

BUSINESS RULES

that are applied at the **IP Isaccea/Orlovka-1 between Ukraine and Romania** in accordance with Interconnection Agreements concluded with the operator of the adjacent GTS

1. Matching procedure

a) The Network Users active on both sides of the IP are entitled to submit to GTSOU and TRANSGAZ the two sided nomination for Gas Day D no later than UTC 13:00 (in winter time) and UTC 12:00 (in summer time) of the Gas Day D-1.

b) By UTC 13:45 (in winter time) and UTC 12:45 (in summer time) of the Gas Day D-1, GTSOU shall send to TRANSGAZ the DELORD message according to Edig@s-XML format regarding the processed quantities for delivery/offtake for gas day D at IP by Network User pairs. The processed quantities are accepted to be equally allocated per hours during gas day D.

c) TRANSGAZ shall carry out a matching procedure of the processed quantities for delivery/offtake at the IP per Network User pairs and within 45 minutes after the reception of the message, a DELRES message shall be sent to GTSOU according to Edig@s-XML format. If there is a difference in the processed quantities at both sides of the IP, then the "lesser rule" shall be applied.

d) The main units for submitting nominations in matching procedures are energy units expressed in kWh. To convert volumetric units into energy units, in the nomination procedure the predicted value of the Gross Calorific Value (GCV) will be used, which is equal to the actual value of GCV for the gas day D-2.

e) By UTC 15:00 (in winter time) and UTC 14:00 (in summer time) of the Gas Day D-1 the Parties inform their own Network Users on the confirmed quantities.

f) Network Users active on both sides of the IP shall have the right to re-nominate between UTC 15:00 (in winter time) and UTC 14:00 (in summer time) of day D-1 and UTC 02:00 (in winter time) and UTC 01:00 (in summer time) of day D. The Parties shall start a re-nomination cycle in the beginning of every hour, between UTC 16:00 (in winter time) and UTC 15:00 (in summer time) of day D-1 and UTC 02:00 (in winter time) and UTC 01:00 (in summer time) of day D. During each re-nomination cycle the notification and matching procedure according b) and c) shall apply. For re-nominations a lead time of two hours prior to the start of implementation of the nomination shall apply.

g) Two hours after the full hour following the receipt of the Network users' re-nomination request (requests) the Parties shall inform their own Network users on the confirmed quantities.

h) If the Network User's nomination was rejected by the transmission system operator the Parties shall use zero (0) for the nomination.

i) If the Network User's renomination was rejected by the transmission system operator the Parties shall use its last confirmed quantity, if any.

j) If GTSOU did not send to TRANSGAZ until the expiry of the deadline specified in point b) the processed quantities (DELORD) for the Gas Day D for the implementation of the correlation process TRANSGAZ shall use the last confirmed quantities of the Network users.

k) If during a re-nomination cycle GTSOU did not send to TRANSGAZ within 45 minutes from the beginning of the re-nomination cycle the processed quantities (DELORD) for the gas day D,

TRANSGAZ shall take into account, for the implementation of the matching process, the last quantities processed for the Gas Day D which were sent by GTSOU to TRANSGAZ.

l) If TRANSGAZ did not send to GTSOU, until the expiry of the deadline provided for in point c), the confirmed nominations (DELRES) following the matching of the nomination for the Gas Day D, they shall be considered equal to the last confirmed Network users' quantities.

m) If during a re-nomination cycle TRANSGAZ did not send to GTSOU within 90 minutes from the beginning of the re-nomination cycle confirmed quantities (DELRES) following the matching of the nomination for the Gas Day D they shall be considered equal with the last confirmed Network users' nominations.

n) The matching procedure is performed using the Edig@s-XML information exchange format. The Parties seek to provide an additional method of exchanging information for the purposes of matching through a web-interface using the HTTP/S protocol. The temporary documentary method of information exchange is agreed by the Parties and should be used as a backup tool in case it is impossible to use the above method of information exchange.

2. Allocation procedure

o) When allocating gas volumes, TRANSGAZ and GTSOU use an allocation procedure that ensures that the volumes distributed on both sides of the interconnection point. The basic units for allocation are energy units expressed in kWh. To convert volumetric units into energy units for allocation purposes, the actual value of GCV for the gas day of transmission D will be used. This allocation procedure is based on using the Operating Balance Sheet Account (OBR), OBR is expressed in kW / h.

3. Communication procedure in case of emergency

p) Both Parties undertake to ensure the prompt exchange of all relevant information (within 1 hour after the emergency) that may affect the amount of gas to be transported in the future and the quality parameters of the gas.

(1) Communication is carried out by means of a telephone call for receiving information with the subsequent written confirmation;

(2) If an exceptional event affecting the interconnection point occurs in the network of one of the Parties, the respective Party shall immediately inform and subsequently send information to the other Party regarding the possible impact on the amount of gas that may be transported through the interconnection point.

(3) if a Party considers that there is an obvious threat to the integrity of the system and/or its stability, and an exceptional event may affect the confirmed quantities of Network users, each Contracting Party shall inform its affected Network users who are active at the relevant interconnection point regarding consequences to confirmed quantities;

(4) as soon as the exceptional event is over, the relevant injured Party(-ies) shall inform the other Party as soon as possible and each Party shall inform the relevant affected Network Users.