

BUSINESS RULES

that are applied at Interconnection Points (IPs) **Sudzha; Sokhranovka between Ukraine and Russian Federation** in accordance with Interconnection Agreements concluded with the operator of the adjacent GTS

1. Matching procedure

- a) The Network User in accordance with the terms of the contract for transportation with GTSOU sends a nomination separately for each physical Interconnection point RF-Ukraine for Gas Day D with a capacity request from 0 to 100% of the ordered capacity. In the absence of nominations of the Network User submitted in accordance with the rules before the deadline for submission of nominations, it is considered that the nomination of such Network User is equal to zero (0).
- b) GTSOU performs matching with the Gas TSO of the Russian Federation of the processed quantities of gas for Gas Day D for each pair of Network Users for which the Nomination is submitted.
- c) GTSOU before 13:30 UTC of the gas day D-1 sends to the Gas TSO of the Russian Federation the DELORD message containing the processed quantities. The Gas TSO of the Russian Federation checks the corresponding DELORD message and not later than 14:15 UTC of the gas day D-1 confirms or corrects the processed quantities by sending the DELRES message.
- d) If as a result of the above-mentioned matching procedure of the processed quantities, the discrepancy is determined, then for the purposes of the formation of confirmed quantities for each pair of Network Users the lesser rule shall be applied.
- e) The Parties agree that the latest applicable DELORD message, which was sent before 13:30 UTC on gas day D-1, will be taken into account. Any DELORD message sent after this deadline should be considered as a request for matching based on the results of the renomination.
- f) In the event when the Gas TSO of the Russian Federation does not receive the DELORD message in time, before 13:30 UTC of the gas day D-1, the Gas TSO of the Russian Federation should contact GTSOU to clarify the problem. If the problem cannot be solved within 30 minutes, the confirmed quantity shall be equal to zero.
- g) If GTSOU sends a DELORD message and the Gas TSO of the Russian Federation does not issue a DELRES message within 14:15 UTC of the gas day D-1, GTSOU should resend the DELORD message and contact the Gas TSO of the Russian Federation for finding out the problem. If the problem is not resolved by 14:45 UTC, the nomination specified in the last DELORD message before the end of 14:15 UTC of gas day D-1 shall be considered a confirmed quantity.
- h) Renomination for gas day D at each physical Interconnection point RF-Ukraine is possible not earlier than 16:00 UTC of gas day D-1, not later than 2 (two) full hours before the expected change of the gas flow and not less than 3 (three) hours before the end of gas day D in the range from 0 to 100% of the ordered capacity, and should be confirmed within the ordered capacity, regardless of the natural gas supply mode. For example, a renomination for the period from 19:00 can be submitted until 16:59:59. The renomination cycle begins every full hour after the corresponding nomination review. The amount of gas that has already been transported and/or will be transported before the end of the renomination cycle cannot be renominated.

- i) In case of renomination in its system, GTSOU sends a DELORD message to the Gas TSO of the Russian Federation within 30 minutes after the end of the relevant hour after receiving a request for renomination from Network Users.
- j) The Gas TSO of the Russian Federation shall send the DELRES message to GTSOU within 45 minutes after receiving the DELORD message.
- k) If as a result of the above-mentioned matching of the processed quantities, the discrepancy is determined, then for the purposes of the formation of confirmed quantities for each pair of network Users, the lesser rule shall be applied.
- l) The Parties agree that the last applicable DELORD message sent up to 30 minutes after the end of the relevant hour after receiving the request for renomination from the users of the system shall be taken into account.
- m) If GTSOU sends a DELORD message and the Gas TSO of the Russian Federation does not issue a DELRES message within 45 minutes, GTSOU should resend the DELORD message and contact the Gas TSO of the Russian Federation to clarify the problem. If the problem is not resolved within 1 (one) hour after the DELORD message is sent within 30 minutes after the relevant hour after receiving the renomination request from Network Users, the renomination sent in the last DELORD message within 30 minutes after the corresponding hour after receiving the renomination request from Network Users shall be considered a confirmed quantity.
- n) The Parties have agreed that the Energy Composition and/or Amount of Gas for Nomination, Matching, and Daily Allocation for each Gas Day D shall be calculated on the basis of the GCV determined on the GMS and/or gas flow measurement point used in Gas Day D-2. For the final monthly Act, the allocation in m³ for each gas day is recalculated by dividing the Energy composition recorded in the daily allocations by the GCV, which is actually determined for each gas day. Appropriate daily allocations are made to the OBA for each Physical point.

2. Allocation procedure

- o) The allocation of quantities of natural gas received by the relevant Network User(s) is carried out based on the confirmed quantity according to the results of machining procedure for each physical IP.
- p) The discrepancy between the measured quantities during a given gas day and the allocation for the same Gas day leads to an operating imbalance, written off or entered in the Operating balancing account in non-monetary terms. Operating balancing account is maintained in m³.

3. Communication procedure in case of emergency

q) In case of equipment failures, emergencies or other unforeseen circumstances that occurred at the GTS facilities of one of the Parties, which may affect the parameters of the gas flow transmitted through the reception/transmission points, the relevant Dispatch Center shall immediately notify the other Party of such situation by phone and provide the following information:

(1) the cause of malfunctions, accident or emergency;

(2) the effect of malfunctions, accident and emergency on the amount of gas transported through the relevant reception/transmission points, the expected pressure values at the reception/transmission points;

(3) the expected duration of the emergency, including the estimated time to eliminate it.

The above-mentioned information is subsequently confirmed in writing by fax or e-mail without any undue delay.

The Parties should immediately notify each other by telephone:

- any changes in the agreed or ongoing maintenance work;
- dates of completion of planned and preventive works at the GTS facilities, as well as unforeseen situations that occurred at the GTS facilities of one of the Parties, which led to the restriction of capacity at physical Interconnection points RF-Ukraine;
- any switching on the cross-border sections of the pipeline, which may affect the transportation of gas through the physical Interconnection points RF-Ukraine;
- any changes in the quality parameters of the gas entering the physical Interconnection points RF-Ukraine;

This information should be confirmed in writing or by e-mail without undue delay.

Dispatching services shall inform each other about the progress of repair work and measures taken to eliminate malfunctions, accident or emergency at least once in every two hours, and in special cases more frequently.

In the event when an emergency may affect the outcome of the flow redistribution process or the matching procedure, the Parties shall inform their Network Users of the possible impact of the emergency on the amount of gas transported through RF-Ukraine Interconnection points and of the expected as well as actual end of the emergency.