
Joint Product Description

Bundled Capacity Allocation Pilot at Interconnection Point Lasów

(non-binding)

1. Introduction

Gas Transmission Operator GAZ-SYSTEM S.A. (hereinafter referred to as “GAZ-SYSTEM”) and ONTRAS — VNG Gastransport GmbH (hereinafter referred to as “ONTRAS”) work towards the early implementation of the Network Code on Capacity Allocation Mechanisms (hereinafter referred to as “CAM NC”) for the common Interconnection Point Lasów and hence to make available bundled capacities at IP Lasów. As the full CAM implementation in both countries will require some time, the TSOs agreed on certain rules for the realization of the Pilot Project. The rules set out concerning the Pilot Project shall only be applicable for this timescale. For future bundling the TSOs will develop and publish revised conditions.

With the publication of this Joint Product Description for the auction of the bundled product at IP Lasów, GAZ-SYSTEM and ONTRAS shall open the realization of the Pilot Project of provision of bundled capacity at IP Lasów (exit point from ONTRAS’ transmission system – ID 469 and entry point to GAZ-SYSTEM’s transmission system - ID 272411), through an auction ran at the PRISMA primary platform.

Under the auction, GAZ-SYSTEM and ONTRAS will make available the same amount of capacity in the IP Lasów. In the course of a joint auction, the shipper will be able to buy the same amount of capacity in the IP Lasów, i.e. in the transmission system of ONTRAS and GAZ-SYSTEM. The Parties chose a two-contract model, which means that after the auction, the shipper participating in the auction will conclude two separate transmission contracts, accordingly with ONTRAS and GAZ-SYSTEM.

This document describes the rules for the provision of bundled capacity at Lasów through an auction which will be based on the provisions of the CAM NC, version from the 17.09.2012, developed by the European Network of Transmission Service Operators for Gas (ENTSO) on the basis of art. 8 (1) of the Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (hereinafter referred to as “regulation 715/2009). Residual capacities which can not be bundled during the Pilot Period for the Gas Year 2013/2014 will be provided as unbundled according to the respective Terms & Conditions of the TSOs.

This paper is non-binding and is published for information purposes only. It describes the joint link between the conditions applied for the provision of the product in the networks of ONTRAS and GAZ-SYSTEM regarding the pilot for bundled capacity at Lasów. Besides to the common conditions described in this description there are the following documents which are valid for the shippers demanding the described capacity products:

- Supplementary Terms and Conditions of ONTRAS – VNG Gastransport GmbH for bundled capacity contracts at the Lasów border point, defined for the offering of bundled capacity products during the pilot phase describe the company specific requirements concerning bundled capacity contracting and operation;
- Network Access Conditions of ONTRAS – VNG Gastransport GmbH, describing the conditions for the access to the network and operation;
- The Transmission Network Code of GAZ-SYSTEM (as approved by the President of the Energy Regulatory Office on 24 July 2012 by Decision No DPK-4322-10(16)/2012/AK), and thereafter altered by the Change of the TNC of OGP Gaz-System S.A. no 1/2012/0018, as approved by the President of the Energy Regulatory Office on 15th of February 2013 by Decision No DPK-4323-88(8)/2012/2013/AŠK, hereinafter referred to as „TNC of GAZ-SYSTEM“, defining rules of providing capacity and rendering of the gas transmission service
- Tariff of GAZ-SYSTEM, applicable at a given time,
- GAZ-SYSTEM's rules for the auction of the Bundled Product at IP Lasów, as approved by the President of ERO on the 1st of March 2013 by Decision No DRR-7121-1(7)/2012/2013/JBD,
- Additional documents related to the Bundled Capacity Allocation Pilot (e.g. T&C of the platform, Concept Paper 6.0, auction calendar and schedule) published on the website of the concerned booking platform PRISMA primary, <http://primary.prisma-capacity.eu>.

2. Product description

- During the Pilot Project of the bundled product at IP Lasów quarterly products will be auctioned according to the CAM NC.
- Bundled capacity at IP Lasów will be made available for the following periods:
 - o Quarter 2 Gas Year 2013/14 (1st January - 1st April 2014),
 - o Quarter 3 Gas Year 2013/14 (1st April - 1st July 2014),
 - o Quarter 4 Gas Year 2013/14 (1st July - 1st October 2014).
- The gas day from 6 a.m. to 6 a.m. applies respectively.
- Flow direction: from the gas transmission network of ONTRAS within the German market area GASPOOL to the gas transmission network of GAZ-SYSTEM in Poland.
- Available capacity: 57.980 kWh/h (equals to 5.200nm³/h) for each quarterly product corresponding.
- The bundled capacity offered during the Pilot Project at IP Lasów is sold via the PRISMA primary platform, <http://primary.prisma-capacity.eu>.
- 30 days prior to the auction the Parties will publish all the necessary information concerning the date of the auction and the products that will be auctioned.
- Allocation algorithm: Ascending Clock as defined in the CAM NC.
- It is planned that the first auction round will presumably open on the 3rd of June 2013, unless otherwise specified by the parties. Further details will be published in the Auction Calendar published on the platform (see above).
- Pricing for the transmission service: For the bundled auction process ONTRAS and GAZ SYSTEM apply the sum of their individually published regulated tariffs for the transmission service at IP Lasów as reserve price (starting price) for the auction.
- Price steps for each of the TSO's: 0,5 EURct/(kWh/h)/runtime shall be defined as small price step; 2,5 EURct/(kWh/h)/runtime shall be defined as large price step.

3. Treatment of contracted capacity

In case one of the two capacity contracts forming the bundled capacity product is terminated, either by the customer, or if one the TSOs terminates a transmission contract on one side, the contract of the other party shall remain unaffected. The capacity available only on one side via such terminations can be marketed as unbundled short-term capacity.

Congestion Management Procedures (surrendering of capacity a day-ahead UIOLI) will be applied on each side of the IP Lasów according to the respective national regulation (as unbundled). The transformation of interruptible capacity into firm will be offered on each side of the IP Lasów according to the respective national regulations of GAZ-SYSTEM and ONTRAS and the application of this procedure will have no effect on the amounts of capacity or capacity contracts concluded with the other TSO, respectively GAZ-SYSTEM or ONTRAS.

4. Requirements for users to participate in the bundled auction

To successfully participate in the auction of the Bundled Product, the user must successfully register according to the rules of each TSO (set out in the Network Access Conditions of ONTRAS and the Transmission Network Code of GAZ-SYSTEM) and according to the platform requirements, especially:

- Acquisition of the DVGW and an EIC code (prerequisite for registration at PRISMA primary).
- Completed Registration with ONTRAS and GAZ SYSTEM at the PRISMA primary platform,
- Registration with GASPOOL and conclusion or entitlement of use of a balancing group and/or sub-balancing account for the GASPOOL market area,

5. Tariffs and transmission related costs

The fees for the performance of gas transmission services rendered under the Contracts concluded under the auction of the Bundled Product with GAZ-SYSTEM and ONTRAS shall be charged according to the Tariff and TNC of GAZ-SYSTEM and Price List of ONTRAS applicable at a given time.

6. Contacts

All questions as well as the correspondence concerning the Pilot Project or the auction of the Bundled Product shall be addressed to the following e-mail addresses:

- For GAZ-SYSTEM: pr@gaz-system.pl
- For ONTRAS: capacity@ontras.com

The German and Polish language shall prevail for any correspondence. GAZ-SYSTEM and ONTRAS also admit correspondence in English language.

7. Related documents

	Document	Nature	Published under
ONTRAS	Network Access Conditions of ONTRAS – VNG Gastransport GmbH	Binding	http://www.ontras.com/cms/index.php?id=198&L=2
	Supplementary Terms & Conditions of ONTRAS – VNG Gastransport GmbH	Binding	http://www.ontras.com/cms/index.php?id=198&L=2
	Price List	Binding	http://www.ontras.com/cms/index.php?id=198&L=2
GAZ-SYSTEM	Transmission Network Code of GAZ-SYSTEM	Binding	http://www.gaz-system.pl/strefa-klienta/iriesp/nowa-iriesp/
	GAZ-SYSTEM's Rules for the auction of the Bundled Product at IP Lasów	Binding	http://www.gaz-system.pl/strefa-klienta/konsultacje-z-rynkiem/produkt-powiazany/
	Tariff	Binding	http://www.gaz-system.pl/strefa-klienta/taryfa/taryfa-i-stawki-oplat/
Common documents	Concept Paper 6.0	Platform condition	PRISMA primary platform
	Auction Calendar	Platform condition	PRISMA primary platform
	Shipper manual	For info	Websites of both TSOs
	CAM NC, version from the 17.09.2012	For info	http://www.entsog.eu/publications/camnetworkcode.html
	GASPOOL-Terms and Conditions from 1 October 2012	For info	http://www.gaspool.de/download.html?&L=1
	General Terms and Conditions PRISMA Primary	For info	PRISMA primary platform