

Natural Gas Market Balancing Rules

Issued by the Energy and Water Regulatory Commission, promulgated in the
State Gazette No. ~~99/13.12.2016, in force as of 01.01.2017~~

Chapter One

GENERAL PROVISIONS

Article 1. These Rules shall determine:

- (1) The order and procedure for submitting transport nominations and re-nominations, processing, rejection, matching with adjacent transmission system operators, and confirmation of transport nominations and re-nominations submitted by the transmission system operator (the operator, TSO) at interconnection points;
- (2) The order and procedure for submitting transport nominations and re-nominations and for processing, rejection and confirmation of transport nominations and re-nominations submitted by the operator at internal entry and exit interconnection points;
- (3) The terms and procedure for general data exchange with network users in relation to the process of submitting nominations and re-nominations;
- (4) The procedure for providing information by the operator regarding the balance status of network users;
- ~~(5)~~ The order and procedure for using a Virtual Trading Point (VTP) to trade in natural gas and to submit trade notifications;
- ~~(5)(6)~~ The order and procedure for using a Trading Platform to carry out transactions with natural gas;
- ~~(6)(7)~~ Allocation of initial and final imbalances by network users, settlement, and invoicing of imbalances;
- ~~(7)(8)~~ The terms and procedure governing the physical (operational, residual) balancing of the gas transmission networks by the operator.

Article 2. These Rules aim to establish a balancing regime ~~under the interim measures pursuant to the Report on the Implementation of Interim Measures in connection with the requirements of according to~~ Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks, ~~approved by Decision No BM-1/29.09.2015 of the Energy and Water Regulatory Commission,~~ whereby:

- (1) The operator ~~in its capacity of balancing entity~~ shall balance trade on the gas market by covering the differences in the quantities of natural gas delivered by a network user at the respective entry points and the quantities of natural gas off-taken by that user at the exit points of the network for the gas day. The ~~balancing entity~~ TSO shall purchase and sell natural gas for balancing purposes, in order to cover the individual imbalances of network users;
- (2) The ~~operator shall~~ TSO shall be responsible for the physical balance of the gas transmission system, which covers a set of activities aiming to ensure the effective functioning of the gas transmission system in real time so as to provide at any time gas transport from the entry points of the network to its exit points by ensuring that the system is used on an efficient and safe basis, and that its physical balancing includes activities regarding the physical offsetting of trade imbalances (residual balancing) and activities related to ensuring the operational integrity of the network (operational measures); the physical balancing of the network is a function of trade balancing;

- (3) The users shall be responsible for balancing their inputs and off-takes in their balancing portfolio; a charge shall be payable by users for the daily imbalances they allowed; in order to reduce their imbalance, users may trade with natural gas at the Virtual Trading Point and on the Trading Platform;
- (4) The actual needs of the system are reflected by taking into account the resources available to the operator, and users are incentivised to balance effectively their balancing portfolios;
- (5) Financial settlement is introduced for clearing the users' daily imbalances ~~by applying tolerance~~;
- (6) Residual balancing shall be carried out by the operator through balancing actions;
- (7) Operators shall meet their obligation to provide adequate information to users so that they may undertake actions to adjust the within day gas flow for the purpose of effective risk management in connection with the balancing regime.

Article 3. These Rules shall apply with respect to the transmission networks' balancing zones on the territory of the Republic of Bulgaria - national balancing zone and transit balancing zone.

Chapter Two

NOMINATIONS AND RE-NOMINATIONS AT INTERCONNECTION POINTS

Article 4. Nominations and re-nominations at interconnection points shall contain at least the following information:

- (1) Interconnection point identification;
- (2) Direction of the gas flow;
- (3) The user's identification and/or its balancing portfolio identification;
- (4) The user's counterparty identification, the user's identification and/or the counterparty's portfolio identification;
- (5) Start and end time of the gas flow for which a daily nomination or daily re-nomination is submitted (the start and end of gas day D);
- (6) Gas day D for which the nomination is submitted;
- (7) The natural gas quantity requested by the user to be transported on gas day D.

Article 5. Order for submitting and processing of ~~daily~~ nominations:

- (1) Users ~~may are obliged to~~ submit to the operator a ~~daily~~ nomination for gas day D no later than ~~153:00 hrspm~~ on gas day D-1;
- (2) The operator shall take into account the last ~~daily~~ nomination received from a user prior to ~~153:00 hrspm~~ on gas day D-1;
- (3) The deadline for ~~daily~~ nomination processing shall be from ~~153:00 hrspm~~ to ~~175:00 hrspm~~ on gas day D-1; the operator shall send the message regarding the confirmed quantities to the respective user no later than this deadline;

In the absence of a valid nomination submitted by the user by ~~153:00 hrspm~~ the operator shall apply the default nomination rule ~~the last confirmed nomination or zero up to the allocated daily capacity for Day D: "zero"~~.

~~(4)~~ _

Article 6. Order for submitting and processing of ~~daily~~ re-nominations:

- (1) Users may submit ~~daily~~-re-nominations within the deadline for submitting daily re-nominations, which begins at ~~175:00 hrs-pm~~ on gas day D-1, and ends three hours prior to the end of gas day D.
- (2) The operator shall start a ~~daily~~-re-nomination processing cycle for gas day D at the beginning of every hour within the deadline under paragraph (1), whereby the first processing cycle shall begin at ~~186:00 hrs-pm~~ on gas day D-1;
- (3) Within every ~~daily~~-re-nomination processing cycle, the operator shall take into account the last re-nomination received from a user prior to the beginning of the cycle;
- (4) The operator shall send the message regarding the confirmed daily quantities to the user following the application of the procedure under Article 8 no later than two hours from the beginning of each re-nomination processing cycle.
- ~~(45) For the purposes of the calculations regarding the confirmation of the re-nomination, it shall be accepted that the quantities submitted-nominated for transport by the end-offor gas day D are equally allocated hourly per-for each hour from the beginning to through the end of gas day D. When submitting a re-nomination, the quantities are equally allocated for the remaining hours by the end of the gas day.~~

Article 7. Order and terms for rejecting ~~the-daily~~-nominations and ~~daily~~-re-nominations or for amendment of the requested natural gas quantity:

- (1) The operator may reject ~~the-daily~~a nomination or ~~daily-a~~-re-nomination no later than two hours from the beginning of the ~~daily~~-nomination processing period or from the beginning of every ~~daily~~-re-nomination processing cycle, in the following cases:
 - a) if it does comply with the requirements as to its content pursuant to Article 4;
 - b) if it is submitted by an entity other than a network user;
 - c) if the acceptance of the nomination would result in negative quantities by the end of the gas day;
 - ~~(d) if the nomination exceeds the user's allocated capacity. In this case the TSO confirms a nomination to the amount of the allocated capacity ;~~
- (2) The operator may reject a ~~daily~~-re-nomination no later than two hours after the beginning of each daily re-nomination processing cycle if it exceeds the user's allocated capacity, unless this ~~daily~~ re-nomination is submitted in order to request interruptible capacity where offered by the operator;
- (3) The operator may reject a ~~daily~~-re-nomination no later than two hours after the beginning of each ~~daily~~-re-nomination processing cycle if it does not meet the within day obligations imposed by the operator on the users;
- (4) The operator shall not reject the network user's ~~daily~~-nomination or ~~daily~~-re-nomination on the sole ground that this network user's intended inputs are not equal to its intended offtakes;
- (5) In case a ~~daily~~-re-nomination is rejected, the operator shall use the network user's last confirmed quantity;
- (6) The operator may amend ~~the-a-daily~~-nomination and ~~daily~~-re-nomination in exceptional events or in emergency situations only, when there is an evident danger to system security and stability; the operator shall notify the National Regulatory Authority and the users of any such action taken.

Article 8. Nomination matching procedure at interconnection points, jointly with adjacent transmission system operators:

- (1) Where the operators have not agreed otherwise in their Interconnection Agreement, ~~daily~~ nominations and ~~daily~~-re-nominations shall be managed by two neighbouring operators at interconnection points, pursuant to the following basic rules:
 - a) when comparing the nominations submitted to both operators, the lesser rule shall be applied to quantities;

- b) the operator which controls the flow management equipment shall act as matching transmission system operator, whereby the other operator shall act as an initiating transmission operator;
- c) the operators shall take into account any temporary reduction of capacity on the one or on both sides at the interconnection point;
- (2) The operators shall carry out the matching process, which consists of the following consecutive steps:
- a) the initiating system operator shall calculate and submit the processed nomination for natural gas ("processed quantities of gas") to the matching system operator no later than forty-five minutes from the beginning of the daily nomination processing period or the beginning of each daily re-nomination processing cycle;
- b) the matching system operator shall calculate and submit the confirmed quantities of gas to the initiating system operator no later than ninety minutes from the beginning of the daily nomination processing period or the beginning of the daily re-nomination processing cycle;
- c) both operators shall submit the confirmed quantities of gas to the users, and shall prepare a gas flow timetable at the interconnection point no later than two hours from the beginning of the daily nomination processing period or the beginning of the daily re-nomination processing cycle.
- (3) The lead time for implementation of a ~~daily~~-nomination or ~~daily~~-re-nomination by the operator shall be two hours from the beginning of the daily nomination processing period or the beginning of the daily re-nomination processing cycle, respectively.

Chapter Three

Transport nominations and re-nominations at internal entry and exit interconnection points of the transmission systems

Article 9. Nominations and re-nominations at entry and exit interconnection points to users inside the country shall contain at least the following information:

- (1) the interconnection point;
- (2) direction of the gas flow;
- (3) the user's identification and/or its balancing portfolio identification;
- (4) start and end time of the gas flow for which a ~~daily~~-nomination or ~~daily~~-re-nomination is submitted (the start and end of gas day D);
- (5) gas day D for which the nomination is submitted;
- (6) the gas quantity requested by the user to be transported on gas day D.

Article 10. Order for submitting and processing of daily nominations:

- (1) The users ~~may submit~~are obliged to submit to the operator a ~~daily~~-nomination for gas day D no later than ~~153:00 hrs-pm~~ on gas day D-1;
- (2) The operator shall take into account the last daily nomination received from a user prior to ~~153:00 hrs-pm~~ on gas day D-1;
- (3) The deadline for daily nomination processing shall be from ~~153:00 hrs-pm~~ to ~~175:00 hrs-pm~~ on gas day D-1; the operator shall send the message regarding the confirmed quantities to the respective user no later than this deadline;

(4) In the absence of a valid nomination submitted by the user prior to ~~153:00 hrspm~~, the operator shall apply the default nomination rule ~~(the last confirmed nomination) up to the amount of the allocated daily capacity for day D "zero"~~.

Article 11. Order for submitting and processing of ~~daily~~ re-nominations:

(1) The users may submit ~~daily~~ re-nominations within the deadline for submitting daily re-nominations, which begins at ~~175:00 hrs pm~~ on gas day D-1 and ends three hours prior to the end of gas day D.

(2) The operator shall start a daily re-nomination processing cycle for gas day D at the beginning of every hour within the period indicated in paragraph (1), whereby the first processing cycle shall begin at ~~186:00 hrs pm~~ on gas day D-1;

(3) Within every daily re-nomination processing cycle, the operator shall take into account the last re-nomination received from a user prior to the beginning of the cycle;

(4) The operator shall send the message regarding the confirmed daily quantities to the user no later than two hours from the beginning of each re-nomination processing cycle.

~~(5) For the purposes of the calculations, it shall be accepted that the quantities submitted for transfer by the end of gas day D are equally allocated per hour through the end of gas day D. The quantities nominated for transport for gas day D are equally allocated hourly for each hour from the beginning to the end of gas day D. When submitting a re-nomination, the quantities are equally allocated for the remaining hours by the end of the gas day.~~

Article 12. Order and procedure for rejecting ~~the daily~~ nominations and ~~daily~~ re-nominations or for amendment of the requested daily quantity of natural gas:

(1) the operator may reject a daily nomination or a daily re-nomination no later than two hours after the beginning of the deadline for daily nomination processing or after the beginning of each cycle for daily re-nomination processing, in the following cases:

a) if it does not comply with the requirements as to its content pursuant to Article 9;

b) if it is submitted by an entity other than a user;

c) if the acceptance of the daily nomination or re-nomination would result in negative requested quantities by the end of the gas day;

d) if the nomination exceeds the user's allocated capacity. In this case the TSO confirms the nomination to the amount of the allocated capacity;

(2) The operator may reject a ~~daily~~ re-nomination no later than two hours after the beginning of each ~~daily~~ re-nomination processing cycle if it exceeds the user's allocated capacity for the remaining hours, unless this ~~daily~~ re-nomination is submitted in order to request interruptible capacity where offered by the operator;

(3) The operator may reject a daily re-nomination no later than two hours after the beginning of each daily re-nomination processing cycle if it does not meet the within day obligations imposed by the operator on network users;

(4) The operator shall not reject the network user's ~~daily~~ nomination or daily re-nomination on the sole ground that this network user's intended inputs are not equal to its intended offtakes;

(5) In case a daily re-nomination is rejected, the operator shall use the ~~user's~~ last confirmed ~~quantity nomination up to the amount of the allocated daily capacity~~ for day D;

(6) The operator may amend the amount of natural gas requested by nomination and daily re-nomination in exceptional events or in emergency situations only, when there is an evident danger to system security and stability. The transmission system operator shall notify the Energy and Water Regulatory Commission and the users of any such action taken.

Article 13. (1) The operator shall submit the confirmed quantities of gas to the network users, and shall prepare a gas flow timetable at the respective interconnection point no later than two hours from the beginning of the daily nomination processing period or the beginning of the daily re-nomination processing cycle.

(2) The lead time for implementation of a nomination or daily re-nomination by the operator shall be two hours from the beginning of the daily nomination processing period or the beginning of the daily re-nomination processing cycle, respectively.

Chapter Four

GENERAL DATA EXCHANGE WITH NETWORK USERS

Article 14. For the purposes of communication in the process of submitting, processing and confirmation of nominations and re-nominations, the operator shall introduce and use at least one of the following types of data exchange:

(1) document-based data exchange, whereby the data are stored in files, which are exchanged automatically between the respective information systems;

(2) interactive data exchange, whereby the data are exchanged in dialogue mode using a web-based application in a browser.

Article 15. (1) The following general data exchange solutions are used for each type of data exchange, consisting of a protocol, data format, and network:

1) For the document-based data exchange:

a) protocol: AS2/AS4;

b) data format: Edig@s-XML;

2) For the integrated data exchange:

a) protocol: HTTP/S-SOAP;

b) data format: Edig@s-XML

3) The interactive data exchange protocol is HTTP/S.

(3) Internet is the network for all types of data exchange.

Chapter Five

PROVIDING INFORMATION REGARDING THE BALANCE STATUS OF USERS

Article 16. The operator shall submit to the users timely and reliable information regarding their balancing status in order to provide each user with an opportunity to take the respective actions to adjust its gas flows so as to balance its inputs against its off-takes of natural gas on a respective day and, consequently, to minimise its imbalance and the need to carry out any physical (residual) balancing;

Article 17. For communication purposes with the users, the operator shall develop and use a web-based client's portal - a platform for publication of data and exchange of information;

Article 18. The users shall procure, at their expense, technical equipment and software for data exchange with operator.

Article 19. The operator shall put in place a model for providing information about the user's inputs and off-takes of natural gas within the gas day, whereby:

(1) For intraday metered inputs to and off-takes from the balancing zone, where a network user's allocation equals its confirmed quantity, the operator shall not be obliged to provide information other than the confirmed quantity;

(2) In all other cases, the operator shall provide each user with a minimum of two updates of their allocated part of measured flows at least twice a day, namely at 12:30 ~~hrs-pm~~ and at ~~164:30 hrspm~~, for at least the aggregate daily and non-daily metered inputs and off-takes on gas day D, whereby each update shall apply to gas flows from the beginning of gas day D;

(3) Each update shall be provided within two hours from the end of the final hour of gas flows;

(4) No later than 13:00 ~~hrs-pm~~ of gas day D+1, the operator shall provide each user with information concerning the initial allocation for its inputs and off-takes on gas day D and its initial daily imbalance quantity;

(5) The operator shall provide each network user with information concerning the final allocation for its inputs and off-takes and the final daily imbalance quantity no later than ~~175:00 hrs-pm~~ on the 4th day of the month following the reporting month.

Chapter Six

VIRTUAL TRADING POINT. TRADE NOTIFICATIONS

Article 20. The operator shall implement and maintain Virtual Trading Points (VTP) for each balancing zone of gas transmission networks on the territory of the Republic of Bulgaria.

Article 21. The network users and gas traders may buy and sell natural gas at the Virtual Trading Point (VTP) for the respective balancing zone, including for the purpose of minimising the imbalances on their financial accounts.

Article 22. Where the operator must undertake balancing actions, it may also trade with natural gas at the Virtual Trading Point (VTP).

Article 23. Any purchase and sale of natural gas at the Virtual Trading Point shall be at unregulated prices.

Article 24. (1) The conclusion of a contract for participation in a Virtual Trading Point (VTP) between the operator, on the one hand, and users having gas distribution capacity, and any other traders registered at the VTP, on the other hand, entitles network users and traders to trade at VTP as registered users and to submit change of gas ownership notifications to the operator;

(2) The contracts for participation in the Virtual Trading Point shall be published by the operator; they shall contain at least the following information:

1. subject of the contract, rights and obligations of the parties thereto;

~~2.-price formation concerning VTP trades;~~

~~2.~~ participation fee, deadlines, invoicing and payments; ~~3.~~ conditions, order and timeframes concerning the operational exchange of information about VTP trades; ~~4. 5.~~ penalties in case of a default by a party to the contracts.

(3) The operator shall publish on its Internet page at least the following information concerning the Virtual Trading Point:

1. list of the registered users containing information about the title, identification number, date of registration and data about the status;

2. total number of concluded trades with natural gas for ~~the purpose of balancing~~ the gas month, no later than the 10th day of the following gas month;
3. the volume of the physical quantity of natural gas, purchased and sold at the Virtual Trading Point.
- (4) The operator shall update the information set out in paragraph 3.

Article 25. Order and procedure for submitting trade notifications to the operator:

(1) the transfer of natural gas ownership between two balancing portfolios of registered VTP users within one balancing zone shall be carried out by submitting purchase and sale trade notifications to the operator in respect of the gas day, for a day ahead or within the same gas day; Transaction notifications shall be submitted by the Platform Operator as well and the TSO allocated the quantities under the notifications according to the respective portfolios.

(2) the timing for submitting, withdrawing and amending trade notifications shall be defined by the operator, and shall be published on its Internet page;

(3) the time for processing trade notifications by the operator shall not take more than two hours, whereupon confirmation shall be sent to the registered user by email;

(4) Any VTP trade notification shall contain at least the following information:

1. trade ID (unique number);
2. the gas day on which the natural gas is traded;
3. counterparties (codes) / the respective balancing portfolios;
4. date and hour of concluding a trade;
5. type of trade (purchase/sale);
6. quantity [....] kWh;

(5) Where the operator receives a respective set of purchase and sale trade notifications, and where the quantities indicated in these notifications are equal, it shall allocate these quantities as per the respective portfolios:

- a) as off-take from the balancing portfolio of the user submitting the sale trade notification;
- b) as input in the balancing portfolio of the user submitting the purchase trade notification;

(6) Where the quantities indicated in these trade notifications are not equal, the operator shall allocate the lower quantity indicated in the trade notifications;

(7) Any registered VTP user may submit a trade notification for any gas day, regardless of whether they have submitted a transport notification at entry or exit points for the same gas day;

(8) The quantities of natural gas indicated in the trade notification shall be included in the daily nomination or the daily re-nomination.

Chapter Seven

NATURAL GAS TRADING PLATFORM

Art. 20. As of 15th April, 2019, network users and the Transmission System Operator may take part in at least one Trading Platform operated by an Operator of the respective platform.

Art. 21. Network users, traders can sell and buy natural gas using the Natural Gas Trading Platform, including to minimize imbalances on their balance accounts.

Art. 22. Where it is necessary to take balancing actions on behalf of the transmission system operator and to buy gas for technological purposes, it may also trade natural gas at the Trading Platform.

Art. 23. The natural gas purchase and sale trading transactions are under a price mechanism, determined in line with the Rules of the relevant Platform. The mechanism shall allow for free negotiation between the parties on one hand and on the other it provide a non-discriminatory principle for transactions settlement for balancing purposes.

Art. 24. (1) The conclusion of a contract for participation at the Trading Platform between the platform operator on the one hand and users having a transmission capacity and other traders registered on the Trading platform on the other hand, entitles users and traders to trade on the Trading Platform as registered users and to submit notifications to the operator for gas ownership change.

(2) Contracts for participation on the Trading platform shall be published by the platform operator and shall include at least the following:

1. subject of the contract, rights and obligations of the parties thereto;
2. product types traded on the platform and their prices;
3. participation fees, terms and method of invoicing and payment;
4. terms and conditions, procedure and deadlines for the operational exchange of information on the conclusion of transactions on the Trading platform;
5. penalties for failure to comply with the obligations of the parties under the contracts.

(3) The platform operator shall without undue delay publish on its website at least the following information:

1. data on the evolution of the marginal buy price and the marginal sell price after each trade;
2. list of the registered participants including name, identification number, registration date and status data;
3. the total number of natural gas transactions carried out for the gas month no later than the 10th day of the next gas month;
4. the volume of purchased and sold natural gas.

(5) Where there are several Trading Platform Operators in the same balancing zone, each of them shall provide the TSO with the necessary data in view of publishing a marginal buy and marginal sell price.

Chapter Eight

ALLOCATION OF IMBALANCES BY NETWORK USERS. SETTLEMENT AND INVOICING OF IMBALANCES

Article 26. The balancing entity shall provide information on the web-based client's portal regarding the users' financial account status for gas day D on an operational information level, pursuant to Article 19, to enable them to take timely corrective actions, namely to submit re-nominations or to consider a trade for transfer of natural gas ownership at the VTP including on the Natural Gas Trading Platform in order to ~~minimise~~minimize their imbalance for the respective gas day;

Article 27. Where no corrective actions have been undertaken, and/or imbalance is in place, the operator shall determine the amount of the initial and final imbalance according to the order and procedure stipulated by the Methodology for determining the initial and final imbalance pursuant to Article 11, paragraph 3 of the Rules for Trading with Natural Gas.

Article 28. (1) All daily imbalances shall be subject to a financial clearing to the balancing account of the respective user.

(2) The imbalance charges accumulated to the financial account shall be cleared to/by the users on a monthly basis. The issuing of an invoice by the balancing entity or by the user shall be in line with the Methodology for calculation of the daily imbalance charge pursuant to the Rules for Trading with Natural Gas.

(3) At the beginning of each month, the financial account shall be reduced to zero, and the daily imbalance charges for the new month shall begin to accumulate in it.

Chapter ~~Eight~~Nine

OPERATIONAL BALANCING

Article 29. The operational balancing of the transmission network is a physical offsetting of differences between the aggregate quantities of natural gas delivered at the entry points of the gas transmission network and the aggregate quantities of natural gas off-taken from the gas transmission network for the same period. The transmission network operator shall undertake actions to modify the inputs or off-takes of natural gas in order to maintain the transmission network within its operational limits.

Article 30. There is a physical imbalance of the transmission network when the total inputs of natural gas in the network submitted by all users differ from the total off-takes during the respective gas day.

Article 31. Where a physical imbalance of the network is present, the transmission system operator shall perform balancing actions, as follows:

(1) the operator shall conclude short-term transactions (for a day ahead or within the day) with other players on the balancing market via the ~~VTP~~-Trading Platform for disposing the ownership of natural gas; trades are concluded at the lowest available price for purchases, and at the highest available price for sales;

(2) the operator shall store quantities of natural gas and/or use linepack services;

(3) the operator shall store and/or use natural gas quantities at/from a natural gas storage facility;

(4) the operator shall use balancing services, and shall be entitled to conclude contracts for natural gas supply at an entry point of the transmission network, with maximum one year validity period. The contracts shall be concluded following a transparent, non-discriminatory and market-based procedure taking into account the maximum amount of the expected natural gas imbalances in the transmission network; the operator shall carry out an annual analysis of the use of balancing services compared with the use of short-term products at the VTP, and shall publish information concerning the balancing services procedures undertaken by it.

Article 32. In the event of an objective inability for the operator to undertake balancing actions under Article 31, whereby the aggregate imbalance of the transmission system exceeds a pre-defined by the operator limit, which may result in an inability to physically balance the transmission system and/or endanger its integrity and operational safety, the operator shall undertake actions pursuant to Section VI of the Transmission Networks Management and Technical Rules and/or Ordinance No 10 of 2004 on the order for introducing a restrictive mode, suspension or limitation regarding the output of or the supply with electrical energy, heating energy and natural gas. The aggregate balance ceiling shall be determined and published on the operator's Internet page.

Chapter ~~Nine~~Ten

WITHIN DAY OBLIGATIONS

Article 33. The operator may impose on network users within day obligations to incentivise the users to manage their within day balance account in order to guarantee the integrity of the transmission network, and minimise its need to undertake balancing actions.

Article 34. Without prejudice to the right of EWRC to take decisions on its own initiative, the operator may submit to EWRC proposals concerning the imposition of within day obligations, in line with Article 26 of Commission Regulation (EU) No 312/2014 of 26.03.2014 establishing a Network Code on Gas Balancing of Transmission Networks. The operator may propose different within day obligations for the different categories of entry and exit points in order to establish more effective incentives for the various categories of network users.

Article 35. The rules may be amended on the initiative of EWRC or on a proposal by the transmission network operator/ the balancing entity.

SUPPLEMENTARY PROVISION

§ 1. In the meaning of these Rules:

1. **Balancing portfolio** means the aggregate of a network user's inputs or off-takes;
2. **Virtual Trading Point (VTP)** means a non-physical point by which the registered Virtual Trading Point users may dispose the ownership of natural gas from one user to another;
3. **Trading Platform** - an electronic platform for bilateral trade and/or stock exchange principle provided and operated by a trading platform operator by means of which trading participants may post and accept, including the right to revise and withdraw, bids and offers for natural gas purchase and sale required to meet short term fluctuations in gas demand or supply, in accordance with the terms and conditions applicable on the trading platform and at which the transmission system operator trades for the purpose of undertaking balancing actions;
4. **Natural Gas Trading Platform Operator** – entity which operates the Trading Platform in line with Rules for operation of an organized natural gas market.
5. **Imbalance** means the difference between the quantities of natural gas allocated to the user at the entry points of the transmission network and the quantities of natural gas allocated to the user at the exit points of the network within a given gas day, taking into account the natural gas for operational needs and the trades concluded at the Virtual Trading Point. The imbalance may be positive or negative. Daily imbalance quantities shall be expressed in kWh;
6. **Balancing action** means an action undertaken by the operator to change the gas flows onto or off the transmission network, excluding those actions related to natural gas unaccounted for as off-taken from the system, and natural gas used by the transmission system operator for the operation of the system;
- 2.7. **Balancing zone** means an entry-exit system which is subject to a special balancing regime;
- 3.8. **Within day obligation** means a set of rules regarding network users' inputs and offtakes within the gas day imposed by a transmission system operator on the users pursuant to Article 25 of Commission Regulation (EU) No 312/2014 of 26.03.2014 establishing a Network Code on Gas Balancing of Transmission Networks;
- 4.9. **Notified quantity per gas trade** means the quantity of natural gas transferred between an operator and a network user or network users or between balancing portfolios, as appropriate;
- 5.10. **Preparatory time (lead time)** means a two-hour period starting on the first round hour following the receipt of the nomination; after the expiry of the lead time, the effective implementation of the nomination shall begin;

~~6.11.~~ **Network user** means any natural or legal person registered by the network operator as network user which intends to use the transport services;

~~7.12.~~ **Confirmed quantity** means the quantity of natural gas confirmed by an operator to be scheduled or re-scheduled to flow on gas day D;

~~8.13.~~ **Allocated quantity** means the quantity of natural gas attributed to a network user by a transmission system operator as an input or an off-take expressed in kWh;

~~9.14.~~ **Registered Virtual Trading Point users** means network users having a transport capacity and traders of natural gas, who have concluded an agreement with the operator for participation in the Virtual Trading Point;

~~10.15.~~ **Registered participant on the Trading platform** – network user having transmission capacity, traders or a TSO who has concluded a contract for using the trading platform with the platform operator and who meets the requirements for carrying out transactions on the trading platform.

~~11.16.~~ **Model for information provision** means a model where the information on daily and non-daily metered off-takes is based on the apportionment of the measured flows during the gas day, according to Variant 1 of the models established under Commission Regulation (EU) No 312/2014 of 26.03.2014 establishing a Network Code on Gas Balancing of Transmission Networks;

~~12.17.~~ **Balancing service** means a service provided to a transmission system operator via a contract for gas required to meet short-term fluctuations in gas demand or supply, and which is not a short-term standardised product;

~~13.18.~~ **Daily re-nomination cycle** means the process carried out by the transmission system operator in order to provide a network user with the message regarding the confirmed quantities. The re-nomination cycle shall start on the first round hour after the receipt of a re-nomination.

TRANSITIONAL AND FINAL PROVISIONS

~~§ 2. The present Rules are approved by EWRC by Decision based on Protocol No 227 of 30.11.2016 on the grounds of Article 12, paragraph 8 of the Rules for Trade with Natural Gas and in accordance with the requirements of Commission Regulation (EU) No 312/2014 of 26.03.2014 establishing a Network Code on Gas Balancing of Transmission Networks.1.~~

~~§ 3.~~ These Rules shall enter into force on the day the Decision thereof is adopted by the EWRC.

~~§ 4. These Rules shall become effective not earlier than 01.01.2017.~~