplied in accordance with network user's demand with flexibility to adjust delivery schedule.

~~2.18.2.20. 2.19~~ **Gas month** means a period beginning on the first day, at 5:00 UTC of each calendar month and ending on the first day, at 5:00 UTC of the next calendar month from 4:00 to 4:00 UTC when daylight saving is applied.

~~2.19.2.21. 2.20~~ **Gas quarter** ~~-means~~ the period from 5:00 UTC on 1 January to 5:00 UTC on 1 April (Q2); the period from 5:00 UTC on 1 April to 5:00 UTC on 1 July (Q3); the period from 5:00 UTC on 1 July to 5:00 UTC on 1 October (Q4); the period from 5:00

UTC on 1 October to 5:00 UTC on 1 January (Q1) in the winter time, from 4:00 to 4:00 UTC when daylight saving is applied.

~~2.20-2.22.~~ **2.21 Gas year** means a period beginning on 1 October at 5:00 UTC of each year and ending on 1 October at 5:00 UTC of the following year in the winter time, from 4:00 to 4:00 UTC when daylight saving is applied.

~~2.21-2.23.~~ **2.22 Imbalance** means a situation where allocations into the transmission system by a network user differs from off-takes from the transmission system by that network user during the gas day.

~~2.22-2.24.~~ **2.23 Interruption** means limitation of network user's rights to use the transmission system, i.e. the limitation of the right to transmit gas by using booked firm or interruptible capacity.

~~2.23-2.25.~~ **2.24 Network user** ~~within the meaning of, as defined in~~ this Regulation, means a person who has concluded a transmission service agreement and uses the transmission system service in the common balancing zone.

~~2.24-2.26.~~ **2.25 Production** ~~within the meaning of, as defined in~~ this Regulation ~~means,~~ refers to the gas ~~that is~~ injected into a transmission system ~~by or a distribution system connected to the gas producer transmission system~~ from the production installation ~~that uses renewable energy sources or fossil energy sources facility.~~

~~2.25-2.27.~~ **2.26 Pro-rata** means the principle of allocation of capacity when the available transmission capacity is allocated in proportion to the capacity booked by the network ~~user~~users.

~~2.26-2.28.~~ **2.27 Re-nomination** means the subsequent reporting of a ~~changed~~corrected nomination.

~~2.27-2.29.~~ **2.28 Reporting period** means the time period of one month.

~~2.29 Standard communication protocol~~ means the format of information exchange between the TSO and the network user according to EDIG@S standard.

~~2.30 Standard information exchange user guide~~ means a document regarding details and principles of information exchange between network user and TSO available on the TSO website.

~~2.28-2.30.~~ **2.31 Third country** within the meaning of this Regulation ~~means~~refers to the Russian Federation.

~~2.29-2.31.~~ **2.32 Transit** ~~within the meaning of, as defined in~~ this Regulation, means the transportation (or transmission) of natural gas originating ~~in~~from a third country ~~to and designated for~~ a third country through the territory of the common balancing zone and other adjacent balancing zones.

~~2.30-2.32.~~ **2.33 Transmission service agreement** means the agreement concluded between the TSO and the network user, which entitles the network user to use the transmission systems of the common balancing zone and ensures the performance of the transmission service to the network user within the common balancing zone.

~~2.31-2.33.~~ **2.34 Long Term Use It Or Lose It** (hereinafter - UIOLI) means a procedure of reallocation of transmission system capacity systematically booked but not used in case of the request of other network users for the firm capacity.

3. ~~3 Procedure~~Conditions for the conclusion of transmission service agreement

3.1. ~~3.1 In order to receive a~~To obtain the right to use the transmission systems ~~in~~of the common balancing zone, the applicant ~~shall~~must submit ~~to the TSO, with whom the~~

~~balancing agreement has been concluded, an electronic~~ application for the conclusion of a transmission service agreement electronically and to the TSO with whom the balancing agreement has been concluded. The application shall be submitted in accordance with the provided application form ~~provided on, which can be found at~~ the TSO's website ~~of TSO~~. Along with the application, the applicant ~~shall~~ is required to provide the following data and documents:

- 3.1.1. ~~3.1.1~~ contact details of the representative(s) having the right authorized to assume obligations on behalf of the applicant (including full name, title, phone number, e-mail address), and documents proving the right of the representative(s)' right to act on behalf of the applicant;
- 3.1.2. ~~3.1.2 a proof of representation,~~ if the application is submitted by an authorised representative of the applicant, a proof of representation shall be provided;
- 3.1.3. ~~3.1.3~~ a document attesting demonstrating that the applicant has registered its commercial activity according in accordance with to the laws and regulations of the relevant country;
- 3.1.4. ~~3.1.4~~ a document attesting certifying that an insolvency procedure of the applicant has not been announced, for the applicant, that the economic activity of the applicant is not suspended, or and that the applicant is not liquidated, and undergoing liquidation. This document must be issued not later than one month prior to the day of submitting the application;

~~3.1.5 information about the applicant's credit rating granted by a commonly known credit or rating agency (not required if it is planned to provide a collateral pursuant to section 13 of this Regulation);~~

~~3.1.6 at the TSO's request the annual report for the previous three years (or the actual operation period, taking into account the time of founding or beginning of operation of the applicant on which the annual report is to be submitted) or an equivalent document proving the economic and financial situation of the applicant according to the laws and regulations of the relevant country.~~

- 3.2. ~~3.2~~ After the submission of the application ~~in case of, if there are any~~ changes in the data or documents of provided in the applicant application, the applicant ~~no longer than within three business days,~~ shall notify the TSO ~~thereof. of such changes within three (3) business days.~~
- 3.3. ~~3.3~~ The TSO shall evaluate the application referred to in sub-paragraph 3.1 of this Regulation, the and documents appended thereto provided within ten (10) business days from the date of receipt ~~thereof~~. The TSO may request the applicant to submit the missing documents and additional information if necessary.
- 3.4. ~~3.4~~ If the TSO ~~has requested the applicant to submit requests~~ additional information or documents, the applicant shall submit such them within ten (10) business days from the date of ~~dispatch of~~ the request. If the applicant ~~does not fails to~~ submit the requested additional information or documents within the deadline ~~specified in this section,~~ the applicant application shall be deemed to have considered withdrawn ~~its application~~.
- 3.5. ~~3.5~~ ~~If~~ Once the applicant has submitted to all the TSO all requested documents and additional information referred to mentioned in sub-paragraph subsections 3.1 and 3.2 of this the Regulation, the TSO shall, within five (5) business days ~~from the receipt of~~ receiving the documents and additional information, prepare the

transmission service agreement ~~and shall. The TSO will then~~ send it the agreement to the applicant electronically or in written by post for signing.

- 3.6. ~~3.6~~ The applicant ~~shall is required to~~ return ~~to the TSO a~~ signed transmission service agreement to the TSO electronically, or in two copies ~~in case of if~~ the ~~transmission service~~ agreement is signed in ~~a~~ written form, within ten (10) business days from the daydate of dispatch of the transmission service agreement. ~~If the applicant does not~~ Failure to return ~~to the TSO a~~ signed transmission service agreement to TSO within fifteen (15) business days from the daydate of dispatch ~~of the transmission service agreement,~~ will result the applicant shall be deemed being considered to have withdrawn ~~itstheir~~ application.

~~3.7~~ The TSO shall, Upon receiving the signed transmission service agreement, the TSO shall sign the agreement within three (3) business days from the day of receipt of the transmission service agreement, signed by the applicant, sign the transmission service agreement and send one copy thereof to the applicant.

- ~~3.7.~~ 3.8 The TSO shall notify the applicant of refusal to conclude the transmission service agreement within one business day after the review of the application by sending a notice to the electronic mail address indicated in the application. back to the applicant.

~~3.7.~~ 3.8. The TSO shall send a motivated written refusal to conclude the transmission service agreement electronically or by post to the address indicated in the application within the time period established under the laws of the country where the TSO has its registered office.

- 3.9. ~~4~~ When the network user signs the transmission service agreement, they agree to adhere the terms of use of the Common IT platform as published on the TSO's website.

- 3.10. Upon the conclusion and throughout the validity of the transmission service agreement, the network user is requested to provide appropriate collateral to ensure

the fulfilment of their obligations under the agreement in accordance with the Annex of this Regulation.

4. General conditions for access to the transmission services

- 4.1. Network user, which injects gas into or off-takes from the transmission system of the common balancing zone, must book corresponding entry or exit capacity at the entry or exit points for using transmission services.
- 4.2. Transmission services are accessible to network user:
 - 4.2.1. via website of Common IT Platform or;
 - 4.2.2. through direct connection to Common IT Platform via AS4 data exchange protocol in accordance with conditions for access.
- 4.3. The details and principles of information exchange between network user and TSO on the Common IT Platform is set in the information exchange guidelines, which can be found on the TSO's and Common IT Platform websites.
- 4.4. The format of information exchange between the TSO and the network user follows the EDIG@S standard.
- 4.5. Access to Common IT Platform is granted to network user who have concluded a transmission service agreement and have secured the fulfilment of their contractual obligations in accordance with Annex of the Regulation.
- 4.6. The capacity products are expressed and allocated in units of energy per unit of time - kWh/day.
- 4.7. In order to access capacity services at entry point where bundled capacity is offered, network user shall have valid agreement for the use of transmission services with the adjacent transmission system operator.
- 4.8. To access services of an entry point from Latvian production or an exit point of Latvian consumption, network user shall have respective producer physical point or consumer physical point attributed to network user's portfolio.
- 4.9. Entry point from Latvian production or exit point to Latvian domestic consumption of consumer directly connected to the transmission system can be assigned to a network user's portfolio at the beginning of a calendar month.
- 4.10. In order to connect an exit point to Latvian domestic consumption of consumer directly connected to the transmission system or entry point from Latvian production to the network user's portfolio, the network user shall confirm the delivery request from the directly connected consumer to the transmission system of the exit point to Latvian domestic consumption or producer of entry point from Latvian production at least ten (10) business days before the start of the month in which the network user intends to begin the injection of the gas from entry point from Latvian production, or to off-take the gas to the exit point to Latvian domestic consumption of consumer directly connected to the transmission system or .
- 4.11. The removal of an attribution of entry point from Latvian production or from an exit point to Latvian domestic consumption of consumer directly connected to the transmission system to the network user portfolio can be done by submitting cancelation statement by the network user, consumer, or producer at least ten (10) business days before the start of the month starting from which the network user, must stop the injection or off-take to entry point from Latvian production or from an

exit point to Latvian domestic consumption of consumer directly connected to the transmission system.

4.5. Capacity allocation

~~4.1.5.1.~~ ~~4.1 Capacity~~ The capacity allocation mechanism ~~laid down~~ specified in this Regulation ~~shall apply at~~ applies to all entry and exit points with exception on:

~~4.1.1.5.1.1.~~ ~~4.1.1~~ entry/exit point to Inčukalns underground gas storage facility, as governed by legal acts of Latvia applicable to the provision of third-party access services concerning storage facilities;

~~4.1.2.5.1.2.~~ ~~4.1.2~~ exit to Estonian Domestic consumption;

~~4.1.3.5.1.3.~~ ~~4.1.3~~ exit to Latvian Domestic consumption.

4.2 At the entry/exit point Balticconnector:

4.2.1 the capacity is allocated:

~~4.2.5.2.~~ ~~4.2.1.1~~ by implicit capacity allocation rules in accordance with sub-paragraph ~~4.6.2~~ of this Regulation;

~~4.2.1.2 by implicit capacity allocation rules by the TSO in accordance with under sub-paragraph 4.6.1 of this Regulation.~~

~~4.3.5.3.~~ ~~4.3~~ At entry/exit points with a third country:

~~4.3.1.5.3.1.~~ ~~4.3.1~~ entry capacity shall be allocated in accordance with sub-paragraph ~~4.5.9~~ of this Regulation;

~~4.3.2.5.3.2.~~ ~~4.3.2~~ exit capacity shall be allocated by FCFS principle in accordance with sub-paragraph ~~4.5.7~~ of this Regulation;

~~4.3.3.5.3.3.~~ ~~4.3.3~~ congestion management rules in accordance with section ~~5.6~~ of this Regulation apply;

~~4.3.4.5.3.4.~~ ~~4.3.4~~ if the capacity to be allocated exceeds the capacity booked by the network user, it shall be ~~deemed~~ considered that the network user has booked ~~day-ahead~~ the daily capacity product at the respective entry/exit point for capacity exceeding the booked capacity for the respective gas day.

~~4.4.5.4.~~ ~~4.4~~ At the entry/exit point Kiemenai (Lithuania-Latvia):

~~4.4.1.5.4.1.~~ ~~4.4.1~~ capacity is offered as bundled capacity and allocated as follows:

~~4.4.2.5.4.2.~~ ~~4.4.1.1~~ ~~by for daily and within day capacity products, the capacity is allocated based on~~ implicit capacity allocation rules in accordance with sub-paragraph ~~4.5.6.2~~ of this Regulation ~~for daily and within day capacity products;~~;

~~4.4.3.5.4.3.~~ ~~4.4.1.2~~ by FCFS principle in accordance with sub-paragraph ~~4.5.7~~ of this Regulation;

~~4.4.4.5.4.4.~~ ~~4.4.1.3~~ by pro-rata principle in accordance with sub-paragraph ~~4.5.8~~ of this Regulation;

~~4.4.5.5.4.5.~~ ~~4.4.2~~ congestion management rules in accordance with paragraph ~~5.6~~ of this Regulation apply.

~~4.4.6.5.4.6.~~ ~~4.4.3~~ if there is more available firm capacity on Latvian side of ~~an~~ the Kiemenai entry/exit point than on the Lithuanian side, and in accordance with the contract between the two TSOs, the Lithuanian TSO can offer a relevant interruptible capacity product. In such cases the TSO may offer ~~such~~ the

extra capacity ~~to the network users~~ as an unbundled product to network users, using the FCFS principle ~~infor~~ capacity allocation;

~~4.4.7.5.4.7.~~ ~~4.4.4~~-if all available capacity, excluding capacity intended for implicit capacity allocation, is already booked at the Kiemenai entry/exit point, the TSOs must offer interruptible capacity at least into network users. The amount of interruptible capacity offered should be at least equal to the booked, but capacity that is not nominated ~~capacity on a day-ahead~~, and this offering should be done on a daily and within-day basis.

~~4.5.5.5.~~ ~~4.5~~-At entry points from Estonian ~~and Latvian~~ production and at entry/~~exit to point from~~ LNG facility:

~~4.5.1-5.5.1.~~ ~~4.5.1~~the capacity is allocated ~~byusing the~~ FCFS principle in accordance with sub-paragraph ~~45.7~~ of this Regulation.:

~~5.5.2.~~ ~~4.6~~-when offering and allocating capacity to Estonian production entry points, as well as the LNG facility entry point, the impact of flows arising from announced Annual Services Schedules of regional LNG terminals (Inkoo LNG, Hamina LNG, Paldiski LNG and Klaipeda LNG) shall be considered, in the order that the Annual Service Schedules were published.

~~5.6.~~ At entry point from Latvian production capacity is allocated annually as standard yearly capacity product in amount of maximum capacity specified in issued technical regulations for specific entry production facility.

~~4.6.5.7.~~ Implicit capacity allocation rules

~~4.6.1-5.7.1.~~ ~~4.6.1 Network~~The network user shall be allocated capacity implicitly ~~be allocated with the capacity based~~ on the ~~basis of~~ confirmed quantity ~~which that~~ has ~~gone through~~undergone the TSO's processing of nominations and the matching process in accordance with section ~~78~~ of this Regulation.

~~4.6.2-5.7.2.~~ ~~4.6.2 Network~~The network user shall be allocated implicitly ~~be allocated with the capacity based~~ on the ~~basis of~~ trading activities conducted at the trading platform(s) using a daily quota to implicitly allocate the. The capacity allocation will be determined according to the trades concluded trades, as described in sub-paragraph ~~4.65.7.3~~ of this Regulation.

~~4.6.3-5.7.3.~~ ~~4.6.3~~-Implicit capacity allocation rules via trading platform

~~4.6.3.1-5.7.3.1.~~ ~~4.6.3.1~~The TSOs shall offered a part of the capacity via trading platform(s) that have signed entered into the ~~respective~~ implicit capacity allocation service agreement with the TSOs;

~~4.6.3.2-5.7.3.2.~~ ~~4.6.3.2~~-The implicit capacity allocation method shall be applicable to at least daily standard capacity product. ~~The TSO shall offer other capacity products if the TSO has received~~If the TSO receives a request ~~of the from a~~ network user to provide other capacity products, the TSO shall offer such capacity products. ~~Such capacity products shall be offered~~ in cooperation with the relevant service provider and within a reasonable implementation ~~time~~timeframe.

~~4.6.3.3~~-The ~~following information shall be published on~~ TSO's respective website:

~~4.6.3.4~~ shall published information regarding the trading platform(s) ~~offering that offer~~ implicit capacity allocation;

~~4.6.3.3-5.7.3.3.~~ ~~4.6.3.5~~ and the amount of capacity given available for trading at on those trading platform(s).

~~4.6.3.4-5.7.3.4.~~ ~~4.6.3.6~~ The amount of capacity given for implicit capacity allocation via trading platform(s) is determined based on historical data and ~~on~~ the principle of minimizing capacity shortage ~~either, whether~~ for implicit capacity allocation via trading platform or for implicit capacity allocation via confirmed quantity. ~~In case~~ if, on the previous day, all capacity given to trading platform(s) was fully allocated, the trading platform(s) may request amount of a five (5) percent increase in the given capacity ~~to be increased by five per cent. In case.~~ Conversely, if on the previous day, all capacity available for allocation by via confirmed quantity was allocated and all capacity given to trading platform(s) was fully allocated, the amount of capacity given for to the trading platform(s) is reduced by five per cent (5) percent.

~~4.6.3.5-5.7.3.5.~~ ~~4.6.3.7~~ The TSO shall treat treats all trading platforms offering implicit capacity allocation equally.

~~4.6.3.6-5.7.3.6.~~ ~~4.6.3.8~~ Amount The amount of capacity given to each respective trading platform for implicit capacity allocation is agreed determined through agreement between the TSO and the trading platform operator ~~and any.~~ Any change in the amount of capacity given is communicated viathrough the TSO's respective website at least three (3) days prior to the change.

~~4.6.3.7-5.7.3.7.~~ ~~4.6.3.9~~ The The trading platform is required to return the residual amount of capacity given for allocation shall be returned by trading platform by the agreed deadline agreed between the trading platform and the TSO. Capacity However, for capacity at the Kiemenai entry /exit Kiemenai point given for implicit capacity allocation for gas day D offered by TSOs via trading platform shall not be returned in any, no part shall be returned until the end of gas day D.

~~4.6.3.8-5.7.3.8.~~ ~~4.6.3.10~~ The TSO shall coordinate is responsible for coordinating all of the offered capacity values given to the trading platform for implicit capacity allocation by the, ensuring maximum utilization of the capacity amount, by the agreed deadline agreed between the trading platform and the TSO in order to maximize the capacity amount.

~~4.7.5.8.~~ ~~4.7~~ Capacity allocation using FCFS principle

~~4.7.1-5.8.1.~~ ~~4.7.1~~ Following standard Standard long-term and short-term capacity products for firm capacity and interruptible capacity (except ~~for~~ bundled capacity) can be offered by TSO at entry/exit points where capacity allocation using the FCFS principle is applied in accordance with this section:

~~5.8.2.~~ ~~4.7.1.1~~ the long-term capacity product-:

~~4.7.1.1-5.8.2.1.~~ ~~4.7.1.1~~ This refers to the yearly standard capacity product, which is the capacity offered in the same amount for all gas days of one gas year starting on 1 October, except Kiemenai entry/exit point;

~~4.7.2-5.8.3.~~ ~~4.7.1.2~~ the short-term capacity products:

~~4.7.2.1-5.8.3.1.~~ ~~4.7.1.3~~ quarterly standard capacity product: This capacity product is the capacity offered in the same amount for all gas days in within a particular specific quarter starting from. Quarter starts on 1 October, from 1 January, from 1 April or from 1 July, respectively, except Kiemenai entry/exit point;

~~4.7.2.2-5.8.3.2.~~ ~~4.7.1.4~~ monthly standard capacity product: This capacity product is the capacity offered in the same amount for all gas days in within

a calendar month, starting ~~on~~from the first day of each month, except Kiemenai entry/exit point;

~~4.7.2.3-5.8.3.3.~~ ~~4.7.1.5~~ daily standard capacity product: This capacity product is the capacity offered on day-ahead/daily basis in the same amount for a whole/the entire gas day;

~~4.7.2.4-5.8.3.4.~~ ~~4.7.1.6~~ within-day standard capacity product: This capacity product is the capacity offered in the same amount from a specific start time within a particular gas day until the end of the same gas day.

~~4.7.2 The capacity products shall be expressed and allocated in units of energy per unit of time – kWh/day.~~

~~4.7.3 Network users, which deliver gas to or from the transmission system of the common balancing zone, must book corresponding entry or exit capacity at the entry or exit points.~~

~~4.7.3-5.8.4.~~ ~~4.7.4~~ Long-term capacity product allocation using FCFS principle:

~~4.7.3.1-5.8.4.1.~~ ~~4.7.4.1~~ The network user shall submit the capacity booking application for a long-term standard capacity product three (3) months before the beginning of the gas year ~~until~~. The application must be submitted by 13:00 UTC (or 12:00 UTC if daylight saving is applicable) on the day before respective gas year, in conformity/accordance with the standard information exchange user guides sub-paragraph 4.2 of this Regulation.

~~4.7.3.2-5.8.4.2.~~ ~~4.7.4.2~~ After/Upon receiving the capacity booking application, the TSO ~~shall is obliged to~~ notify the network user ~~of receiving within one hour to acknowledge the receipt of the~~ capacity booking request ~~in one hour and the status of received request in conformity with the standard communications protocol.~~ in accordance with sub-paragraph 4.2 of this Regulation.

~~4.7.3.3-5.8.4.3.~~ ~~4.7.4.3~~ The TSO shall, ~~not inform the network user of the allocated firm capacity no later than by the next working day which follows the day of after the deadline for submission of the capacity booking application at.~~ This notification should be sent by 12:30 UTC (or 11:30 UTC if daylight saving is applicable), inform) to the network user of the allocated firm capacity in conformity/accordance with the standard communications protocol. sub-paragraph 4.2 of this Regulation.

~~4.7.3.4-5.8.4.4.~~ ~~4.7.4.4~~ If the requested firm capacity ~~requested by network user~~ exceeds the available capacity and the network user has not indicated the minimum acceptable quantity, the TSO shall reject the capacity booking application and immediately notify the network user in conformity/accordance with sub-paragraph 4.2 of this Regulation. ~~If the standard communications protocol.~~ If minimum acceptable quantity indicated by network user is higher than available capacity, TSO shall reject the capacity booking application and immediately notify the network user in conformity with the standard communications protocol. accordance with sub-paragraph 4.2 of this Regulation. If minimum acceptable quantity indicated by the network user is less or equal to available capacity, TSO shall allocate the available capacity.

~~4.7.3.5-5.8.4.5.~~ ~~4.7.4.5~~ The TSO shall make the capacity allocated available ~~for to the~~ network user not later ~~that than~~ on the next calendar day.

~~4.7.3.6-5.8.4.6.~~ ~~4.7.4.6~~ When notifying the network user ~~of about~~ the long-term capacity allocated at a given/specific entry and exit point, the TSOs shall

publish the total capacity allocated in ~~line with standard information exchange user guide provided to the network users in~~ a transparent and effective manner.

~~4.7.4.5.8.5.~~ ~~4.7.5~~ Short-term capacity product allocation using FCFS principle:

~~4.7.4.1.5.8.5.1.~~ ~~4.7.5.1~~ The network user shall submit short-term capacity booking applications within the following periods:

- a. ~~a)~~ for the quarterly standard capacity product, the application shall be submitted starting two (2) gas months before the gas year, including the respective gas quarter, until 13:00 UTC on the gas day before the beginning of the respective gas quarter;
- b. ~~b)~~ for the monthly standard capacity product, the application shall be submitted starting twenty (20) gas days before the gas quarter, including the gas month, until 13:00 UTC on a gas day before the beginning of the respective gas month;
- c. ~~c)~~ for the ~~day-ahead~~daily standard capacity product, the application shall be submitted starting fourteen (14) gas days before the gas month, including the respective gas day, until 13:00 UTC on gas day D-1;
- d. ~~d)~~ for the within-day standard capacity product, the application shall be submitted not earlier than the confirmation deadline of nomination at 15:00 UTC (or 14:00 UTC if daylight saving is applicable) on gas day D-1 and not later than three hours before the end of gas day;
- e. ~~e)~~ for the daily interruptible capacity product, the application shall be submitted starting from 7:00 UTC (or 8:00 UTC if daylight is applicable) on gas day D-1 until 13:00 UTC on gas day D-1;
- f. ~~f)~~ within-day interruptible capacity product, the application shall be submitted starting from 15:00 UTC (or 14:00 UTC if daylight is applicable) on gas day D-1 until three(3) hours before the end of gas day.

~~4.7.4.2.5.8.5.2.~~ ~~4.7.5.2~~ The TSO shall notify the network user of Upon receiving the capacity booking request, the TSO shall notify the network user of the receipt of the request and provide the status of receiving the received capacity booking request inwithin one hour, in conformityaccordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation.

~~4.7.4.3.5.8.5.3.~~ ~~4.7.5.3~~ If the firm capacity requested by network user exceeds the available capacity and the network user has not indicated the minimum acceptable quantity, the TSO shall reject the capacity booking application and immediately notify the network user in conformityaccordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation. If minimum acceptable quantity indicated by network user is higher than the available capacity, the TSO shall reject the capacity booking application and immediately notify the network user in conformityaccordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation. If minimum acceptable quantity indicated by the network user is less or equal to the available capacity, the TSO shall allocate the available capacity.

~~4.7.4.4.5.8.5.4.~~ ~~4.7.5.4~~ The TSO shall make the capacity allocated available forto the network user not later ~~that on~~than the next calendar day.

~~4.7.4.5.5.8.5.5.~~ ~~4.7.5.5~~ When notifying the network user of the allocated short-term capacity ~~allocated~~ at a givenspecific entry and exit point, the TSOs shall publish the total capacity allocated in ~~line with standard information~~

~~exchange user guide provided to the network users in~~ a transparent and effective manner.

~~4.7.5.5.8.6.~~ ~~4.7.6~~ Special conditions for interruptible capacity

~~4.7.5.1.5.8.6.1.~~ ~~4.7.6.1~~ The TSO shall be entitled to offer interruptible capacity at the entry and exit points of the common balancing zone ~~entry and exit points~~ with a term~~duration~~ of more than one day if the corresponding firm monthly, quarterly or yearly capacity products ~~for firm capacity~~ have been sold out or have not been offered. The TSO ~~shall be~~ entitled to offer interruptible day-ahead~~daily~~ capacity at entry or exit points if the firm capacity for the following gas day has been sold out or has not been offered.

~~4.7.5.2.5.8.6.2.~~ ~~4.7.6.2~~ The TSO shall publish information about interruptible capacity in line~~accordance~~ with ~~standard information exchange user guide~~sub-paragraph 4.2 of this Regulation.

~~4.7.5.3.5.8.6.3.~~ ~~4.7.6.3~~ If the TSO ~~finds~~deems it necessary to interrupt the provision of interruptible capacity ~~products~~ to the network users in order to the extent required for~~accommodate~~ the provision of firm capacity, ~~it shall do so~~the interruption will be implemented by first interrupting the capacity for the network users who were the last to book interruptible capacity.

~~4.7.5.4.5.8.6.4.~~ ~~4.7.6.4~~ The TSO shall notify network user of the capacity interruption ~~offer~~ the allocated interruptible capacity at least 90 minutes in advance in the matching timeframe. This notification is done by providing ~~the an~~ interruption notice to the network user in conformity~~accordance~~ with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation.

~~4.7.5.5.5.8.6.5.~~ ~~4.7.6.5~~ The TSO ~~shall have a~~has the right to ~~amend~~modify the gas quantity requested under a nomination or re-nomination for interruptible capacity in order to manage contractual congestion.

~~4.7.5.6.5.8.6.6.~~ ~~4.7.6.6~~ In the case of capacity restrictions at the Kiemenai entry/exit point, capacity shall be restricted proportionally among network users in ~~the following~~specific order: first, interruptible capacity of the shortest period; ~~then followed by~~ interruptible capacity of a longer period; ~~and finally, if~~ If the capacity demand still exceeds the supply, firm capacity of a shorter period will be restricted, and if necessary, firm capacity of a longer period.

~~4.8.5.9.~~ ~~4.8~~ Capacity allocation using pro-rata principle

~~4.8.1~~ The TSO shall offer standard capacity products ~~referred to sub-paragraph 4.7.1.1, 4.7.1.3 and 4.7.1.4 of this Regulation~~ for firm capacity at entry/exit points where ~~capacity allocation using the pro-rata principle is applied in accordance with this section.~~

~~5.9.1.~~ ~~4.8.~~, referred to sub-paragraph 5.7.2–1, 5.7.3.1 and 5.7.3.2 of this Regulation.

~~4.8.1.5.9.2.~~ The network user shall submit capacity booking applications in ~~conformity with the standard information exchange user guide~~accordance with sub-paragraph 4.2 of this Regulation. within ~~the following~~specific periods as outlined below:

~~4.8.1.1.5.9.2.1.~~ ~~4.8.2.1~~ for the yearly bundled capacity standard product, the application should be submitted starting 26 gas days before beginning of

the gas year until 23 gas days before the beginning of the gas year ~~in conformity with the standard information exchange user guide~~;

~~4.8.1.2-5.9.2.2.~~ 4.8.2.2 for the quarterly bundled capacity standard products, there are different submission periods based on the gas quarters in the respective gas year:

- a. ~~4.8.2.2.1~~ starting 19 gas days before the gas year including the respective gas quarter until 16 gas days before the gas year for all gas quarters in the respective gas year;
- b. ~~4.8.2.2.2~~ starting 45 gas days before the second gas quarter until 35 gas days day before the second gas quarter for the remaining gas quarters in the respective gas year;
- c. ~~4.8.2.2.3~~ starting 45 gas days before the third gas quarter until 35 gas days day before the third gas quarter for the remaining gas quarters in the respective gas year;
- d. ~~4.8.2.2.4~~ starting 45 gas days before the fourth gas quarter until 35 gas days day before the fourth gas quarter for the fourth gas quarter in the respective gas year.

~~4.8.1.3-5.9.2.3.~~ 4.8.2.3 for the monthly bundled capacity standard product, there are specific submission periods based on the gas quarters and months in the respective gas year:

- a. ~~4.8.2.3.1~~ starting 12 gas days before the gas year until 5 gas days before the beginning of the first gas quarter for the gas months in the first gas quarter of the respective gas year;
- b. ~~4.8.2.3.2~~ starting 30 gas days before the gas quarter including the gas month until 20 gas days before the beginning of the respective gas quarter for the gas months in the second, third and fourth gas quarter of the respective gas year;
- c. ~~4.8.2.3.3~~ starting 30 gas days before the second gas month of the gas quarter including the gas month until 20 gas days before the second gas month of the respective gas quarter;
- d. ~~4.8.2.3.4~~ starting 30 gas days before the third gas month of the gas quarter including the gas month until 20 gas days before the third gas month of the respective gas quarter.

~~4.8.3 The capacity products shall be expressed and allocated in units of energy per unit of time—kWh/day.~~

~~4.8.4 Network users, which deliver gas to or from the transmission system of the common balancing zone, must book corresponding entry or exit capacity at the entry or exit points.~~

~~4.8.2-5.9.3.~~ 4.8.5 After receiving the capacity booking application, the TSO shall notify the network user of receiving the capacity booking request inwithin one hour and the status of received request in conformityaccordance with the standard communications protocols sub-paragraph 4.2 of this Regulation.

~~4.8.3-5.9.4.~~ 4.8.6 ~~TSO shall~~ TSO shall notify the network user of receiving the capacity booking request not later than by the next working day which follows the deadline of the submission of the capacity booking application at 12:30 UTC (or 11:30 UTC if daylight saving is applicable), informand provide the network userstatus of the allocated firm capacity and make the capacity

~~available for network user received request~~ in ~~conformity~~ accordance with ~~the standard communications protocols~~ sub-paragraph 4.2 of this Regulation.

~~4.8.4.5.9.5.~~ ~~4.8.7~~ The capacity allocation using the pro-rata principle shall be carried out by assessing the last capacity booking application submitted by the network user before the deadline for the submission of the capacity booking application for the relevant capacity product.

~~4.8.5.5.9.6.~~ ~~4.8.8~~ ~~Network~~ A network user can submit capacity booking application ~~in the amount of available capacity~~ for the available capacity of the respective capacity product. If the capacity requested by the network user ~~in capacity booking application~~ exceeds the available capacity of the respective capacity product, the capacity requested by the network user is considered equal to the available capacity.

~~4.8.6.5.9.7.~~ ~~4.8.9~~ If the capacity requested by network users' capacity booking applications for the respective capacity product does not exceed the available capacity, all requested capacity is allocated to network users according to their capacity booking applications.

~~4.8.7.5.9.8.~~ ~~4.8.10~~ If the capacity requested by network users' capacity booking applications for the respective capacity product exceeds the available capacity, capacity for each network user is allocated using the pro-rata principle.

~~4.9.5.10.~~ ~~4.9~~ Entry capacity allocation for the transit

~~4.9.1.5.10.1.~~ ~~4.9.1~~ The TSO shall allocate entry capacity for the transit as ~~a day-ahead~~ daily capacity product in accordance with the transit notification submitted by the ~~TSO of the~~ third country TSO, provided that the corresponding exit capacity of the common balancing zone is booked by the network user requesting transit.

~~4.9.2.5.10.2.~~ ~~4.9.2~~ The third country TSO shall submit a transit notification to the TSO in writing, confirmed by the network user requesting transit, at least two (2) weeks before the actual commencement of the transit. The transit notification shall include the following information:

~~4.9.2.1.5.10.2.1.~~ ~~4.9.2.1~~ transit entry point;

~~4.9.2.2.5.10.2.2.~~ ~~4.9.2.2~~ transit exit point;

~~4.9.2.3.5.10.2.3.~~ ~~4.9.2.3~~ time period ~~when~~ during which the transit must be provided;

~~4.9.2.4.5.10.2.4.~~ ~~4.9.2.4~~ required transit capacity per day within the time period when transit must be provided (kWh/day);

~~4.9.2.5.5.10.2.5.~~ ~~4.9.2.5~~ the EIC code of the network user requesting transit.

~~4.9.3.5.10.3.~~ ~~4.9.3~~ The TSO shall, not later than three (3) working days after the submission of the transit notification, inform the network user of the allocated firm capacity and make the capacity available for the network user in

~~conformity~~accordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation.

~~4.9.4.5.10.4. 4.9.4~~ Transit exit allocations can be ~~altered~~modified by ~~the~~ TSO in case of mismatch ~~of~~between transit entry allocations ~~with~~and exit nominations.

~~4.9.5.5.10.5. 4.9.5~~ The capacity allocation request for transit can be rejected, in order to minimize impact ~~to~~on other network users and ~~facilitate~~ensure the security of supply.

~~5.6.5~~ Management of contractual congestion

~~5.1.6.1. 5.1~~ TSO shall apply measures ~~offer~~managing contractual congestion ~~management~~ at all ~~the~~ relevant entry and exit points where capacity booking is applied under this Regulation.

~~5.2.6.2. 5.2~~ In order to ~~use~~optimize the utilization of firm capacity ~~efficiently and to facilitate conditions for and enable~~ network users to book only ~~the~~ necessary capacity, ~~when the demand for capacity exceeds the offer,~~ the TSO shall ~~perform~~implement congestion management measures ~~of congestion management~~. TSO shall perform congestion management using the following measures:

~~5.2.1.6.2.1. 5.2.1~~ surrender of contracted capacity;

~~5.2.2.6.2.2. 5.2.2~~ long-term UIOLI mechanism;

~~5.2.3.6.2.3. 5.2.3~~ over-subscription and buy-back scheme.

~~5.3.6.3. 5.3~~ Surrender of contracted capacity

~~5.3.1.6.3.1. 5.3.1~~ The network user may submit ~~a~~ capacity surrender application for the ~~booked~~ firm capacity ~~that has been booked. This application must be submitted~~ to the TSO after the capacity allocation is confirmed but not later than 08:00 UTC (or 07:00 UTC if daylight saving is applicable) on gas day D-1.

~~5.3.2.6.3.2. 5.3.1.1. Interruptible~~ ~~The interruptible~~ capacity cannot be surrendered.

~~5.3.3.6.3.3. 5.3.2 Capacity~~ A ~~capacity~~ surrender request is considered as a surrender ~~for the~~either part or the ~~whole~~entire duration of the booked capacity. This means that ~~partial surrender of a capacity product period in the surrendered amount, meaning is~~ also ~~partial product period surrendering~~ is possible.

~~5.3.4.6.3.4. 5.3.3~~ The TSO shall accept ~~the~~ surrender of firm capacity ~~that has been booked by the network user which is longer than day-ahead capacity products (monthly, quarterly, yearly). TSO shall accept the~~. This acceptance ~~applies to all~~ firm capacity ~~surrender also for daily products, except within-day capacity products, provided the capacity is contracted as bundled capacity. The surrendered capacity from the network user portfolio is then re-allocated in order of capacity product length, starting with shorter capacity products and progressing to longer capacity products~~.

~~5.3.5.6.3.5. 5.3.4~~ The TSO shall ~~reallocate~~re-allocate a part, or all of the capacity offered only in case there is a contractual congestion on relevant entry or exit point.

~~5.3.6.6.3.6. 5.3.5~~ The TSO, having received the network user's capacity surrender application ~~regarding the booked firm capacity in case there is a contractual congestion on entry or exit point,~~ shall publish information on the quantity of ~~available~~ capacity ~~and in the relevant~~ the entry or exit point ~~where capacity is~~

~~surrendered in line with standard information exchange user guide on the Common IT Platform.~~

~~5.3.7.6.3.7. 5.3.6~~ The TSO shall ~~re-allocate~~ the surrendered capacity if other network user wishes to book the firm capacity at the specific entry or exit point. The surrendered capacity shall be ~~re-allocated~~ after the available capacity determined before the surrender of capacity has been allocated ~~in conformity with the standard communications protocol.~~

~~5.3.8.6.3.8. 5.3.7~~ In case TSO ~~receiver~~~~receives~~ surrender application from several network users, the TSO should ~~reallocate~~~~re-allocate~~ the surrendered capacity to the extent there is demand for it, in the order of receipt of capacity surrender applications.

~~5.3.9.6.3.9. 5.3.8~~ The TSO shall notify the network user who surrendered ~~the~~ capacity ~~of on~~ the reallocation of the surrendered capacity ~~to another network user pursuant to the allocation in conformity in accordance with the standard communications protocol~~ ~~sub-paragraph 4.2 of this Regulation.~~

~~5.3.10.6.3.10. 5.3.9~~ The rights and obligations arising from the transmission service agreement shall be ~~reserved~~~~retained~~ by the network user until ~~such time~~ and ~~to the extent that~~ any part of the capacity surrendered ~~by it~~ is reallocated ~~again~~ by TSO.

~~5.3.11.6.3.11. 5.3.9.1~~ If the TSO ~~reallocated~~~~re-allocated~~ the ~~capacity~~ surrendered capacity in part or in full, the network user receiving the surrendered capacity shall ~~be liable to~~ pay ~~for~~ the ~~amount of~~ reallocated surrendered capacity ~~based on the basis of applicable~~ capacity product tariff ~~applicable~~ at the time of capacity product booking by the network user surrendering the capacity ~~and. The payment obligation shall~~ only ~~apply~~ to the extent of ~~the~~ surrendered capacity, starting from the shortest period capacity product.

~~5.3.11.1.6.3.11.1. 5.3.9.2~~ In case ~~Upon re-allocation of the~~ surrendered capacity ~~is re-allocated~~, the network user surrendering the capacity shall be released from the payment obligation for the amount of ~~the~~ reallocated surrendered capacity, starting from the shortest period capacity product.

~~5.3.11.2.6.3.11.2. 5.3.10~~ The TSO shall ~~re-allocate~~ the surrendered capacity as ~~the available capacity pursuant to, following~~ the capacity allocation principles ~~laid out~~~~outlined~~ in Section ~~45~~ of this Regulation. ~~In addition, Additionally, the~~ network user shall refrain from ~~taking~~ any action ~~hindering that hinder the remarketing of the~~ capacity ~~re-marketing.~~

~~5.4.6.4. 5.4~~ Long-Term UIOLI mechanism

~~5.4.1.6.4.1. 5.4.1~~ The TSO ~~has~~~~reserves~~ the right to enforce the transfer of yearly booked capacity on a UIOLI basis, if at least one of the following circumstances applies:

~~5.4.1.1.6.4.1.1. 5.4.1.1.~~ the network user ~~uses~~~~consistently utilizes~~ less than 80% ~~on average~~ of its contracted capacity, ~~on average, during both the periods~~ from 1 April until 30 September and from 1 October until 31 March ~~with an, provided that the~~ effective agreement duration ~~of is~~ more than one year ~~and has failed. Furthermore, if the network user fails~~ to provide proper justification to ~~the~~ TSO; ~~for this underutilization.~~

~~5.4.1.2.6.4.1.2. 5.4.1.2.~~ the network user ~~at a given entry or exit point~~ systematically nominates ~~more than and/or decreases its re-nomination below the~~ 80% of the booked capacity product ~~and re-nominates it downwards below 80%.at a specific entry or exit point~~

~~5.4.2.6.4.2. 5.4.2~~ If the TSO ~~finds~~~~determines~~ that the circumstances ~~laid down~~~~specified~~ in sub-paragraph ~~56.4.1~~ of this Regulation ~~apply~~~~are~~ applicable, the TSO shall notify the ~~relevant~~~~respective~~ network user about

the ~~underutilisation-underutilised capacity~~ in conformity with the standard communications protocol accordance with sub-paragraph 4.2 of this Regulation.

~~5.4.3-6.4.3.~~ ~~5.4.3~~ ~~Relevant network user after~~ Upon receiving the notification from the TSO about regarding the underutilisation, the relevant network user shall, within ten (10) calendar days, either sell the underutilised capacity on the secondary market or surrender the capacity back to the TSO.

~~5.4.4-6.4.4.~~ ~~5.4.4~~ The network user shall retain its rights and obligations under the transmission service agreement until the capacity is reallocated by the TSO. Furthermore, these rights and obligations shall apply to the extent the capacity is has not been reallocated by the TSO.

~~5.4.5-6.4.5.~~ ~~5.4.5~~ In the case of event that a network user has not conformed fails to comply with the provisions stated in sub-paragraph 5.4.3 of this Regulation, the network user loses the right to utilize the unused part of the booked capacity.

~~5.5-6.5.~~ ~~5.5~~ Oversubscription and buy-back scheme

~~5.5.1-6.5.1.~~ ~~5.5.1~~ Having received Upon receiving a network user's capacity booking application, and in cases of contractual congestion, the TSO having assessed shall assess the statistical data of booked and used capacity at a certain specific entry or exit point during the previous period, and having established. If it is determined that not all technical capacity at that point are has been historically exploited, and having regard to the utilized, taking into account various possible scenarios of the unused amount of capacity at a given point during the specific period, the TSO shall offer to the market additional capacity to the market, i.e. capacity exceeding technical capacity.

~~5.5.2-6.5.2.~~ ~~5.5.2~~ By When offering additional capacity, the TSO shall take into account the associated potential risks and the likelihood of repurchase of capacity in the market.

~~5.5.3-6.5.3.~~ ~~5.5.3~~ The network user shall is requested to submit to TSO additional capacity booking application for gas day D no later than by 08:00 UTC (or 07:00 UTC if daylight saving is applicable) on gas day D-1. The TSO shall calculate the additional capacity no later than by 10:00 UTC (or 09:00 UTC if daylight saving is applicable) on gas day D-1 and. The TSO will inform network users about the availability of additional capacity in line with standard information exchange user guide via the Common IT Platform. If the gas day D-1 is falls on an official holiday or a weekend day, the network user shall must submit an the additional capacity booking application, and the on the last working day preceding gas day D-1. The TSO shall calculate the additional capacity and inform network users thereof on the last working day preceding gas day D-1 accordingly.

~~5.5.4-6.5.4.~~ ~~5.5.4~~ In a situation where the event that all network users wish intend to use utilize 100% of the capacity they have booked, and the TSO is unable to meet accommodate the needs demands of the network users, the TSO shall apply initiate the capacity buy-back procedure, aiming to repurchase the amount of excess capacity booked exceeding that has been booked beyond the available technical capacity from the network users in the secondary market.

~~5.5.5-6.5.5.~~ ~~5.5.5~~ The TSO shall inform is obliged to notify the network users about the quantity and price of buy-back capacity to that will be redeemed for a capacity product. This notification must be provided no later than by 10:00 UTC (or 09:00 UTC if daylight saving is applicable) on gas day D, in

~~line~~accordance with ~~standard information exchange user guides~~sub-paragraph 4.2 of this Regulation.

~~5.5.6-6.5.6.~~ ~~5.5.6-~~The price of ~~the~~ buy-back of capacity ~~may~~must not ~~be higher than~~exceed the price set for the within-day capacity ~~for on the~~ gas day when buy-back procedure is applied, multiplied by coefficient 3.

~~5.5.7-6.5.7.~~ ~~5.5.7-~~Network users, who have booked firm capacity products for the gas day for which the buy-back procedure is applied, may offer capacity to TSO for the capacity buy-back procedure.

~~5.5.8-6.5.8.~~ ~~5.5.8-~~Network ~~A network~~ user ~~taking part~~participating in ~~the~~ capacity buy-back procedure ~~shall~~must submit ~~its~~their offer to sell back capacity to ~~the~~ TSO no later than ~~by~~ 12:00 UTC (or 11:00 UTC if daylight saving is applicable) on gas day D in ~~conformity~~accordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation. When submitting ~~an~~the offer ~~to sell back capacity,~~ the network user ~~shall indicate~~is requested to specify the quantity and ~~the~~ price of ~~the~~ capacity ~~being~~ offered for buy-back.

~~5.5.9-6.5.9.~~ ~~5.5.9-~~The TSO shall have the right to uphold the offer for capacity buy-back submitted by the network user, ~~either~~ in full or in part.

~~5.5.10-6.5.10.~~ ~~5.5.10-~~The TSO ~~shall~~implementing the buy-back of capacity ~~pursuant to~~based on the principle of the lowest price, i.e. ~~the TSO will~~ first ~~buying back~~ ~~repurchase the~~ capacity with the lowest price offered ~~by the network users.~~

~~5.5.11-6.5.11.~~ ~~5.5.11-~~The TSO ~~shall~~ ~~inform~~is requested to notify the network user ~~about~~of its ~~decision to~~ consent to ~~the~~ buy-back of capacity and ~~provide information about~~ the buy-back amount no later than ~~by~~ 14:00 UTC (or 13:00 UTC if daylight saving is applicable) of gas day D in ~~conformity~~accordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation.

~~5.5.12-6.5.12.~~ ~~5.5.12-~~Having ~~received~~Upon receiving the information from the TSO ~~information about regarding the~~ capacity to be bought back, the network user ~~shall~~is required to submit ~~the~~ (re)nomination, ~~reducing. This (re)nomination should reflect a reduction in the~~ gas volume to be transported by ~~the~~an amount ~~of~~equivalent to the capacity ~~that has been~~ sold back.

~~5.5.13-6.5.13.~~ ~~5.5.13-~~If ~~TSO,~~ after the capacity buy-back procedure ~~cannot,~~ ~~the TSO in unable to~~ fulfil all ~~the approved~~ nominations ~~approved~~ for gas day D, the TSO shall restrict application of firm standard capacity products. ~~The~~The restriction will be applied in the following order: first the application of the shortest standard capacity products ~~(starting with within-day capacity) shall,~~ ~~will~~ be restricted ~~first. The application of. Then, for~~ firm standard capacity products of the same duration ~~shall be restricted in proportion, the restriction will be proportionate~~ to the amount of nomination submitted for ~~gas~~ day D.

6.7.6 Secondary capacity trading

~~6.1.7.1.~~ ~~6.1-~~A network user who has booked ~~the~~ firm capacity products may ~~bilaterally~~ agree with another network user ~~and to~~ transfer ~~the~~ right to use the firm capacity product ~~or part of it. Secondary either in its entirety or a portion thereof. The secondary capacity trading shall be restricted is limited to the~~ transfer of rights to use capacity ~~of an at a specific~~ entry/exit point for a specific time period. ~~Obligations arising from the. The transfer of the capacity product does not include the transfer of any obligations associated with the~~ booked capacity product, ~~including, but not limited to,~~ ~~such as the obligation to~~ ~~pay~~make payment to the TSO for the booked capacity ~~product.~~ ~~These obligations shall not be transferred and shall~~

~~maintain~~remain with the network user intending to transfer the booked capacity product. ~~A network user by~~By transferring right to use the capacity product or any part of it, the network user loses ~~its~~the right to surrender the transferred capacity.

~~7.2. 6.2~~For the purposes of congestion management, capacity obtained through secondary capacity trading is treated as daily capacity product. When allocated capacity that has been transferred through secondary capacity trading, it is allocated from the transferring network user's portfolio, starting with shorter duration capacity products and then progressing to longer duration capacity products.

~~6.2-7.3.~~ Network users are ~~not allowed to create~~prohibited from creating financial instruments in ~~connection with~~relation to capacity products that are sold on the secondary market.

~~6.3 The network users agree on a capacity transfer and its conditions in advance bilaterally.~~

~~6.3-7.4.~~ ~~6.4~~The network user who transfers a booked capacity product and the network user who acquires such capacity product shall notify the TSO of the transferred capacity ~~in accordance with~~via the ~~standard communications protocol~~Common IT Platform. The notification should be submitted to the TSO no later than 09:00 UTC (or 08:00 UTC if daylight saving is applicable) on a gas day D-1 by ~~submitting to the TSO~~and should include the following information:

~~6.3-1-7.4.1.~~ ~~6.4.1~~the entry or exit point;

~~6.3-2-7.4.2.~~ ~~6.4.2~~type of capacity product, as specified in ~~conformity with~~sub-paragraph ~~4.8-15.7.2 and 5.7.3~~ of this Regulation;

~~6.3-3-7.4.3.~~ ~~6.4.3~~the quantity of the transferred capacity product (kWh/d);

~~6.3-4-7.4.4.~~ ~~6.4.4~~the start and end date of the period of use ~~offer~~ the transferred capacity product;

~~6.3-5-7.4.5.~~ ~~6.4.5~~the identification of both parties involved.

~~6.4-7.5.~~ ~~6.5~~The TSO shall confirm ~~at~~the transfer of a booked capacity product within one hour ~~after~~of receiving the information from both ~~parties involved in the transaction~~ parties in ~~conformity~~accordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation.

~~6.5-7.6.~~ ~~6.6~~With the TSO's confirmation of the transfer, the network user ~~has~~who acquired the capacity product has obtained the right to use the transferred capacity product.

~~6.6-7.7.~~ ~~6.7~~The TSO may refuse to confirm a transfer of a booked capacity product if:

~~6.6-1-7.7.1.~~ ~~6.7.1~~information about the transfer of the capacity product is received ~~from~~ only ~~from~~one network user (one transaction party);

~~6.6-2-7.7.2.~~ ~~6.7.2~~the information submitted by the network users does not match or is incomplete;

~~6.6-3-7.7.3.~~ ~~6.7.3~~the quantity of the capacity product to be transferred by the network user exceeds the unused capacity of the network user transferring the capacity product.

~~6.7-7.8.~~ ~~6.8~~NetworkThe network user shall have the right to change the concluded and confirmed secondary capacity trade in the secondary capacity market by providing ~~update of the~~ an updated transfer advice document to the TSO in

~~conformity~~accordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation.

~~6.8-7.9.~~ 6.9 In order to cancel ~~the~~ TSO-confirmed transactions, the network user shall inform the TSO no later than 10:00 UTC (or 09:00 if daylight saving is applicable) on gas day D-1.

~~6.9-7.10.~~ 6.10 The transaction shall be deemed changed only if both network users who have previously reported on the conclusion of the transaction have informed the TSO about the update of transfer of the capacity rights. If information about the transaction change is received only from one network user, the transaction shall be deemed not changed, and the TSO shall immediately inform the counterparties thereof in ~~conformity with the standard communications protocol~~accordance with sub-paragraph 4.2 of this Regulation.

~~6.10-7.11.~~ 6.11 The network user shall transfer bundled capacity to ~~other~~another network user only as bundled capacity.

7.8.7 Nomination and re-nomination

~~7.1-8.1.~~ 7.1 Network ~~The network~~ user wishing to ~~input~~inject or off-take a specific quantity of gas ~~from the transmission system~~ at entry or exit points shall submit a nomination or re-nomination to the TSO in ~~conformity~~accordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation under the following conditions:

~~7.1.1-8.1.1.~~ 7.1.1 for entry and exit points referred to in sub-paragraph ~~45~~5.1 of this Regulation, ~~the~~ nomination submitted by ~~the~~ network user for gas volume wished to ~~input~~be injected into the system are not required to match ~~the~~ nominations for ~~the~~ gas volume to be off-taken from the system, and vice versa, as gas can be purchased and ~~sold inside the common balancing zone~~exchanged at the virtual trading point of the common balancing zone;

~~7.1.2-8.1.2.~~ 7.1.2 for entry from Inčukalns underground gas storage and exit to Inčukalns underground gas storage, nomination and ~~re~~nominations shall also be in conformity with prevailing legal acts governing access to Inčukalns underground gas storage;

~~7.1.3~~ for entry and exit points were capacity booking using ~~the~~ FCFS principle is applied, in accordance with sub-paragraph ~~45~~3, ~~45~~4 and ~~45~~5 of this Regulation:

~~7.1.3-8.1.3.~~ 7.1.3.1, if ~~the~~ quantity in ~~the~~ nomination is bigger than ~~the~~ capacity product booked by ~~the~~ network user for ~~the~~ relevant gas day ~~in~~at all entry and exit points where capacity booking is applied, the TSO shall reject the nomination and immediately notify the network user in ~~conformity with the standard communication protocol~~accordance with sub-paragraph 4.2 of this Regulation;

~~7.1.3.2~~ in the re-nomination timeframe in accordance with sub-paragraph ~~7.9~~ of this Regulation, ~~the over-nomination quantity for gas day D shall be considered as interruptible capacity booking application for additional interruptible within-day capacity product~~;

~~7.1.3.3~~ if there is no available within-day capacity for relevant gas day, TSO shall reject re-nomination and, ~~shall not grant additional capacity to network user. Network user shall be informed about possibility to book interruptible capacity if available~~;

~~7.1.4.8.1.4.~~ ~~7.1.4 For~~ entry and exit points referred to in sub-paragraph ~~45.2~~ of this Regulation, a nomination is considered as application for implicit capacity allocation, and capacity is allocated based on the confirmed quantity.

~~7.1.5.8.1.5.~~ ~~7.1.5 For~~ entry points referred to in sub-paragraph ~~45.3~~ of this Regulation, a nomination for gas day D is equal to the quantity of gas per day specified in the transit notification in accordance with sub-paragraph ~~45.9.2~~ of this Regulation.

~~7.2.8.2.~~ ~~7.2 Network~~The network user shall submit nominations or re-nominations to the TSO in accordance with sub-paragraph ~~78.9~~ of this Regulation for entry/exit points listed under sub-paragraph 1.3.

~~7.3.8.3.~~ ~~7.3~~ A network user may correct the nomination by submitting ~~to the TSO~~ a re-nomination to the TSO in accordance with sub-paragraph ~~78.9~~ of this Regulation.

~~7.4.8.4.~~ ~~7.4~~ If a network user does not submit a nomination for gas day D, the TSO shall assume that the network user's nomination equals zero.

~~7.5.8.5.~~ ~~7.5~~ If the nominated ~~quantity is larger than exceeds the~~ capacity product booked by the network user for the relevant gas day, the TSO shall reject nomination and notify the network user ~~thereof, with exemption on accordingly, except for~~ the points ~~werewhere~~ implicit capacity allocation is applicable.

~~7.6.8.6.~~ ~~7.6~~ If the re-nominated quantity ~~is larger than exceeds the~~ capacity booked by the network user for the relevant gas day, the re-nomination is considered as ~~capacity booking~~ request for booking interruptible capacity ~~if, provided that~~ it is available in the amount that the re-nomination exceeds ~~the capacity~~ already booked capacity.

~~7.7.8.7.~~ ~~7.7~~ The last (re)nominated and confirmed gas quantity by the TSO is taken into account in all the matching processes for that specific gas day.

~~7.8.8.8.~~ ~~7.8~~ Content of nomination and re-nomination

~~7.8.1.8.8.1.~~ ~~7.8.1 Submitting~~When ~~submitting a~~ nomination or re-nomination to the TSO, the network user shall provide, at least a minimum, the following information in ~~standard communication protocol~~ accordance with sub-paragraph 4.2 of this Regulation:

~~7.8.2.8.8.2.~~ ~~7.8.1.1~~ EIC of entry/exit point;

~~7.8.3.8.8.3.~~ ~~7.8.1.2~~ direction of gas flow; (inflow or outflow);

~~7.8.4.8.8.4.~~ ~~7.8.1.3~~ EIC of the network user;

~~7.8.5.8.8.5.~~ ~~7.8.1.4~~ EIC of the counterparty related to the network user;

~~7.8.6.8.8.6.~~ ~~7.8.1.5~~ start and end time of the gas flow for which the nomination or re-nomination is submitted;

~~7.8.7.8.8.7.~~ ~~7.8.1.6~~ the requested gas quantity in kWh/h ~~requested~~ to be transported during each hour of the gas day;

~~7.8.8.8.8.8.~~ ~~7.8.1.7~~ gas day D ferro which the nomination is applicable.

~~7.9.8.9.~~ ~~7.9~~ Conditions for submission and confirmation of nomination and re-nomination

~~7.9.1.8.9.1.~~ ~~7.9.1~~ A network user may~~must~~ submit the nomination for gas day D no later than 13.00 UTC winter time and 12.00 UTC daylight saving time on gas day D-1.

~~7.9.2.8.9.2.~~ ~~7.9.2~~ A network user may submit a re-nomination at any~~during the~~ re-nomination period, which shall begin~~begins~~ immediately after the ~~end of the~~ nomination confirmation deadline and shall end~~ends~~ three hours before the

end of gas day D. The re-nomination cycle ~~shall start~~starts at the ~~start~~beginning of every hour within the re-nomination period.

~~7.9.3-8.9.3.~~ 7.9.3 ~~In order to ensure optimal physical operation of transmission system, the TSO at specific entry-exit points may apply limitation of changes in renomination to past hours.~~ During the re-nomination period, network user can only update nominations for the hours that have not yet entered the matching process ~~in accordance to~~, following the matching timeline ~~laid down~~specified in sub-paragraph ~~78.12~~ of this Regulation. TSO shall publish on its website information on entry – exit points to which this sub-paragraph applies.

~~7.9.4-8.9.4.~~ 7.9.4 If a network user has submitted a nomination for gas day D within the deadline ~~laid down~~specified in sub-paragraph ~~78.9.1~~ of this Regulation, the TSO shall notify the network user of the confirmed gas quantity ~~confirmed~~ for gas day D no later than 15:00 UTC winter time and 14:00 UTC daylight saving time on gas day D-1 ~~in conformity the standard information exchange user guide, in accordance with sub-paragraph 4.2 of this Regulation~~, stating:

~~7.9.4.1-8.9.4.1.~~ 7.9.4.1 ~~whether confirmation status of the nomination is confirmed;~~

~~7.9.4.2-8.9.4.2.~~ 7.9.4.2 ~~whether the gas quantity indicated~~stated in the nomination has been reduced or rejected in accordance with sub-paragraph ~~78.10~~ of this Regulation;

~~7.9.4.3-8.9.4.3.~~ 7.9.4.3 ~~whether the gas quantity indicated~~stated in the nomination is has been reduced due to the ~~procedure of~~ gas quantity matching procedure at the request of the TSO or the adjacent TSO.

~~7.9.5-8.9.5.~~ 7.9.5 During the re-nomination period, a network user ~~shall be entitled~~has the right to adjust the confirmed quantity for gas day D, provided that ~~have it has~~ not entered the matching procedure ~~pursuant, according~~ to the following guidelines:

~~7.9.5.1 the network user may adjust the confirmed quantity of gas day D from 15.00 UTC winter time and 14.00 UTC daylight saving time on gas day D-1 and until 3.00 UTC winter time and 2.00 UTC daylight saving time on gas day D-1;~~

~~8.9.5.1.~~ 7.9.5.1 ~~the network user may adjust the confirmed gas quantity of gas day D starting from 15.00 UTC during winter time and 14.00 UTC during daylight saving time on gas day D-1, until 3.00 UTC during winter time and 2.00 UTC during daylight saving time on gas day D-1;~~

~~7.9.5.1-8.9.5.2.~~ 7.9.5.2 ~~the network user may also adjust the confirmed gas quantity for the remaining hours that have not entered the matching procedure for gas day D, starting from 3.00 UTC during winter time and 2.00 UTC during daylight saving time on gas day D-1 and, until 2.00 UTC during winter time and 1.00 UTC during daylight saving time on gas day D;~~

~~7.9.5.2-8.9.5.3.~~ 7.9.5.3 ~~when submitting a renomination, re-nomination for the gas day, the network user can implement~~modify the ~~change in~~ daily gas quantity only by specifying separate gas quantity for each remaining hour of the gas day in question.

~~7.9.6-8.9.6.~~ 7.9.6 The ~~lastmost recent~~ re-nomination received from the network user before the start of the re-nomination cycle ~~starts shall~~will be ~~taken as considered~~ valid.

~~7.9.7-8.9.7.~~ 7.9.7 Having Upon received a re-nomination, the TSO will notify the network user within two hours from the ~~beginning~~start of the ~~following~~subsequent re-nomination cycle ~~in conformity with the standard~~

~~communications protocol shall notify the network user, in accordance with sub-paragraph 4.2 of this Regulation, indicating:~~

~~7.9.7.1-8.9.7.1. 7.9.7.1~~ whether the submitted re-nomination has been confirmed;

~~7.9.7.2-8.9.7.2. 7.9.7.2~~ whether the gas quantity has been reduced or rejected ~~due to as a result of~~ the matching procedure.

~~7.9.8-8.9.8. 7.9.8~~The TSO ~~shall assess~~will evaluate only the ~~last nomination and re-most recent~~ nomination and re-nomination that have been timely submitted for the ~~relevant~~specified period ~~at specific and~~ entry or exit point.

~~7.9.9-8.9.9. 7.9.9~~ When ~~assessing~~determining whether a nomination has been submitted on time, ~~the~~ TSO ~~shall take into account~~will consider only ~~the~~ time of receiving, ~~the nomination~~ and not ~~the~~ time of sending ~~the nomination~~it.

~~7.9.10-8.9.10. 7.9.10~~The TSO ~~shall reserve~~has the right~~authority~~ to ~~stop~~halt or extend the re-nomination submission cycle ~~or extend it. TSO shall inform related. In such case, the TSO will notify the relevant network users of any such about the situation in conformity~~accordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation.

~~7.10-8.10. 7.10~~ Reduction and rejection of nomination and re-nomination

~~7.10.1-8.10.1. 7.10.1~~The TSO ~~can~~has the authority to reduce ~~the~~ nominated or re-nominated gas volume in proportion of confirmed quantity due to technical accident in ~~the~~ transmission system, ~~gas quality noncompliance with the gas quality,~~ and other reasons ~~laid down~~specified in section ~~11~~12 of this Regulation, ~~proportionally to confirmed quantity.~~

~~7.10.2-8.10.2. 7.10.2~~The TSO ~~shall be entitled to~~may reject a nomination or re-nomination, ~~notifying and notify~~ the network user ~~at of~~ receiving the nominations ~~in conformity with the standard communications protocol~~ if any of the following conditions ~~apply~~are met:

~~7.10.2.1-8.10.2.1. 7.10.2.1~~ the content of the nomination or re-nomination does not ~~comply with~~meet the requirements ~~laid down~~specified in sub-paragraph ~~7~~8.1 of this Regulation;

~~7.10.2.2-8.10.2.2. 7.10.2.2~~ the nomination or re-nomination ~~was~~is submitted by a person who is not ~~entitled~~authorised to do so under the transmission service agreement.

~~7.10.3-8.10.3. 7.10.3~~The TSO ~~shall be entitled~~is authorized to reject or reduce the nomination or re-nomination, ~~and~~ notifying the network user ~~at~~during the matching conformation ~~process, in conformity~~accordance with ~~the standard communications protocol~~sub-paragraph 4.2 of this Regulation, if any of the following conditions ~~apply~~occur:

~~7.10.3.1-8.10.3.1. 7.10.3.1~~ the nomination or re-nomination exceeds the quantity of capacity products allocated to the network user ~~and additional capacity cannot be allocated via re-nomination taking into account while considering~~ the ramping flow change limitations ~~(meaning. This means that the hourly flat capacity is not sufficient to technically allow the a technical change in gas flow change);~~;

~~7.10.3.2 the TSO does not receive information necessary for gas volume reconciliation from the adjacent system operator;~~

~~7.10.3.2-8.10.3.2.~~ ~~7.10.3.3~~ in the case of accepting the re-nomination, would ~~change~~ require changing the confirmed nominations or re-nomination ~~on~~ ~~the~~for hours of the gas day ~~that have~~ already passed;

~~7.10.3.3-8.10.3.3.~~ ~~7.10.3.4~~the nomination has ~~not~~ been ~~not~~ provided ~~following~~in accordance with the conditions ~~laid down~~specified in this Regulation;

~~7.10.3.4-8.10.3.4.~~ ~~7.10.3.5~~in ~~case~~the event of an exceptional event—or emergency situation where ~~there is an~~ evident danger ~~occurs~~to the ~~system~~ security and stability ~~of the gas system~~.

~~7.10.4-8.10.4.~~ ~~7.11~~ If the TSO ~~reject~~rejects a nomination, the TSO shall use the last confirmed ~~network user's~~ nomination or re-nomination, ~~if any submitted by~~ ~~the network user, if such a nomination or re-nomination exists~~.

8.11. Nomination Matching

~~7.11.1.1.~~ ~~7.12~~ Nomination Matching

~~7.12.1~~The TSO shall ~~carry out~~is responsible for conducting regular matching procedure and shall ~~verify~~verifying, in coordination with the adjacent TSO, whether ~~the~~ gas ~~volume~~volumes planned for entry or exit at specific point of the system, as indicated in ~~submitted~~the network user nomination, comply with ~~the~~ gas ~~volume~~volumes planned for entry or exit as related to ~~the~~ network user's nomination.

~~8.11.1.~~ ~~7.12.2~~ If provided gas volume indicated in nominations ~~does~~,

~~7.11.1-8.11.2.~~ ~~8.11.2.~~ If the provided gas volumes indicated in the nominations do not match, the adjacent TSOs shall apply matching principles agreed ~~upon~~ in the cooperation arrangements ~~off~~for the relevant interconnection point.

~~7.11.2-8.11.3.~~ ~~7.12.3~~ Matching-The matching rule for the Inčukalns underground gas storage facility shall be lesser rule.

~~7.11.3-8.11.4.~~ ~~7.12.4~~ After the ~~matching of the~~gas low quantity of gas flow has been ~~matched~~ with the adjacent TSO storage system operator or the ~~application of the~~ lesser rule ~~has been applied~~, the nomination shall be ~~deemed to~~ ~~be~~considered confirmed, and the TSO shall send a notification to the network user ~~the notification laid down, as specified~~ in sub-paragraph ~~78.9.4.~~ Upon confirmation of the nomination, the TSO shall inform the adjacent transmission system operator or the storage system operator.

~~7.11.4-8.11.5.~~ ~~7.13~~—Nominations made for entry points shall not include gas originating from ~~a~~ third country, except ~~for~~in case of transit as described in sub-paragraph ~~45.9.4.~~

8.9. 8 Allocation

~~8.1.9.1.~~ ~~8.1~~ General provisions

~~8.1.1-9.1.1.~~ ~~8.1.1~~—The TSO shall allocate ~~a~~ gas quantity ~~for~~to a network user for each gas day D at each entry or exit point.

~~8.1.2-9.1.2.~~ ~~8.1.2~~—AThe network user's allocation shall be equal to the last confirmed quantity for that gas day D after matching the gas quantity with the adjacent TSO at physical interconnection point.

~~8.1.3-9.1.3.~~ ~~8.1.3~~—A network user's allocation at ~~an~~ entry or exit point with ~~the~~ underground gas storage facility is determined as follows:

~~8.1.3.1-9.1.3.1.~~ ~~8.1.3.1~~—preliminary allocation shall be equal to ~~the~~ last confirmed quantity of gas indicated in ~~the~~ nomination or re-nomination for

the gas day D after matching the gas quantity with the storage system operator;

~~8.1.3.2~~ final allocation shall be ~~available~~equal to the last confirmed quantity for that gas day D after update from matching the gas quantity with the storage system operator ~~no later than 8th calendar day after end of the month.~~

~~8.1.3.2-9.1.3.2.~~ ~~8.1.4~~ Allocation to a network user at entry points from a third country or exit points to a third country shall be determined based on the following criteria:

~~8.1.3.3-9.1.3.3.~~ ~~8.1.4.1~~ allocation to a network user with a fixed delivery agreement shall be equal to the last confirmed quantity of gas indicated in the nomination or re-nomination;

~~8.1.3.4-9.1.3.4.~~ ~~8.1.4.2~~ if there is an agreement establishing an operational balancing account between the adjacent operator or network user(s) and TSO, the allocation to the network user shall be equal to the last confirmed quantity. The difference between the nominated flow and the measured quantity shall be allocated to the operational balancing account;

~~9.1.3.5.~~ ~~8.1.4.3~~ if there is no agreement establishing an operational balancing account, TSO shall allocate the difference between the nominated flow and the measured quantity pro-rata to the nominated gas quantity of all network users proportionally, unless proven by the terms of the delivery agreement to have a fixed agreement is in place for the relevant period.
~~Allocated~~

~~8.1.4.9.1.4.~~ The allocated gas quantity shall not exceed the flexibility limits specified in the network user's flexible delivery agreement;

~~8.1.5-9.1.5.~~ ~~8.1.4.4~~ Final allocation shall be completed no later than eight calendar days after the end of the reporting period (month).

~~8.1.6-9.1.6.~~ ~~8.1.5~~ Allocation to a network user at domestic exit points shall be determined as follows:

~~8.1.6.1-9.1.6.1.~~ ~~8.1.5.1~~ regarding non-daily metered off-takes:

- a. ~~8.1.5.1.1.~~ to determine the daily gas volume delivered, daily gas consumption data provided by forecasting party shall be used;
- b. ~~8.1.5.1.2.~~ no later than ~~8th~~the eight (8) calendar day after the reporting period, the gas quantity shall be adjusted based on the actual quantity accounted for during the reporting period, where the distribution system operator provides such data.

~~8.1.6.2-9.1.6.2.~~ ~~8.1.5.2~~ regarding daily metered off-takes:

- a. ~~8.1.5.2.1.~~ at an exit point where the consumer is directly connected to the transmission system, the allocation shall be determined based on the measured quantity;
- b. ~~8.1.5.2.2.~~ at an exit point where gas is delivered to the distribution system, the allocation to the network user shall be equal to the measured quantity. ~~Measured~~The measured quantity shall be determined by the TSO based on information received from the distribution system operator. The TSO shall

provide information to the network user about the allocated quantity on gas day D+1;

~~8.1.5.2.3. at biomethane entry points the allocation shall be determined based on the measured quantity. At one biomethane entry point it shall be allowed injection of only one network user.~~

~~8.1.7.9.1.7. 8.1.6.~~ If the network user has received an allocation for the transit, the principle set out in sub-paragraph ~~45.9.~~ of this Regulation shall apply.

~~9.1.8. 8.2~~ A entry point from Latvian production, the allocation shall be determined based on the measured quantity. Only one network user per calendar month shall be allowed injection at a single physical point of entry point from Latvian production

~~8.2.9.2.~~ Exchange of information about allocated gas volume

~~8.2.1.9.2.1. 8.2.1~~ The TSO shall provide is responsible for providing the network user with daily and monthly data about regarding the allocated gas volume allocated to it.

~~8.2.2.9.2.2. 8.2.2~~ The TSO shall in conformity with the standard communications protocol notify the network user of about the allocation on gas day D at the specific entry and exit point points on gas day D. This notification will be sent in accordance with sub-paragraph 4.2 of this Regulation and must be sent no later than 13.00 UTC during the winter time and/or 12.00 UTC during the daylight saving on gas day D+1.

~~8.2.3.9.2.3. 8.2.3~~ The TSO shall in conformity with the standard communications protocol will also notify the network user of the final monthly allocation. This notification will be sent in accordance with sub-paragraph 4.2 of this Regulation not later than 07:00 UTC daylight saving and 08:00 UTC during the winter time on 6th or 07:00 UTC during the daylight saving time on the 10th calendar day after the reporting period, at each exit and entry point which will be used for payment (. The notification will include information submitted on about allocated gas volume, as well as the daily and monthly gas volume value values and gross calorific value), which will be used for payment purposes.

9.10. 9-Reconciliation

~~9.1.10.1. 9.1~~ Gas metering data may be re-adjusted during the year in accordance with the data provided by the distribution system operator or by the TSO's adjusted data. Updated data from the distribution system operator shall be provided together with the data for the previous reporting period.

~~9.2.10.2. 9.2~~ The difference between the preliminary metered quantity and the re-adjusted metered quantity of gas for the particular entry or exit point will determine the reconciliation quantity for that month.

~~9.3.10.3. 9.3 Reconciliated~~ The reconciled gas quantity is taken into account in following invoicing procedures laid down in section ~~1213~~ of this Regulation.

10.11. 10-Operations and gas entry provisions

~~10.1.11.1. 10.1~~ Gas quality

~~10.1.1.11.1.1. 10.1.1 Components~~ The components and quality parameters of the gas at the entry point point of the particular common balancing zone country

shall correspond to the requirements set out in the applicable national legislation.

~~40.1.2~~ The measurement of gas quality shall be performed at:

~~40.1.2.1~~ Kiemenai interconnection point;

~~40.1.2.2~~ Balticconnector interconnection point;

~~40.1.2.11.1.2. 40.1.2.3~~ all entry-exit points with third country laid down in subparagraph 1.5.1 of this Regulation;

~~40.1.2.4~~ entry and exit point with Inčukalns underground gas storage facility;

~~40.1.2.5~~ entry point with LNG facility;

~~40.1.2.6~~ entry from Latvian and Estonian production.

~~40.1.3.11.1.3. 40.1.3~~ If the gas delivered to the entry point does not ~~correspond~~ meet the gas quality requirements, TSO shall have the right to refuse to accept and transmit the gas.

~~40.1.4.11.1.4. 40.1.4~~ If the gas delivered to the exit point does not meet the gas quality requirements, the network user shall have the right to refuse to accept such gas by providing the information about the measurement deviation from the required parameters as set out in national legislation.

~~40.2.11.2.~~ 40.2 Accounting of gas quantity

~~40.2.1.11.2.1. 40.2.1~~ The TSO, in cooperation with the adjacent system operators, shall ensure the accounting of the transmitted gas at the entry and exit points and the gas metering locations, ~~recording~~. They shall record the quantity, pressure and temperature of the transmitted gas on a regular basis with a frequency requested by the respective legislation.

~~40.2.2.11.2.2. 40.2.2~~ The TSO shall use of energy units (kWh) in the gas accounts and reports.

~~40.3.11.3.~~ 40.3 Maintenance

~~40.3.1.11.3.1. 40.3.1~~ The TSO shall publish on its website the information about the planned schedule of works to be performed at on the transmission system ~~with indication of transmission system~~. This includes the of construction, reconstruction, and maintenance works planned for the period starting from October 1st of the current year and ending on December 31st of the subsequent year, which may ~~affect~~ restrict or interrupt the ~~rights~~ capacity of the ~~network users provided in this Regulation~~ transmission system.

~~40.3.2~~ The TSO shall no later than 42 calendar days before the start of works ~~TSO shall~~ publish on its website the information on planned gas network maintenance, repair, connection or disconnection works at transmission system of common balancing zone, indicating works about the planned works, during which gas transmission ~~shall~~ will be ~~terminated or restricted~~, and inform the system users or interrupted, no later than 42 calendar days before the start of works, in accordance with the ~~procedures laid down in the transmission service agreement~~.

~~10.3.2.11.3.2.10.3.3~~ In case of suspension or restriction of transmission services, TSO shall immediately inform the network users in accordance with the procedures laid down in the transmission service agreement since when and for what period of time the gas transmission shall advance. The TSO shall also publish information about unplanned works, during which gas transmission will be restricted, or interrupted in line with Regulation (EU) No 1227/2011 (REMIT).

~~10.3.4~~ TSO shall inform the network users in accordance with the procedures laid down in the transmission service agreement about the unplanned termination of interruptible transmission services and the probable time of renewal of such services immediately after the determination of the need of such termination.

11.12. 11 Suspension or restriction/interruption of the transmission system services

~~11.1.12.1.11.1~~ The TSO may have has the right to take actions that might lead to suspension or restriction/interruption of the capacity in the event of emergency incidents that are not falling under the scope of classified as Force Majeure events. In the event of such emergency incident cases, the TSO shall make reasonable efforts and take necessary actions to ensure that continuity of the service is established/restored without an undue delay ~~with the aim, aiming~~ to minimize the impact on network users.

~~11.1.1.12.1.1.11.1.1~~ The TSO may ~~suspend or restrict/interrupt~~ the input/injection of gas in the transmission network, ~~its transmission and or the~~ off-take from the transmission network ~~without prior warning~~ in the following cases:

~~11.1.1.1.12.1.1.1.11.1.1.1~~ the network user's gas supply/injection into the network directly connected to the transmission network presents/poses a risk to human life, health or property;

~~11.1.1.2.12.1.1.2.11.1.1.2~~ the pressure of the gas input flow does not meet the requirements set out/outlined in the cooperation agreement between gas network operators or the connection agreement between the TSO and the party connected to the transmission network;

~~11.1.1.3.12.1.1.3.11.1.1.3~~ an accident has occurred in the transmission network or there is an emergency situation as ~~it is~~ specified in the national law or Regulation (EU) 2017/1938/2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010/994/2010.

~~11.1.1.4.12.1.1.4.11.1.1.4~~ an energy crisis has been declared in the country ~~has been announced as it is as~~ specified in ~~the~~ national law;

~~11.1.1.5.12.1.1.5.11.1.1.5~~ there are damages in the transmission system, ~~the~~ distribution system, underground gas storage LNG facility ~~which may cause~~ or underground gas storage facility that may result in transmission system accidents;

~~11.1.1.6.12.1.1.6.11.1.1.6~~ the transmission system, gas distribution system, ~~or~~ underground gas storage facility, LNG facility has deviated from normal operation or has been damaged, and the adjacent TSO, distribution system operator, or storage system operator has requested an

~~immediately stoppage of gas transmission to immediately stop the transmission of gas to~~ or from such network;

~~41.1.1.7-12.1.1.7. 41.1.1.7~~ the ~~input~~injection of the gas at the entry points ~~laid down~~specified in paragraph 1.3 of this Regulation is ~~suspended or restricted for interrupted due to~~ reasons beyond the TSO's control of the TSO;

~~41.1.1.8-12.1.1.8. 41.1.1.8~~ the functioning and safety of the transmission network ~~is~~are at risk due to an imbalance caused by the network user;

~~41.1.1.9-12.1.1.9. 41.1.1.9~~ it is ~~necessary to perform unplanned~~ emergency maintenance works are necessary to remove defects in the transmission network, or to resolve or prevent an emergency situation in the transmission network or ~~in the~~ underground gas storage facility;

~~41.1.1.10-12.1.1.10. 41.1.1.10~~ the quality indicators of the gas ~~input~~injected into the transmission network do not comply with the gas quality requirements;

~~41.1.1.11-12.1.1.11. 41.1.1.11~~ ~~when~~ the network user fails to pay for the gas transmission service on time and under in accordance with the terms ~~determined in this specified in this Regulation, or fails to provide or increase the collateral as required by Annex of the~~ Regulation.

~~41.1.2-12.1.2. 41.1.2~~ If the ~~transmission capacity of gas is suspended~~ the entry point or ~~restricted~~ exit point is interrupted, the TSO ~~no later than 24 hours after suspension or restriction of the natural gas transmission service~~ shall publish information ~~thereof about it~~ on its website and inform the ~~system users in accordance with the procedures laid down in this Regulation~~ network user within 24 hours of the interruption.

~~41.1.3-12.1.3. 41.1.3~~ The TSO may suspend ~~or restrict~~ the ~~input~~injection of gas ~~in into~~ the ~~transmission network~~ entry point, its ~~transmission~~ transportation, and off-take from the ~~transmission network by notifying the network user at least~~ exit point by providing minimum of five (5) calendar days in advance' notice to the network user in the following cases:

~~41.1.3.1-12.1.3.1. 41.1.3.1~~ the network user, through its ~~act~~actions or ~~omission~~ causes omissions, poses a threat to the operation and safety of the transmission network or has a negative impact on the gas quality ~~of gas~~;

~~41.1.3.2-12.1.3.2. 41.1.3.2~~ it is necessary to perform ~~gas network~~ maintenance or connection works on the transmission network;

~~41.1.3.3-12.1.3.3. 41.1.3.3~~ in other cases as provided by the national legislation of each TSO.

~~12.2. 12~~ In the event of a planned or unplanned interruption of the entry point or exit point capacity, the TSO shall not be held liable for any damage or obligated to compensate for any losses incurred by the network user, provided that the TSO has notified the network user in advance.

~~12.3.~~ In the event of a capacity interruption, if the TSO interrupts the provision of firm capacity, the fee for transmission services is reduced by the amount of capacity not provided by the TSO.

~~12-13.~~ Invoicing and settlement payments

~~12.1-13.1. 12.1~~ The network ~~Network~~ users shall ~~settle~~are required to make payments for the transmission system services ~~(, including the booking of transmission system~~

capacity at ~~the~~ entry and exit point), in accordance with the specified deadlines and procedures ~~laid down~~outlined in this Regulation ~~and pursuant to~~. The payment must be made based on the applicable tariffs ~~set pursuant to established in accordance with~~ the procedure ~~stipulated~~outlined in the TSO's national law ~~of the TSO~~.

~~12.2.13.2.~~ 12.2 The TSO ~~has reserves~~ the right, ~~in accordance with procedure and on conditions set forth by the TSO's as defined by its~~ national law, to unilaterally apply the tariffs ~~offer~~ the transmission service.

~~12.3.13.3.~~ 12.3 ~~Subject to the tariff setting procedure under the national law of each TSO,~~ network~~Network~~ users are invoiced for capacity products based on the tariffs applicable at the time ~~and~~ when the transmission system services ~~by the TSO~~ are provided, ~~insofar by the TSO, unless otherwise explicitly stated in~~ the decision on tariff setting ~~decision~~ under the national law of each TSO. The tariff-setting procedure is determined by the national law ~~does not explicitly provide otherwise of the respective TSO~~.

~~12.4.13.4.~~ 12.4 This Regulation shall not ~~apply to cover~~ the fee for the provision of transmission services for ~~exit gas exiting~~ to Estonian domestic consumption. ~~For the exit to Estonian domestic consumption~~ Instead, the "Standardized terms of domestic gas transmission service Terms of Domestic Gas Transmission Service at Elering AS" shall apply for such exits.

~~12.5.13.5.~~ 12.5 ~~According to~~ Based on the data ~~submitted~~provided by the distribution system operator, or gas metering data at the delivery locations directly connected to the transmission system, ~~and/or according to an act of in accordance with~~ the transmitted gas, ~~records, the~~ TSO shall prepare a report on the quantity of the gas transmitted ~~gas~~ for each reporting period ~~and shall submit it to the network user together. This report, along with an invoice according, shall be submitted to the network user following the~~ procedure ~~indicated~~specified in sub-paragraph 89.2.

~~12.6.13.6.~~ 12.6 The TSO shall ~~submit~~ issue an invoice to the network user ~~an invoice for the~~ transmission services provided during the reporting period ~~until~~. The invoice must be sent to the network user no later than the 12th calendar day following the reporting period. The ~~TSO shall indicate in the invoice will include details of the~~ allocated capacity products and the corresponding amount ~~of the network user for the reporting period, specified~~ in kWh.

~~12.7.13.7.~~ 12.7 The TSO shall send the invoice to the network user's ~~e-mail address specified in the transmission service agreement in accordance with sub-paragraph 4.2 of this Regulation~~. The invoice shall be valid without a signature and ~~it shall~~may be replaced with authorization or signed with a secure electronic signature. The date of receipt of the invoice shall be the day of ~~its dispatch~~it is placed into the Common IT Platform.

~~12.8.13.8.~~ 12.8 All payments shall be made in euros to the TSO's account specified in the transmission service agreement.

~~12.9.13.9.~~ 12.9 The network user shall pay for the transmission system service ~~in a~~within the calendar month ~~within until the payment date specified in the invoice, which shall not be less than ten (10) calendar days from the issue~~issuing date of the invoice. If the due date falls on a Saturday, Sunday or national holiday of the country where the TSO has its registered office, the final ~~date of the~~ deadline of invoice payment shall be the following business day.

~~12.10.13.10.~~ 12.10 All payments ~~are deemed to have been~~shall be considered made on the date when the corresponding amounts have been credited to the bank account of the party that has issued the invoice. ~~Irrespective~~Regardless of what is indicated in the payment order, any payments received shall be deemed to cover

payments obligations in the following order: (1) interest on late payment, (2) outstanding payments for previous reporting periods, (3) current payments.

~~12.11.13.11.~~ ~~12.11~~ If the network user fails to pay for the transmission system service provided in the reporting period ~~within~~by the deadline specified in subparagraph 12.9.1, the TSO shall calculate ~~interest of~~ late payment interest at a rate of 0.05% of the amount not ~~paid in~~ timely ~~paid~~manner for each day of delay. ~~Interest of late~~Late payment interest shall be calculated once per month and ~~identified~~indicated, along with other information, in the invoice for the transmission system services provided in the previous month.

~~12.12.13.12.~~ ~~12.12~~ ~~The principles on the~~The maximum amount of contractual penalties and default interest in the country where the TSO has its registered office shall apply.

~~13.14.~~ 13 **Creditworthiness, credit management and collaterals**

~~13.1.14.1.~~ ~~13.1~~ Upon ~~conclusion of~~concluding the transmission service agreement ~~with the Estonian TSO,~~ the network user shall ~~present~~provide suitable appropriate collateral for the fulfilment of the network user's obligations under the transmission service agreement in accordance with the Annex ~~4~~ to this Regulation.

~~13.2 In case the transmission service agreement is concluded with the Latvian TSO the network user shall provide a collateral (in the form of a financial service provider's guarantee or a security deposit) for the fulfilment of the network user's obligations under the transmission service agreement in accordance with the criteria and regulations provided in Annex 2 of this Regulation.~~

~~14.15.~~ 14 **Dispute settlement and applicable law**

~~14.1.15.1.~~ ~~14.1~~ AllAny disputes and disagreements (~~hereinafter referred to as "Dispute"~~ in this section ~~—Dispute~~) arising in relation to the implementation of the transmission service agreement and ~~(/or)~~ this Regulation ~~and, as well as the~~ application of its provisions, shall be settled by ~~means of~~through mutual negotiations in accordance with this Regulation and the applicable legal acts. ~~In the event of~~if a Dispute arises, the party ~~invoking~~raising it shall submit a written notice to the other party ~~a written notice containing, which should include~~ a description of the Dispute, ~~the~~a suggested solution, and the ~~persons~~ authorized ~~to hold~~persons responsible for conducting negotiations ~~related to~~regarding the Dispute on behalf of the party.

~~14.2.15.2.~~ ~~14.2~~ In caseif a TSO and a network user are unable to resolve Dispute through negotiations within 30 business days from its emergency occurrence (unless the authorized representatives of the parties have agreed upon a different deadline) in accordance with the procedure and cases described underin the national law of the TSO, the Dispute shall be referred to the relevant national regulatory authority for

~~the an~~ out-of-court ~~examination of the Dispute~~ or directly to the court of the country where the TSO has its registered office.

~~14.3.15.3. 14.3~~ The transmission service agreement and this Regulation shall be governed by ~~and~~ construed, and interpreted in accordance with ~~the~~ national law of the ~~place~~country where the TSO has its registered office.

~~15.16.~~ **15 Amendment and termination of the transmission service agreement**

~~15.1.16.1. 15.1~~ The transmission service agreement may be amended ~~upon~~with the written consent ~~between of both~~ TSO and the network user, ~~insofar as long as the~~ amendments ~~to the transmission service agreement~~ do not contradict this Regulation.

~~16.2. 15.2~~ This Regulation may be amended, ~~as applicable, after if necessary, following~~ public consultation ~~of the public~~ and coordinated approval by ~~and between~~ the national regulatory authorities of the common balancing zone, ~~and such~~. ~~Once an~~ amendment ~~becomes effective, it~~ shall automatically apply to the transmission service agreement ~~as of~~.

~~Additionally, the moment such amendment has become effective.~~

~~15.2.16.3. 15.3~~ The TSO ~~shall furthermore have~~reserves the unilateral right to amend the transmission service agreement in situations stipulated by law, ~~with~~. ~~These~~ amendments will take immediate effect ~~where when~~ necessary to comply with applicable laws ~~or~~ regulations ~~and/or~~ legally binding orders ~~made by from~~ national or international courts or authorities, including but not limited to, administrative rulings and related notifications issued by the national regulatory authorities, or to comply with generally approved technical standards, ~~provided that the~~. The amended form of the transmission service agreement ~~does must~~ not violate any applicable legal acts ~~in force~~. The TSO ~~shall notify is obligated to provide written notification to the~~ network user of any amendments to the transmission service agreement ~~in writing without undue delay before, prior~~ the amendments ~~become effective taking effect~~.

~~15.3.16.4. 15.4~~ The transmission service agreement may be terminated by ~~common~~mutual written agreement between the parties.

~~15.4.16.5. 15.5~~ The transmission service agreement may be ~~terminated~~unilaterally ~~if the~~ party ~~gives terminated by providing~~ a 30 calendar ~~days prior~~day notice ~~in advance~~ to the other party ~~on the termination of the transmission service agreement~~ in the event that the ~~latter other~~ party fails to comply with or improperly executes the transmission service agreement ~~provided that~~. ~~Prior to termination~~, the party ~~wishing intending~~ to terminate ~~it has demanded in writing that the agreement must have sent a written demand for~~ the material breach ~~to~~ be remedied, and the other party ~~has not remedied must have failed to remedy~~ the material breach within ~~ten (10)~~ business days of receiving such demand. The ~~termination of the~~ transmission service agreement ~~shall be deemed as terminated will take effect~~ on the date ~~indicated specified~~ in the notice.

~~15.5.16.6. 15.6~~ Material ~~The material~~ breach of the transmission service agreement shall ~~cover include~~ the following circumstances:

~~15.5.1.16.6.1. 15.7~~ where a failure of the network user ~~fails~~ to make a timely settlement ~~payment~~ for the ~~received~~ transmission services ~~received~~;

~~15.5.2.16.6.2. 15.8~~ where a failure of the network user, ~~in spite of the existence of~~ grounds ~~as provided for by this Regulation~~, ~~fails to submit to the TSO~~ insufficient documentation for a credit approval ~~and/or security to provide~~

adequate collateral for the fulfilment of contractual obligations, as specified in accordance with ~~this~~the Annex of the Regulation.

~~15.5.3-16.6.3. 15.9~~ ~~The party is entitled to terminate~~In the transmission service agreement without notice if event that the other party is declared bankrupt or, becomes insolvent, suspends its payments, or ~~is subject to~~undergoes compulsory or voluntary liquidation, the party is entitled to terminate the transmission service agreement without prior notice.

~~15.6.16.7. 15.10~~ ~~About terminated~~Upon termination of the transmission service agreement, ~~the~~ TSO ~~shall immediately inform~~is required to promptly notify the trading platform operator and the distribution system operator, ~~to which responsible for the distribution systems in accordance with that transmission service agreement through which gas was transported under the terminated transmission service agreement.~~

~~15.7.16.8. 15.11~~ ~~Termination~~The termination of the transmission service agreement ~~shall~~does not ~~relieve~~release the parties from ~~the performance of all their~~ obligations ~~emerged that arose~~ during the validity period of the transmission service agreement.

~~16-17.~~ 16-Liability and compensation for damage

~~16.1.17.1. 16.1~~ The rights and obligations of the parties are laid down in this Regulation and the prevailing legal acts.

~~16.2.17.2. 16.2~~ The network user and TSO are liable for appropriate performance of the requirements ~~established for them outlined~~ in this Regulation and the obligations undertaken within the scope of the transmission service agreement. Liability~~The liability~~ of the network user and the TSO may be limited or ~~inapplicable~~exempted only on the grounds established in the legal acts of the country where the TSO ~~has its~~ is registered office. ~~Either. If either~~ party ~~shall compensate losses incurred by the other party if fails to properly fulfil or completely neglects their obligations under the transmission service agreement,~~ the guilty party improperly performs or does not perform the transmission service agreement.

~~16.3.17.3. 16.3~~ The TSO shall be only liable for fulfilment of obligations provided for in the legal acts, Regulation and transmission service agreement, in accordance with the procedure specified in the legal acts, Regulation and transmission service agreement.

~~16.4.17.4. 16.4~~ The party failing to perform in accordance with the transmission service agreement and (or) this Regulation shall be liable to compensation only for direct loss and/or loss of direct nature caused to the other party, provided there is a causal link between the fault(s) and amounts in dispute.

~~16.5.17.5. 16.5~~ A party shall not be held liable for losses caused by the other party to any third parties. Neither party is liable for actions or inaction of third parties.

~~16.6.17.6. 16.6~~ The network users compensate other network users, third parties, or properties for damages done through their action or inaction. Damages may not exceed the actual loss and are available only for loss, which is proven by the aggrieved party, or where the amount of damages cannot be established with a sufficient degree of certainty, assessed by the court or tribunal. Nothing in this Regulation shall limit or exclude the TSO's and/ or network user's liability caused by the performance of its obligations under gross negligence, fraud or wilful default.

~~16.7.17.7. 16.7~~ The TSO shall not be liable for any damage caused by malfunctioning of the ~~online platform~~Common IT Platform used for performing ~~auctions~~actions and its improper use, in particular if caused by users not authorized by the ~~system~~network user and/or incorrect data input ~~during the auctions~~actions. The network user shall

indemnify and hold harmless the TSO against any potential damages incurred by the TSO and/or by third parties resulting from these circumstances.

~~16.8 The network user shall be liable for the caused damage and suffered by the TSO or third parties through gas which does not comply with specifications and shall fully indemnify and hold harmless the TSO in such cases.~~

~~16.9~~

~~16.8;~~17.8. If the quality of gas does not meet the requirements of this Regulation, the TSO may refuse to input such gas into the transmission system of the common balancing zone and suspend the transmission system services. In such case, the TSO shall not be obliged to compensate the possible losses caused to the network user through suspension of the transmission system services, whereas the network user balance responsibility remains.

~~16.9;~~17.9. ~~16.10~~ The TSO shall not be liable to the network user for damage suffered by the network user from legal agreements with third parties, even if such legal agreements are required in order to use the transmission services provided by the TSO.

17.18. ~~17~~ Force majeure

~~17.1;~~18.1. ~~17.1~~ The TSO and network user shall not be held liable for ~~at~~ the full or partial non-performance of ~~their obligations under~~ the transmission service agreement ~~obligations~~ if ~~it is~~ caused by force majeure circumstances. For the purposes of this section, force majeure circumstances, shall be an obstacle that has occurred beyond the control of the TSO and network user, prevents ~~it~~ them from performing its obligations under the transmission service agreement, and cannot be eliminated by the TSO or network user. Primarily such circumstances are catastrophes, ~~fire~~ fires, earthquakes and other natural phenomena, warfare, economic sanctions, embargoes, or any other ~~unforeseeable~~ circumstances ~~which the TSO and network user could not foresee~~ at the time of entering ~~in~~ into the transmission service agreement.

~~17.2;~~18.2. ~~17.2~~ Individual obstacles to the performance of the transmission service agreement obligations ~~having occurred at the time that occur~~ when the ~~defaulted~~ defaulting TSO or network user ~~has already~~ delayed the performance of ~~its transmission service agreement~~ their obligations shall not be considered force majeure circumstances. For ~~instance, example, a~~ lack of funds ~~shall~~ would be ~~considered~~ an individual obstacle.

~~17.3;~~18.3. ~~17.3~~ The TSO or network user invoking force majeure should strive to continue fulfilling their obligations as soon as ~~may~~ reasonably ~~be required~~ possible, provided that ~~this is possible~~ it can be done without incurring unreasonable ~~charges~~ costs.

~~17.4;~~18.4. ~~17.4~~ If force majeure circumstances persist for more than 30 calendar days, the TSO ~~or~~ and network user shall enter into negotiations ~~over~~ to find a suitable solution for the performance of the transmission service agreement obligations. In such ~~a~~ case, the termination of the transmission service agreement shall only be possible ~~by~~ through mutual agreement ~~of~~ between the TSO and network user.

~~17.5;~~18.5. ~~17.5~~ The TSO and network user shall ~~immediately, but not later than twenty four 24 hours,~~ promptly notify each other of force majeure circumstances. ~~If the parties do not, no later than twenty-four (24) hours. Failure to~~ notify ~~the other party~~ of force majeure circumstances, ~~will prevent~~ the TSO or network user ~~may not~~

~~invoke from invoking~~ them as grounds ~~effor~~ non-performance of the transmission service agreement.

~~17.6-18.6. 17.6~~ ~~When Once~~ the force majeure circumstances are no longer in ~~place effect~~, the TSO and network user shall immediately resume the performance of the obligations which they performed ~~upprior~~ to the ~~day of~~ emergence of the force majeure circumstances, unless ~~agreed otherwise~~ by agreed upon the TSO and network user.

~~17.7-18.7. 17.7~~ The parties shall make all reasonable efforts to mitigate the effects of the force majeure event or circumstance and ~~endeavor to ensure as soon as possible that work toward restoring~~ normal performance of the transmission service agreement is re-established as soon as possible.

~~18-19.~~ 18 Confidentiality

~~18.1~~ Data on Information about the quantity of gas transmitted to the network user, its operations on the Common IT Platform of the common balancing zone, capacity booked and distributed under the transmission service agreement ~~and other information which become known in performing the activities of, settlement for the transmission services between the TSO and the network user, as well as other information which parties have designated as commercial secret, regardless of how this information was created or processed, including regardless of the format of information (for example, written, text, audio, vocal or pictorial), shall be considered and safeguarded as commercially sensitive information in compliance with the applicable laws and regulations.~~

~~19.1. 18.2~~ The parties shall treat and keep all information such as but not limited to access information of business, legal, technical, financial nature obtained by one party from the other. Information set out in any form, such as but this sub-paragraph is protected and may not limited be disclosed to in writing, orally, virtually or electronically, as confidential. Parties shall not disclose any such confidential information to any a third party without the ensuring prior written consent of by the other party, except where needed information, which is being disclosed pursuant to the Regulation or other legal acts.

~~The parties use limited access information foreseen in sub-paragraph 19.1 of the Regulation solely for the proper performance of the transmission service agreement to the parties.~~

~~18.3. The TSO shall provide the data specified in sub-paragraph 18.1 to undertakings engaged in gas storage, distribution or liquefaction activities and the other TSO of the common balancing zone to the extent as necessary for the proper execution of this Regulation as well as to institutions is also entitled to regulate, control and/or inspect undertakings involved in energy activities, in accordance with the procedure established by legal acts.~~

~~18.4 The TSO may provide the data specified in sub-paragraph 18.1 to institutions, organizations, and undertakings performing gas sector research, preparing reviews, and carrying out other similar activities, provided that the institutions, organizations, and undertakings specified in this sub-paragraph submit a written request to disclose data with indication the purpose of the use of those data and provide a written consent of the network~~

~~user regarding the disclosure of the data, wherein the degree of detail of the disclosure of the data is specified (transmitted quantity/booked capacity; date/period; entry/exit point).~~

~~18.5 The TSO may provide the data specified in sub-paragraph 18.1 if the information is already in public domain or the use information is already available/received from the network user pursuant to the receiving party from another source without breaching transmission service agreement for the purpose of the present clause.~~

~~18.6 The TSO shall provide the data specified fulfilling its functions set out in section 18 to law enforcement agencies which, in accordance with the procedure established by applicable legal acts, have the right to demand and receive such data.~~

~~18.1, 19.2. 18.7 The confidentiality obligations under this section are binding upon the parties for the entire for the duration of the transmission service agreement and shall survive also after its termination or expiry. As the case may be, the confidentiality obligations under this section will cease to apply from the moment that the information enters into the public domain without breaching the present clause of the transmission service agreement.~~

~~19.3. 19. The TSO shall be entitled to provide information pertaining to the performance of the transmission service agreement obligations to other system operators insofar as necessary for a proper compliance with the Regulation and the transmission service agreement~~

~~19.4. The duty of the parties regarding non-disclosure of limited access information set out in sub-paragraph 19.1 of the Regulation, shall survive the termination of the transmission service agreement for a period of ten (10) years.~~

20. Processing of personal data

~~20.1. The parties are entitled to process personal data of natural persons received from the other party solely for the purpose of enabling performance of the transmission service agreement, subject to requirements of applicable laws and regulations, including Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (GDPR).~~

19.21. Closing Provisions

~~19.1, 21.1. 19.1 All the annexes specified in this Regulation shall form an integral part of this Regulation.~~

~~19.2, 21.2. 19.2 This Regulation and the transmission service agreement exist in both national language (according to the country where the TSO has its registered office) and English versions. The official language of business shall be the national and English. In case of discrepancies or inconsistencies between different language versions of this Regulation and the transmission service agreement, the English language version shall prevail.~~

~~19.3, 21.3. 19.3 Procedures, document forms, and ~~or~~ other requirements specified in this Regulation are published on the TSO internet website of the TSO.~~

~~19.4, 21.4. 19.4 If the competent state government authority declares any of the crisis levels in the natural gas sector, including energy crisis, as foreseen outlined in Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and~~

repealing Regulation (EU) No ~~994/2010~~ ~~the, this~~ Regulation ~~is applicable~~ shall apply insofar it does not conflict with the regulation established by the relevant competent state authorities in the event of the relevant crisis level.

~~19.5-21.5.~~ ~~19.5~~ This Regulation shall ~~come into force~~ take effect on ~~XXX~~ 1-April, 2023.

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Rules for securing fulfilment of contractual obligations

1. During the term of the transmission service agreement the network user shall secure the fulfilment of contractual obligations by means of appropriate credit rating of the network user or collateral.
 - 1.1. Upon concluding the transmission service agreement with the Estonian TSO, the network user may simultaneously choose one or more types of collateral as follows:
 - a. security deposit or;
 - b. guarantee of a financial services provider or;
 - c. proof of appropriate credit rating.
 - 1.2. Upon concluding the transmission service agreement with the Latvian TSO, the network user may simultaneously choose one or more types of collateral as follows:
 - a. security deposit or;
 - b. guarantee of a financial services provider or;
 - c. the affiliate entity or;
 - d. proof of appropriate credit rating.
2. The collateral must be valid for the use of the transmission service.
3. The credit rating of the network user shall be deemed appropriate if it complies with at least one of the following criteria:
 - 3.1. a long-term rating of BBB- or higher under Standard & Poor's;
 - 3.2. a long-term rating of BBB- or higher under Fitch;
 - 3.3. a long-term rating of Baa3 or higher under Moody's;
4. In case the network user has chosen to secure the fulfilment of contractual obligations by credit rating, the network user has an obligation to immediately inform the TSO of any changes in the credit rating of the network user and the TSO shall have a right to require the network user to submit an actual information on the credit rating of the network user.
5. In case the network user has chosen to secure the fulfilment of contractual obligations by credit rating, the TSO shall be entitled to request the network user to submit collateral to cover the payment claims arising from the transmission service agreement if:
 - 5.1. the credit rating of the network user no longer meets the criteria set in paragraph 4 of this Annex;
 - 5.3. the TSO has identified that the network user is wholly or partly unable to cover the liabilities, including changed and increased risk due to the solvency of the network user, arising from the transmission service agreement;
 - 5.4. an insolvency procedure or liquidation proceedings have been initiated for the network user;
 - 5.5. the network user breaches the conditions stipulated in the transmission service agreement or the Regulation;
 - 5.6. the network user delays payments arising from the transmission service agreement, which have become due, twice over 12 months.

6. The network user shall submit collateral to the TSO within seven (7) business days from the day of receipt of the relevant request.
7. The TSO shall recognize and deem appropriate the guarantee of a financial services provider or the affiliate entity as a proper security for duly performance of obligations if it complies with the following provisions:
 - 7.1. The guarantee has been issued by a financial services provider who or whose group has at least the following rating for long-term foreign currency loans:
 - 7.1.1. Baa1 in accordance with Moody's agency, or
 - 7.1.2. BBB+ in accordance with Standard & Poor's agency, or
 - 7.1.3. BBB+ in accordance with Fitch Ratings agency;
 - 7.2. the guarantee has been issued by an affiliate entity, which credit rating corresponds to paragraph 4 of this Annex;
 - 7.3. the guarantee shall be first demand and irrevocable.
8. The TSO shall determine the collateral amount for securing the fulfilment of contractual obligations under the transmission service agreement based on either the forecasted service fee for the next month under the transmission service agreement or double the amount of the average monthly payment by the network user for capacity over the last 12 months, whichever is higher. If the period of transmission service usage is shorter than 12 months, that period shall be used as the basis for determination of the collateral amount. The collateral amount shall not be less than EUR 30 000.
9. In case the network user secures the fulfilment of contractual obligations by collateral, the TSO shall have the right to completely discontinue the transmission service provision as set in the Regulation until the moment the network user submits a new collateral or increases, or restores the amount of the existing collateral so that it complies with the provisions of this Annex, if network user fails:
 - 9.1. to submit the collateral within the deadline specified in paragraph 6 of this Annex;
 - 9.2. to increase the amount of the collateral and submit a new collateral within the deadline specified in paragraph 10 of this Annex;
 - 9.3. to restore the collateral within the deadline specified in paragraph 11 of this Annex.
10. If liabilities of the network user within the framework of the transmission service agreement exceed the sum for which the collateral has been issued in accordance with paragraph 8 of this Annex, the TSO has the right to request the network user to increase the amount of the collateral and submit a new collateral to the TSO within seven (7) business days which complies with the provisions of this Annex.
11. The TSO shall be entitled to use collateral to cover liabilities of network user towards TSO if network user has failed to pay the invoice within 40 days for transmission system services provided. After using the collateral, the TSO shall request the network user to restore the amount of the collateral within seven (7) business days.
12. During discontinuation period of the provision of transmission system services as foreseen in paragraph 9 of this Annex, the TSO has the right to allocate the capacity reserved by the network user in the transmission system to another network user as unused capacity.
13. Upon termination of the transmission service agreement, the TSO shall, within five (5) business days, refund to the network user the sum of collateral which is not used to extinguish the unfulfilled liabilities of the network user or return the original of the guarantee of the financial service provider or the affiliate entity.