

NATURAL GAS TRADING RULES

Promulgate in State Gazette (SG) issue 59 of 4 August 2015 effective as of 4 August 2015
amended and supplemented SG issue 99 of 13 December 2016 effective as of 13 December 2016,
SG issue 57 of 19 July 2019 effective as of 19 July 2019

Chapter One

GENERAL PROVISIONS

Art. 1. These rules shall stipulate:

1. The procedure for administrating natural gas transactions;
2. The procedure and the terms and conditions for organizing the balancing of natural gas market;
3. The procedure for changing the natural gas supplier;
4. The procedure and terms and conditions for servicing the commercial metering devices.

Chapter Two

NATURAL GAS TRANSACTIONS

Section I

Parties in Natural Gas Transactions

Art. 2. (1) Parties in natural gas transactions are: natural gas public supplier, supplying undertakings, natural gas storage facilities operators, transmission system operator (TSO), combined operator, gas distribution system operators; natural gas traders, customers, natural gas end supplier.

(2) Natural gas transactions are made under regulated prices between:

1. The public supplier, on one side, and end suppliers and customers connected to a gas transmission and/or gas distribution network, as well as gas distribution system operators and natural gas storage facility operators in the instances when the natural gas is for technological needs.
2. Natural gas end supplier, on one side, and customers connected to a gas distribution

network, on the other side, under publicly available general terms and conditions.

(3) Natural gas transactions at freely negotiated prices shall be made between the supplying undertakings or natural gas traders, on one side, and the natural gas public supplier, natural gas end suppliers, natural gas traders or customers, on the other side.

Art. 3. (1) (Amend. SG 99/2016 effective as of 13 December 2016) When concluding contracts for natural gas supply, the public supplier, the supplying undertakings or the traders shall notify in writing the TSO and the respective gas distribution system operator for the supply contracts they have concluded within a period no later than the effective date of the supply contract.

(2) (Amend. SG 99/2016 effective as of 13 December 2016) The notification under Art. 1 shall be made in a form set forth by the operator of the respective network and shall include at least the following data:

1. seller, ID data;
2. buyer, ID data;
3. (Amend. SG 99/2016 effective as of 13 December 2016) contract duration, natural gas quantity under the supply programme in energy units specified yearly at quarters, months and days;
4. natural gas quality parameters;
5. natural gas hand-over and acceptance point.

Section II

Types of Transactions and Subject of the Contracts

Art. 4. (1) The natural gas transactions in the country are made on the basis of written contracts.

(2) (New. SG 99/2016 effective as of 13 December 2016, Amend. SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020) Natural gas transactions can be also concluded on the trading platform specified by the TSO and approved by the Energy and Water Regulatory Commission. The trading platform shall be developed, maintained and operated by a Trading Platform Operator in line with the Rules of the Natural Gas Trading Platform.

(3) (Prev. (2), SG 99/2016 effective as of 13 December 2016) The public supplier shall conclude contracts for:

1. natural gas supply with end suppliers, supplying undertakings, natural gas traders within and outside the country, and customers;
2. natural gas transport through a gas transmission network and/or gas distribution network;

3. natural gas storage with storage facility operators and/or LNG facility operators;
4. natural gas purchase and sale for balancing.

(4) (Prev. (3). SG 99/2016 effective as of 13 December 2016) The TSO shall conclude contracts for:

1. transport through the gas transmission network;
2. natural gas supply for technological needs.
3. (New SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020) natural gas supply for operational balancing.

(5) (Prev. (4). SG 99/2016 effective as of 13 December 2016) The natural gas storage facility operator shall conclude contracts for:

1. natural gas storage;
2. natural gas supply for technological needs.

(6) (Prev. (5). SG 99/2016 effective as of 13 December 2016) The supplying undertakings shall conclude contracts for:

1. natural gas supply with the public supplier, with end suppliers, with TSOs, with distribution system operators, with storage facilities operators, with natural gas traders and natural gas customers within or outside the country;
2. natural gas purchase and sale for balancing.

(7) (Prev. (6). SG 99/2016 effective as of 13 December 2016) The distribution system operator shall conclude transport contracts through the gas distribution network and contracts for natural gas supply for technological needs.

(8) (Prev. (7). SG 99/2016 effective as of 13 December 2016) The end suppliers shall conclude contracts for:

1. natural gas supply to customers connected to a gas distribution network;
2. natural gas supply with the public supplier, supplying undertakings and traders within and outside the country;
3. transport through a distribution network;
4. transport through a gas transmission network;
5. natural gas storage;
6. natural gas purchase and sale for balancing.

(9) (Prev. (8). SG 99/2016 effective as of 13 December 2016) The natural gas traders shall conclude contracts for:

1. natural gas supply with the public supplier, end suppliers, customers, supplying undertakings and natural gas traders within or outside the country, as well as with TSOs and distribution system operators, and with natural gas storage facilities operators for technological needs;
2. natural gas transport through the gas transmission network;
3. transport through a distribution network;
4. natural gas storage in a storage facility and/or in a LNG storage facility;
5. purchase and sale of natural gas for balancing.

(10) (Prev. (9). SG 99/2016 effective as of 13 December 2016) The customers shall conclude contracts for:

1. natural gas supply with the public supplier, supplying undertakings, natural gas traders within or outside the country and with end suppliers;
2. transport through a gas transmission network;
3. transport through a gas distribution network;
4. natural gas storage in a storage facility and/or in a LNG storage facility
5. (New. SG 99/2016 effective as of 13 December 2016) purchase and sale of natural gas for balancing.

(11) (Prev. (10). SG 99/2016 effective as of 13 December 2016, repealed SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020).

Art. 5. (1) The subject of the supply contracts is natural gas sale.

(2) The natural gas supply contracts with the public supplier, end suppliers and traders shall include at least the following data:

1. subject of the contract, rights and obligations of the parties thereto;
2. a programme containing information about the natural gas quantities contracted for supply, including quarters, months and days, and maximum and minimum daily quantity, as well;
3. a time period and conditions for supply of natural gas quantities with the relevant quantitative indicators and parameters, including a natural gas acceptance, handover and metering point;
4. procedure, terms and conditions for payment of the supplied natural gas quantities;
5. penalties in case the parties fail to perform their obligations under the contract;
6. (Suppl. SG 99/2016 effective as of 13 December 2016) terms and conditions for

unilateral termination of the contract by the customer without paying additional fees and/or penalties apart from the negotiated ones;

7. financial guarantees from the customer ensuring the fulfilment of his obligations under the supply contract;
8. terms and conditions for suspending, limiting and resuming the supplies in case of non-performance of obligations under supply contracts.

(3) When a party under the contracts under item 1 is the public supplier, the supply terms and conditions shall be binding with the contracts' terms and conditions by which the public supplier purchases, transports and stores the natural gas.

Art. 6. (1) Subject of the transport contracts is the provision of the service “natural gas transport through a gas transmission system” and “natural gas transport through a gas distribution system”.

(2) (Amend. SG 99/2016 effective as of 13 December 2016) The natural gas transport contracts through a gas transmission and a gas distribution network shall include at least the following data:

1. (Amend. SG 99/2016 effective as of 13 December 2016, SG 27/2019 effective as of 19 July 2019) a time period and conditions for transport, **procedure and terms for negotiating and using** transport capacities by natural gas acceptance and hand-over points;
2. procedure, terms and conditions for notification in case of suspension or limitation of the transmission and its recovery, responsibilities, safety measures and equipment maintenance, measures against losses;
3. procedure, terms and conditions for suspension or limitation of the transmission and its recovery in cases of non-fulfilment of any obligations under the transport contracts;
4. procedure, terms and conditions for notification when carrying out scheduled repairs of the network and the equipment thereto;
5. procedure, terms and conditions for notification in case of failures in the gas transmission and gas distribution network and the facilities thereto;
6. procedure, terms and conditions for inspection of the commercial metering devices and for providing information from the commercial metering devices;
7. penalties in case the parties fail to perform their obligations under the contracts;
8. quality indicators and parameters, including a natural gas acceptance, handover and measurement point;
9. price and payment method;
10. change of supplier procedure;
11. procedures for nominations and re-nominations of natural gas quantities for

transmission within the contracted capacity;

12. procedure for determining the transported natural gas quantities in case of inoperative or inaccurately metering commercial metering devices.

13. (New, SG 57/2019 effective as of 19 July 2019) procedure, terms and conditions for concluding secondary capacity transactions.

(3) (Amend. SG 99/2016 effective as of 13 December 2016) Transport contract through the gas transmission network shall not be concluded with persons who are in liquidation procedure, have declared bankrupt or are under an insolvency procedure, and if a foreign person is in a similar procedure under their national legislation.

(4) (Amend. SG 57/2019 effective as of 19 July 2019) When concluding a transport contract through the gas transmission network, the network user (NU) is obliged to conclude a contract for natural gas purchase and sale for balancing with the TSO. The TSO shall keep a register of the persons with whom contracts for natural gas purchase and sale for balancing are concluded, and which shall publish on its webpage.

(5) (Amend. SG 57/2019 effective as of 19 July 2019) The procedure, the terms and conditions for registration, and the requirements to the participants in the natural gas balancing market (including financial, manpower and technical resources) shall be set by the TSO and published on its webpage.

(6) The holders of a licensee for natural gas public supply and a licensee for supplying from an end supplier, as well as the persons having concluded an effective transport contract with a TSO shall be considered as registered.

(7) Persons who have payments due whose deadline for performance has expired, to the TSO or other natural gas market participant within the country or on the territory of the EU shall not be registered.

(8) The registration of persons who are found not to meet with the requirements of items 5 and 7 shall be terminated.

Art. 7. (1) Subject of the storage contracts is the provision of the service “natural gas storage in natural gas storage facilities” and “natural gas storage in LNG facilities”.

(2) The contracts under item 1 shall be signed between an operator of natural gas storage facilities, the LNG storage facilities operators, on one side, and the public supplier, natural gas traders, natural gas end suppliers and customers, on the other side.

Art. 8. The natural gas supplied by the public supplier, the natural gas traders, the supplying undertakings and the end suppliers shall be supplied and invoiced in compliance with the terms and conditions of the specific supply contracts and the programme for supply for a specific customer at a specific point.

Section III

Administration of Natural Gas Transaction

Art. 9. (Amend. SG 99/2016 effective as of 13 December 2016, SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020). The operator of the gas transmission or distribution network shall administrate natural gas transactions including natural gas transactions at freely negotiated prices whose supply is carried out through the gas transmission network which he owns and/or operates **as well as natural gas transactions on the trading platform.**

Art. 10. (1) (Amend. SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020). If circumstances threatening the safety operation of the gas transmission system or parts thereof occur, the TSO pursuant to art. 188, para. 2 of the Energy Act shall be entitled to temporarily suspend the performance of transactions or change the contracted natural gas quantities thereto by informing the parties under the transport contracts and the contracts for using the virtual trading point including the operators of gas distribution networks and the operator of the natural gas trading platform.

(2) (Amend. SG 57/2019 effective as of 19 July 2019) If circumstances threatening the safety operation of the gas transmission system or parts thereof cease to exist, the TSO resumes the performance of the transactions, respectively, the transmission of the contracted natural gas quantities by informing the parties under item 1.

(3) Suspension of transactions or change in the contracted natural gas quantities under art.1 shall be carried out when the conditions under Art. 24, para. 1 of Ordinance No.10/2004 on the procedure for introducing limiting regime, suspension or restriction of production or supply of electricity, heat and natural gas (Issue SG No. 63/2004; Amend. SG 42/2015) occur and in compliance with the adopted clauses in the transport contracts for a given NU.

Chapter Three

BALANCING THE NATURAL GAS MARKET

Section I

General Provisions

Art. 11. (1) (Amend. SG 57/2019 effective as of 19 July 2019) Balancing the natural gas market is compensation of the differences between the natural gas quantity delivered by the gas transmission users at the entry points and the natural gas quantity off-taken by that users at the exit points of the network for a gas day.

(2) (Suppl. SG 57/2019 effective as of 19 July 2019) Individual commercial imbalance occurs when the natural gas quantity delivered in the network by a given user differs from the exit natural gas quantity by the same user during the respective day.

(3) (Amend. SG 57/2019 effective as of 19 July 2019) The procedure, terms and conditions for calculating the daily imbalance and forming and applying the daily imbalance charge and the neutrality balancing charge shall be determined in a methodology, proposed by the TSO and approved by the Energy and Water Regulatory Commission (EWRC).

(4) The NUs of the gas transmission system are responsible for maintaining a compliance between the natural gas quantities delivered at entry points and off-taken at the exit points of the gas transmission network.

(5) Each NU shall carry out the necessary actions to provide compliance between the natural gas quantities they deliver in the gas transmission network and the quantities they off-take from the network during the respective day so as to minimize the necessity of undertaking actions for physical (residual) balancing of the gas transmission network by the TSO.

(6) (Amend. SG 99/2016 effective as of 13 December 2016, SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020) NUs and natural gas traders can purchase and sell natural gas using the virtual trading point (VTP) also in order to offset imbalances of their balancing accounts within the gas day. Transactions on the virtual trading point may be concluded on the trading platform. For these transactions the NUs and natural gas traders shall notify the TSO via standard transaction notifications. When transactions are concluded on the trading platform, notifications shall be submitted by the operator of the trading platform.

(7) (New, SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020) If actions for physical balancing are necessary to be taken, the TSO may trade natural gas on the trading platform. TSO shall maintain a virtual trading point for the gas transmission network and shall ensure the participation of at least one trading platform.

(8) (New, SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020) The terms and conditions for settling operational and commercial balancing are set out in the Natural Gas Balancing Rules.

Art. 12 (1) (Amend. and suppl. SG 99/2016 effective as of 13 December 2016, repealed SG 57/2019 effective as of 19 July 2019)

Art. 13. (1) (Amend. SG 57/2019 effective as of 19 July 2019) The contracts for natural gas purchase and sale for balancing which the TSO concludes with the NUs shall include at least the following:

1. contract subject, rights and obligations of the parties thereto;
2. method for determining the quantities and prices in the transactions for balancing;

3. deadlines for settlement, invoicing and payment;
4. procedure, terms and conditions for operational information exchange for entering into transactions for balancing;
5. (Amend. SG 57/2019 effective as of 19 July 2019) terms and conditions for financial guarantee, provided by the NUs in favour of the TSO, its amount, type and restore deadlines;
6. penalties in case the parties fail to perform their obligations under the contract;

(2) (Amend. SG 57/2019 effective as of 19 July 2019) The NUs shall submit to the TSO a financial guarantee as a condition for the entering into force of the contract for natural gas purchase and sale for balancing.

(3) (Amend. SG 57/2019 effective as of 19 July 2019) If the financial guarantee is adopted and it is not restored within the indicated deadlines, the TSO could suspend the implementation of the contracts for natural gas purchase and sale for balancing until it is restored. In this case the TSO suspends the implementation of the transport contract for natural gas for this user for the time of suspension of the implementation of the contract for natural gas purchase and sale for balancing.

(4) The contracts for natural gas purchase and sale for balancing are harmonized and cannot include terms and conditions that put the NUs in a disadvantage.

Art. 14. (Amend. SG 57/2019 effective as of 19 July 2019) When the requirements of Art. 13, para. 2 are met, the TSO shall fill in the persons, parties under a contract for natural gas purchase and sale for balancing in a register of the balancing market participants with a status “registered”.

Art. 15. (1) (Amend. SG 57/2019 effective as of 19 July 2019) The TSO shall publish on its website:

1. a list of registered participants with information about the name, ID number, registration date and status data;
2. prices for purchase and sale of natural gas for balancing for the respective day, no later than the beginning of the respective gas day;
3. the total amount of the transactions with natural gas for balancing performed for the gas month, no later than the 10th day of the next gas month;
4. the volume of the physically purchased and sold natural gas for balancing outside the gas purchased and sold from/to the users to reset their imbalance for the previous day.

(2) (Amend. SG 57/2019 effective as of 19 July 2019) The TSO shall be obliged to update the information under item 1.

Art. 16. (1) (Amend. SG 99/2016 effective as of 13 December 2016) When concluding a contract for natural gas purchase and sale for balancing, a balancing account shall be opened to the NU.

(2) (Amend. SG 99/2016 effective as of 13 December 2016) The TSO shall keep a cumulative

balancing account for the gas month for the portfolio of each NU with regard to the difference between the natural gas quantities delivered and off-taken by him on the basis of a concluded transport contract.

(3) (Amend. SG 99/2016 effective as of 13 December 2016, suppl. SG 57/2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020) Each NU is obliged to put effort so as to maintain their balancing account as close as possible to zero, and undertakes actions on the natural gas market for balancing including on the trading platform.

Art. 17. (Amend. SG 99/2016 effective as of 13 December 2016) If at a natural gas acceptance or hand-over point there are existing transport contracts of more than one NU, the operational information shall be aggregated for the point (information from the commercial metering device) and allocated proportionally to the nominations for the gas day or in line with the quantity allocation procedure in force at this point. In this case the imbalances of the users calculated on allocated operational hourly data basis have a forecast nature. The imbalances shall be calculated on the basis of the allocated quantities by users, by natural gas acceptance and hand-over points.

Section II

Balancing the Gas Transmission Network

Art. 18. (1) Balancing the gas transmission network is a physical compensation of the differences between the aggregated natural gas quantity supplied at the entry points of the gas transmission network and the aggregated natural gas quantity off-taken from the gas transmission network for the same period. The TSO shall undertake actions to change the entry and exit natural gas quantities so as to maintain the gas transmission network within its operational limits.

(2) There is an imbalance of the gas transmission network when the aggregated natural gas quantities entering the network, nominated by all users, differ from the aggregated quantities exiting the network during the relevant day.

(3) (Amend. SG 99/2016 effective as of 13 December 2016, SG 57/2019 effective as of 19 July 2019) In order to ensure the balance of the gas transmission network, the TSO performs the balancing actions laid down in the Natural Gas Market Balancing Rules:

1. conclude short-term transactions (for a day ahead or within the day) with other players on the balancing market via a virtual trading point for title transferring of the natural gas; transactions are concluded at the lowest available price for purchases, and at the highest price available for sales;
2. store and/or use natural gas quantities in the gas transmission network (linepack);
3. store and/or use natural gas quantities at/from a natural gas storage facility;

4. conclude contracts for natural gas supply at an entry point of the gas transmission network based on a transparent, non-discriminatory and market-based procedure at the lowest price taking into account the maximum amount of the expected natural gas imbalances in the gas transmission network;

(4) In case the cumulative imbalance of the gas transmission network exceeds the limit, specified by the Operator, and measured in energy units which will lead to the impossibility to balance physically the transmission system and/or threaten its integrity and safe operation, the Operator shall undertake actions pursuant to Section VI of Gas Transmission Networks Management and Technical Rules and/or Ordinance No.10/2004 on the procedure for introducing limiting regime, suspension or restriction of production or supply of electricity, heat and natural gas.

Section III

(Repealed SG 57/2019 effective as of 19 July 2019)

Interim Measures for Balancing until Reaching a Sufficient Market Liquidity and Creating a Functioning Energy Market

Art. 19. (Repealed SG 57/2019 effective as of 19 July 2019)

Art. 20. (Repealed SG 57/2019 effective as of 19 July 2019)

Chapter Four

ALLOCATION OF TRANSPORTED QUANTITIES

Art. 21. (1) The TSO shall allocate the natural gas when the natural gas quantities accepted and handed over by the users of the gas transmission network at the acceptance/hand-over points is measured together with the quantities, accepted and handed over to other user(s).

(2) At natural gas acceptance/hand-over points with neighbouring EU TSOs, the quantity allocation procedure shall be made on the basis of the Interconnection Agreement, signed between the two TSOs in line with the requirements of Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules.

(3) (Amend. SG 99/2016 effective as of 13 December 2016) At natural gas acceptance/hand-over points where there is no signed Interconnection Agreement under para. 2, allocation shall be

carried out in line with the procedures indicated in art. 22.

(4) (New, SG 99/2016 effective as of 13 December 2016) At natural gas acceptance/hand-over points where supplying undertaking is connected, the allocation shall be carried out on the basis of a Protocol on allocation of measured quantities by users, drawn up and signed by the supplying undertaking. If there is no such protocol, the allocation shall be in line with the procedures laid down in art. 22.

Art. 22. (1) At natural gas hand-over points, the quantity allocated to users can be greater or smaller than the nominated one as a result of customers' consumption of gas with whom users have signed supply contract and the natural gas allocation procedure at this point. The supply contracts between NUs and the customers provide for the terms and conditions under which the customer nominates to their supplier and the respective penalties in case of deviation from the nominations from the actually consumed quantities.

(2) (Amend. SG 99/2016 effective as of 13 December 2016, SG 57/2019 effective as of 19 July 2019) Allocation of quantities at a gas acceptance/hand-over point shall be in line with one of the following procedures in line with a priority as follows:

1. in line with a quantity allocation protocol with the consent of all users at the point for the proportion of the daily allocation of the measured quantity; the protocol shall be considered valid if it is provided signed by all users at the point no later than the end of the gas day preceding the beginning of the period specified in the protocol itself;
 - 1a. in line with an electronic protocol between all users at the point, submitted through the commercial dispatching platform; if a technical problem is identified and confirmed by the TSO, a signed protocol can be submitted by e-mail; the protocols shall be considered valid if the sum of the allocated quantities is equal to the measured quantity at the point;
2. in line with the protocol drawn-up and signed by the connected customer with each user at the point for supplied natural gas quantities in cases where there is only one customer connected at this point; the protocols shall be considered valid if the sum of the allocated quantities is equal to the measured quantity at the point;
3. with a balancing user;
4. in case the users, respectively the connected clients, have not submitted to the TSO any of the procedures under items 1 - 3, the TSO shall allocate the measured quantities pro rata to the last confirmed nominations for the respective gas day.

(3) (Amend., SG 99/2016 effective as of 13 December 2016) TSO shall carry out a preliminary allocation for during the current gas day in line with the procedures under para. 2 it. 4.

(4) (Amend., SG 99/2016 effective as of 13 December 2016, SG 57/2019 effective as of 19 July 2019) Protocols under Art. 21 para. 4 and Art. 22 para. 2 item 1a and 2 shall be submitted to the TSO no later than 12:00 pm of the current gas day for the allocation of the quantities from the previous day. The total quantity under the protocols for the respective point must equal the

reading of the commercial metering device at this point.

(5) (Amend., SG 99/2016 effective as of 13 December 2016) Failure to submit the protocols under art. 4 within the required deadline or when the protocols fail to meet the requirements, the TSO shall carry out daily allocation in line with art. 2, it. 3 or it. 4. This allocation shall be performed by 2:00 p.m. of the current gas day for the quantities from the previous gas day.

(6) (Suppl., SG 99/2016 effective as of 13 December 2016, amend. SG 57/2019 effective as of 19 July 2019) Every NU may apply to be the balancing user at a given natural gas hand-over point. If more than one user applies such status, the TSO shall approve the balancing user status of the first applicant. If at a point there is only one connected customer who has more than one natural gas supplier, the customer can indicate which of their suppliers has a balancing user status, the TSO shall also be informed on this. TSO shall confirm the balancing user status following its written consent.

(7) (Amend., SG 99/2016 effective as of 13 December 2016, repealed 57/2019 effective as of 19 July 2019)

(8) (Amend. SG 57/2019 effective as of 19 July 2019) In case allocation is made in line with para. 2, item 1a at a given point and as a result of the emergence of new users, the leaving of existing ones or for any other reason the common agreement between all users is cancelled or terminated, the operator shall apply allocation with the balancing user under the procedure laid down in Art. 6. If there is no balancing user, TSO shall apply allocation pro rata to the nominations.

(9) (New, SG 99/2016 effective as of 13 December 2016, amend. SG 57/2019 effective as of 19 July 2019) The monthly allocation of the quantities shall be made on daily allocation and if necessary, the TSO can make an adjustment of the quantities based on a protocol for adjustment of the commercial metering device readings or due to other objective reasons. When a TSO makes such an adjustment, the adjusted quantities shall be allocated in accordance with the daily allocation for the respective gas day and the protocols under Art. 21 para. 4 and under Art. 22 para. 2 item 1a and 2 shall be submitted no later than 5:00 p.m. if the fourth day of the month following the reported month.

Chapter Five

INVOICING AND PAYMENT. GUARANTEE OF TRANSACTIONS

Section I

General provisions

Art. 23. (Amend., SG 99/2016 effective as of 13 December 2016) All natural gas market balancing transactions shall be reported at 7:00 am on the day, following the reporting one, and can be invoiced on a daily, weekly or monthly basis, whereas the value is determined on the basis of the purchased and sold balancing natural gas.

Art. 24. (Amend. SG 57/2019 effective as of 19 July 2019) The TSO shall settle the balancing natural gas transactions for every NU for a period of time, laid down in the contracts for natural gas purchase and sale for balancing.

Art. 25. (Amend. SG 57/2019 effective as of 19 July 2019) The TSO shall be liable to supply to NUs information on every time settlement period by means of preparing the relevant excerpts.

Section II

Invoicing

Art. 26. (1) (Amend. SG 57/2019 effective as of 19 July 2019) Invoices under the balancing natural gas transactions shall be issued by the TSO and by the gas transmission network users for the quantity of natural gas for balancing which they have sold for the relevant reporting period.

(2) Settlement excerpts are integral part of the issued invoices.

Art. 27. Payment conditions are in line with the Natural Gas Market Balancing Rules and the Contracts for Natural Gas Purchase and Sale for Balancing.

Section III

Balancing Transaction Guarantee

Art. 28. (1) (Amend. SG 57/2019 effective as of 19 July 2019) Users of the gas transmission network shall submit a financial guarantee under the contracts for natural gas purchase and sale for balancing in favour of the TSO in line with art. 13, para. 2.

(2) Users of the gas transmission network shall be liable to restore the moneys under the financial guarantee following encashment of the amount thereunder within a term, set out in the contracts for natural gas purchase and sale for balancing.

Chapter Six

COMMUNICATIONS. INFORMATION EXCHANGE

Art. 29. (1) (Amend. SG 57/2019 effective as of 19 July 2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020) Network users shall

be liable to secure at their expense technical equipment and software to exchange data with the TSO and when they are registered on the trading platform with the operator of the trading platform as well, including: a telephone line, electronic mail and fax with a possibility for 24/7 communication.

(2) (Amend. SG 57/2019 effective as of 19 July 2019 shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020) Communication types, data exchange channels and the access thereto shall be set out by the TSO and the operator of the trading platform and shall be published on their websites.

Art. 30. (1) The TSO shall inform network users on recommended standards and shall set out obligatory information security means.

(2) Network users shall be liable to protect the right for access password, supplied by the TSO.

Chapter Seven

PROCEDURE FOR SUPPLIER CHANGE

Art. 31. (1) Every customer connected to a gas transmission or gas distribution network and a party to a natural gas supply contract shall have the right to change their supplier in line with the contractual conditions at any time by sending a written request to the operator of the relevant network to which they are connected.

(2) Upon terminating a natural gas supply contract as a result of the exercise of the right to change the supplier the customer shall not owe any fees and sanctions for the early termination of the contract for supply with the initial supplier beyond the agreed ones.

(3) In case to right to change the supplier is exercised the contracted capacity for transmission at the exit point of the gas transmission and/or gas distribution network shall be transferred from the initial supplier to the new supplier, without thereby creating any obligations to pay sanctions to the initial supplier for the contracted capacity.

(4) The written request under para. 1 shall be sent three weeks at least prior to the date when the change of supplier is sought and shall contain:

1. name and identification data of the customer, the new supplier and the old one;
2. excerpt of preliminary contract for supply with the new supplier showing: the date of first supply, term of the supply contract, place of delivery and programme giving information on natural gas quantities contracted for supply, including by quarters, months and days (in case of supply contracts with a term shorter than one calendar month), as well maximum and minimum daily quantity;
3. evidence supplied by the new supplier to establish the circumstances under art. 6, para. 3 unless the new supplier has a valid Transport Contract with the operator of the relevant

network.

(5) Supplier change is allowed only if the new supplier meets the conditions under art. 6, para. 3 and if the new supplier has no outstanding financial liability to the operator of the relevant network, the deadline of which had expired.

(6) When the contracted maximum daily quantity under the supply contract with the new supplier exceeds the allocated daily capacity for transmission under the Transport Contract of the initial supplier, the operator of the relevant network shall accept to transport the quantities up to the amount of the capacity allocated to the initial supplier. The new supplier should submit an application for capacity to the operator of the network for the difference in line with the respective rules for using the networks offered by the relevant operator.

(7) The change of the supplier shall enter into force as of the first day of the gas month, following the month when the request has been received in compliance with the three-week deadline under para. 4.

Chapter Eight

TERMS AND PROCEDURE FOR SERVICING THE COMMERCIAL METERING DEVICES. MAINTENANCE OF DATABASE AND ACCESS TO COMMERCIAL METERING DEVICES

32. (1) Metering of the natural gas quantities under contracts to which a party are supplying undertakings or storage facilities operators, shall be made by means of commercial metering devices, installed at gas metering stations, property of the supplying undertaking or the storage facility operator.

(2) The supplying undertakings and the storage facilities operators shall enter into operational agreements with the operator of the gas transmission and/or gas distribution network to which they are connected; such agreements shall specify the procedure and terms and conditions of joint monitoring and control on the metering devices and the real time data exchange therefrom.

Art. 33. (1) Metering the natural gas quantities, transported through the gas transmission network shall be made by means of the commercial metering devices, property of the TSO, installed at the gas metering or the gas regulating stations, located at the gas transmission network exit points.

(2) In case of connecting two gas transmission networks the commercial metering devices are property of one of the parties determined by a common agreement.

(3) In case of connecting two gas transmission networks the operators shall enter into an interconnection agreement; such agreement shall determine the interconnection points and the ownership over the commercial metering devices at these points, and an operational agreement,

determining the procedure and the terms and conditions of joint monitoring and control over the metering devices and the real time exchange data therefrom.

Art. 34. Natural gas quantities, transported through the gas distribution network shall be metered by means of commercial metering devices, property of the gas distribution network operator.

Art. 35. The owners of the commercial metering devices shall be liable to service and maintain the commercial metering devices in good working order and metrological validity.

Art. 36. (1) The owners of the commercial metering devices shall keep a register of natural gas commercial metering devices, installed at the exit points of the gas transmission or gas distribution network and at the exit points of the relevant equipment of supplying undertakings and storage facilities.

(2) The owners of the commercial metering devices shall retrieve and store information and documents and maintain a data base with the commercial metering devices readings.

(3) The register under para. 1 shall contain:

1. data on the commercial metering devices type;
2. information on commercial metering devices metrological inspections;
3. adjusting device for volume (energy) configuration protocol;
4. numbers of commercial metering devices safety seals;
5. other information, required for the networks' management.

(4) The persons under para. 1 are liable to keep all data of the register under the above paragraph updated.

Art. 37. (1) The owners of the commercial metering devices shall be liable to supply information generated by the commercial metering devices readings data base as kept by them upon demand of the parties to the natural gas transaction.

(2) The structure and deadline for supplying under para. 1 shall be determined by the owners of the commercial metering devices. The deadline for supplying such information cannot be more than 10 calendar days.

Art. 38. (1) The frequency of reporting natural gas quantities at every metering location shall be once per month.

(2) The owners of the commercial metering devices shall report the natural gas quantities in line with the periods of reporting under para. 1 and shall supply the metering data to the relevant parties to the natural gas transactions under the conditions and within the deadlines as laid down in the contracts.

Art. 39. (1) The operator of the relevant network shall be liable to secure to the person who purchases or sells natural gas the opportunity to get access to the commercial metering devices readings.

(2) The owners of the commercial metering devices shall supply to the operator of the relevant network the metering data on transactions at freely negotiated prices and balancing natural gas transactions.

Art. 40. (1) The commercial metering devices shall be subject to initial and subsequent checks in line with the Measurement Act and the regulations associated with its enforcement.

(2) A check may be asked by the party which purchases or sells natural gas.

(3) The costs associated with the check shall be borne by the party which asked for the check, when the results show that the commercial metering device is within the required accuracy.

(4) The costs associated with the check shall be borne by the owner when the results show that the commercial metering device is out of the required accuracy.

Chapter Nine

CONTROL OVER COMPLIANCE WITH THE RULES

Art. 41. EWRC shall control the compliance with the Rules.

ADDITIONAL PROVISION

§ 1. In the meaning of these Rules:

1. *(Amend., SG 99/2016 effective as of 13 December 2016)* The Balancing Account is an account separate for each user of the gas transmission network where daily imbalances throughout the month are registered on daily basis.
2. Balancing user is a gas transmission network user to whom the difference between the amount of nominated quantities and the actually transported quantity is allocated at a given natural gas handover and acceptance point provided that the other users at this point receive allocated quantity equal to the nominated.
3. *(Repealed. SG 57/2019 effective as of 19 July 2019).*
4. *(Amend. SG 57/2019 effective as of 19 July 2019)* Virtual trading point is a non-physical point where registered users on the virtual point can transfer natural gas ownership.
5. Entry point is a physical point of the gas transmission network, consisting of one or more natural gas acceptance points.
6. *(Amend., SG 99/2016 effective as of 13 December 2016)* Gas day is a time period starting

at 7.00 a.m. local time of the particular day and ending at 7.00 a.m. local time on the following day.

7. *(Repeal., SG 99/2016 effective as of 13 December 2016)*
8. *(Amend., SG 99/2016 effective as of 13 December 2016)* Gas month is a time period starting at 7.00 a.m. local time on the first day of a particular calendar month and ending at 7.00 a.m. local time on the first day of the following calendar month.
9. *(Amend., SG 99/2016 effective as of 13 December 2016)* Gas quarter is a time period starting at 7.00 a.m. local time on the first day of October, January, April and July and ending at 7.00 a.m. on the first day of each following January, April, July or October respectively.
10. *(Amend., SG 99/2016 effective as of 13 December 2016)* Gas year is a time period starting at 7.00 a.m. local time on October 1 of a particular calendar year and ending at 7.00 a.m. local time on October 1 of the following calendar year.
11. Supplier is a physical or legal entity, supplying natural gas to customers, connected to the gas transmission or gas distribution network.
12. Supplying undertakings are production undertakings, liquefied natural gas undertakings, compressed natural gas undertakings and renewable natural gas producing undertakings who can supply gas at entry points of gas transmission and gas distribution networks.
13. *(Amend., SG 99/2016 effective as of 13 December 2016)* Balancing zone is an entry-exit system with a special balancing regime.
14. Exit point is a physical point of the gas transmission network, consisting of one or more natural gas hand-over points.
- 14a. *(New., SG 99/2016 effective as of 13 December 2016)* The natural gas quantity shall be calculated in energy units at gross calorific value.
15. Balancing natural gas market is a natural gas trade to settle the users' individual imbalances for a given period.
- 15a. *(New. SG 57/2019 effective as of 19 July 2019)* Trading platform – an electronic platform for bilateral trade and/or exchange trade, maintained and operated by a trading platform operator, through which trading participants may announce and accept, as well as modify and withdraw offers for natural gas purchase and sell to meet the short-term fluctuations in the natural gas supply and demand under the conditions applicable to the trading platform and where the TSO trades in order to perform balancing actions.
16. Network user is a physical or legal entity, holder of a signed Contract for the Transport through the Gas Transmission Network and Contract for Natural Gas Purchase and Sale for Balancing.
17. Natural gas for balancing is the natural gas, required to compensate for the difference

between the total natural gas inputs at the entry points of the gas transmission network and the total natural gas offtakes at the exit points of the gas transmission network.

18. Natural gas acceptance point is a physical point of the gas transmission network equipped with commercial metering devices, where the metering of quality, pressure and quantity of the natural gas for transmission is done and where its hand-over by the network user to the TSO is made.
19. Natural gas hand-over point is a physical point of the gas transmission network equipped with commercial metering devices, where the metering of quality, pressure and quantity of the transported natural gas is done and where its hand-over by the TSO to the network user is made.
20. Settlement is the determination and the financial settlement of individual imbalance between the natural gas inputs at the network entry points and the natural gas offtakes at the network exit points for every specific network user for a given time period.

TRANSITIONAL AND FINAL PROVISIONS

§ 2. These Rules are approved on the basis of art. 21, para. 1, item 9 in connection with art. 173, para. 1 of the Energy Act by the Energy and Water Regulatory Commission with decision under Protocol no. 137 of 7 July 2015 under item 1 and repeal the Natural Gas Trading Rules adopted by the State Energy and Water Regulatory Commission with decision under protocol no. 106 of 15 May 2007 under item 4.

§ 3. Natural Gas Trading Rules shall enter into force on the day of their publication in State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the Rules amending and supplementing the Natural Gas Trading Rules

(SG 57/2019 effective as of 19 July 2019)

§ 20. (1) The TSO shall designate until 1 September 2019 at least one trading platform in accordance with Art. 22, § 3 of Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks.

(2) The TSO shall submit an application to the Energy and Water Regulatory Commission for

approval of the trading platform under para. 1 by 1 October 2019.

§ 21. Paragraphs 1, 3, § 4, item 1, § 5, items 4 and 5, § 10 and 18 of the Rules amending and supplementing the Natural Gas Trading Rules shall apply from the date on which the trading platform becomes operational, but no later than 1 January 2020.
