

Capacity with restrictions (Shorthaul)

Types of capacity with restrictions

Specifications	Entry Point	Exit point	Customs procedures
Simultaneous capacity utilization	cross-border entry points	cross-border exit points	Customs transit
Simultaneous capacity utilization	cross-border entry points	Exit points from gas storage or group of gas storages	customs procedures of customs warehouse
Simultaneous capacity utilization, Exclusively for volume which was injected into gas storage based on capacity with restrictions	Entry points from gas storage or group of gas storages	cross-border exit points	customs procedures of customs warehouse

Entry and exit points in/out of gas transportation system at cross-border points.

Country	List of virtual of physical points	The only unified virtual point
Poland	Hermanowice, Drozdovychi, Ustyluh	VIP-Ukraine-Poland
Slovakia	Uzhhorod/Veľké Kapušany	Missing
Hungary	Beregdaróc, Berehove	VIP «Bereg» (Hungary)
Romania (currently unavailable)	Tekovo/Medieșu Aurit	

Capacity with restrictions can be used for gas transportation only for the above-mentioned points and can not be used for gas transportation in/from another entry/exit points.

Tariff for capacity with restrictions for entry and exit points including reduction coefficient, USD per 1000 cub.m per day without VAT (resolution of the NCSREP from 24.12.2019 № 3013)

N з/п	Name of entry/exit point in/out of gas-transportation system of Ukraine	Tariff for entry point, USD per 1000 cub.m per day without VAT	Reduction coefficient for entry point, conventional units	Tariff for entry point including reduction coefficient , USD per 1000 cub.m per day without VAT	Tariff for exit point, USD per 1000 cub.m per day without VAT	Reduction coefficient for exit point, conventional units	Tariff for exit point including reduction coefficient , USD per 1000 cub.m per day without VAT
1	Virtual or physical points (Hermanowice, Drozdovychi, Ustyluh) at interconnection points with Poland	4,45	0,66	2,937	9,04	0,49	4,4296
2	Virtual or physical points (Uzhhorod/Veľké Kapušany) at interconnection points with Slovakia	4,45	0,66	2,937	9,68	0,36	3,4848
3	Virtual or physical points (Beregdaróc, Berehove) at interconnection points with Hungary	4,45	0,66	2,937	9,25	0,44	4,0700

Available access to the capacity with restrictions

- on interruptible basis
- for monthly period – an order with reference to Annex 2 to the agreement. The application is submitted with a cover letter;
- capacity for the period of one gas day (this includes two types of capacity products: day-ahead capacity and within-day capacity) by submitting a nomination/renomination

For the use of capacity with restrictions:

- Customer receives a separate shipper code;
- submits a nomination / renomination indicating capacity with restrictions;
- has the right to change the conditions (restrictions) by paying for changes in the conditions (restrictions) ;

Capacity with restrictions payment

Type of capacity	Payment term
Monthly capacity allocation	5 working days before the gas month starting
Day-ahead capacity allocation	not later than 3 hours before the deadline for nomination
Within-day capacity allocation	not later than 3 hours before the deadline for nomination

on monthly basis

PAYMENT CODE

PERIOD

974MMYY Prepayment for the ordered capacity services (**Month**) according to the agreement from _____ № _____, including VAT

Payment Code:

XXX – type of service,

MM – month serial number from 01 to 12

PP – the last two digits of the year from 19 to 99

Period:

Month

974MMYY

MONTH

Assignment of payment for capacity with restrictions

for a period of one gas day

PAYMENT CODE

PERIOD

9750000 Prepayment for ordered services **(DAYLY)** according to the agreement from _____ No _____, including VAT _____

9750000

DAYLY, WITHIN-DAY

After natural gas has been injected into the underground storage facility by the shorthaul regime, there are three options:

1. Gas can be exported from the territory of Ukraine in the shorthaul regime (the transmission tariff on an exit should be paid)
2. Transfer natural gas to another network user in UGS is limited by shorthaul regime (no additional payments)
3. The regime with restrictions is changed (by paying for the service for changing the conditions (restrictions) of capacity with restrictions)

Cases of ordering change in conditions (restrictions) for capacity with restrictions

- 1) The changes of the customs mode of natural gas which has supplied to the exit point to the gas storage facilities or the group of gas storages on the terms of use of capacity with restrictions, to the customs mode under which natural gas has acquired the status of the Ukrainian good in accordance with Article 4 of the Customs Code of Ukraine;
- 2) Transmission of natural gas that was supplied to the exit point to the gas storage facilities or the group of gas storages on the terms of use of capacity with restrictions, from the entry point from the gas storage facilities or the group of gas storages to the cross-border exit point at which capacity with restrictions is not offered.

1. A network user shall notify the TSO regarding terms of use by sending a notice via the Information Platform (transaction "Capacity Booking" folder "Border").
2. The TSO is to provide a network user with an invoice for payment of changes in conditions (restrictions) of capacity with restrictions within one working day from the date of receipt of the notice (it is possible for a network user to independently create an account in the Information Platform (transaction "Capacity Booking" folder "Border")).
3. A network user shall pay for the change of conditions (restrictions) of capacity with restrictions.
4. The change of conditions (restrictions) is to be settled on the next working day after crediting the full amount mentioned in the invoice for payment of changes in conditions (restrictions) of capacity with restrictions (The TSO transmits information to the SSO Information Platform).

Timing of change of conditions (restrictions) of capacity with restrictions

Stage of change	Action	Term
Stage 1	The client notifies the intention to change the conditions (restrictions) of capacity with restrictions	DN - Date of notification
Stage 2	The operator provides an invoice for payment of changes in conditions (restrictions) of capacity with restrictions	DN + 1 working day(within one working day from the date of receipt of the message)
Stage 3	The customer pays for the change of conditions (restrictions) of capacity with restrictions	DP – date of full payment of change of conditions (restrictions) of capacity with restrictions
Stage 4	The change of conditions (restrictions) is carried out on the next working day after crediting the full amount of payment for the changes	DP + 1 working day(change of conditions is carried out on the next working day after the payment date)

Application for intention to change the conditions (restrictions) of capacity with restrictions

APPLICATION for intention to change conditions (restrictions) of capacity with restrictions	
EIC-code	_____
Company name	_____ " _____ "
Number of agreement	_____
Agreement date	_____
Change of conditions (restrictions) use of capacity with restrictions	Amount of natural gas to which the change of conditions (restrictions) of capacity with restrictions is applied, 1000 cubic m.
Transmission of natural gas that was supplied to the point of exit to the gas storage or the group of gas storages on the terms of use of capacity with restrictions, from the point of entry from the gas storage or the group of gas storages to the cross-border exit point at which capacity with restrictions is not offered or the changes of the customs mode of natural gas that was supplied to the exit point to the gas storage or the group of gas storages on the terms of use of capacity with restrictions, to the customs mode under which natural gas has acquired the status of the Ukrainian good in accordance with Article 4 of the Customs Code of Ukraine.	

The amount of the fee for changing the conditions (restrictions) of power with restrictions

Calculation of the amount of payment for changing the conditions (restrictions) of capacity with restrictions

$$B_{3y} = \Pi_{3y} \times W \times K_{\Delta},$$

where B_{3y} – changing the conditions (restrictions);

Π_{3y} – the amount of the tariff for natural gas transportation services for cross-border entry points into the gas transmission system of Ukraine, established by the Regulator, which is applied in the amount of USD USA for 1000 cubic meters. m without VAT, and valid during the period of change of conditions (restrictions) of capacity with restrictions;

W – volume of the customer's natural gas to which change of conditions (restrictions) of capacity with restrictions is applied, thousand cubic. m;

K_{Δ} – factor used when reducing capacity restrictions in a day ahead

Examples of calculating the amount of payment for changing conditions (restrictions)

Volume, thousand cubic meters	150,000	200,000
Month of import of natural gas	May 2020	June 2020
Tariff for the import of natural gas, taking into account the reduction factor, USD for 1000 cubic m. per day without VAT	$4,45 * 0,66 = 2,937$	$4,45 * 0,66 = 2,937$
Cost of capacity when importing natural gas, USD with VAT (first payment)	$150,000 * 2,937 * 1,2 = 528,66$	$200,000 * 2,937 * 1,2 = 704,88$
Month of change of conditions (restrictions) of capacity with restrictions	November 2020	February 2021
Tariff for capacity during the month of change of conditions (restrictions) of capacity with restrictions, USD for 1000 cubic meters. m. per day without VAT	4,45	4,45
Coefficient per day during the month of change of conditions (restrictions) of capacity with restrictions	1,45	1,45
Tariff for capacity during the month of change of conditions (restrictions) of capacity with restrictions taking into account the coefficient without VAT, USD for 1000 cubic m. per day without VAT	$4,45 * 1,45 = 6,4525$	$4,45 * 1,45 = 6,4525$
Amount of fee for change of conditions (restrictions) of capacity with restrictions, USD with VAT (additional, second payment, it is not a difference)	$150,000 * 6,4525 * 1,2 = 1\ 161,45$	$200,000 * 6,4525 * 1,2 = 1\ 548,60$

The rule of converting mWh in thousand cubic meters.

The amount of energy of natural gas is calculated by multiplying the measured volume of gas, reduced to standard conditions, by the value of the weighted average higher heat of combustion of gas for this period:

$$E = V_c \cdot H_s,$$

$$V_c = E / H_s,$$

where: E - volume of gas energy, (MWh);

V_c - volume of gas reduced to standard conditions (thousand m³);

H_s - weighted average higher heat of combustion of gas, (kWh/m³).

Example: 24 MWh/ 10,62 = 24000 kWh /10,62 = 2260 m³ = 2,260 thousand m³

Question: *The amount of the fee for changing the conditions (restrictions) of capacity with restrictions - is it the difference between the price paid during the import of natural gas and the recalculation of the cost of applying the tariff without restrictions?*

Answer: No, it is not. The amount of the fee for changing the conditions (restrictions) of the capacity with restrictions is an additional payment, in addition to the payment that was made when importing natural gas. The tariff applied when calculating the amount of payment for change of conditions (restrictions) of capacity with restriction is the tariff for capacity during the month of change of conditions (restrictions) of capacity with restrictions taking into account the coefficient of booked capacity period and capacity booking season.

Question: *Are additional coefficients used in the calculation of the tariff, which take into account the booked capacity period and the booked capacity season?*

Answer: No, not applicable. According to paragraph 6 of item 10 of Section VI of the Methodology for determining and calculating tariffs for natural gas transportation services for entry and exit points based on long-term incentive regulation, approved by the Resolution of the NCRECP from 30.09.2015 № 2517 coefficients that take into account , do not apply in the case of booked capacity with restrictions.