NATURAL GAS TRANSMISSION SYSTEM

NETWORK CODE

"TRANSPORTGAS SRBIJA" DOO

NOVI SAD

**January 2025**

Table of Contents

[1. CHAPTER - SCOPE OF THE NETWORK CODE 13](#_Toc189573987)

[2. CHAPTER - RECITALS 15](#_Toc189573988)

[3. CHAPTER - TERMS 16](#_Toc189573989)

[4. CHAPTER - PLANNING THE TRANSMISSION SYSTEM DEVELOPMENT 21](#_Toc189573990)

[4.1. Ten-Year Development Plan 21](#_Toc189573991)

[4.2. Market research of demand for additional capacities 23](#_Toc189573992)

[5. CHAPTER - TECHNICAL CONDITIONS FOR CONNECTION TO THE TRANSMISSION SYSTEM 25](#_Toc189573993)

[5.1. General rules 25](#_Toc189573994)

[5.2. Technical conditions 26](#_Toc189573995)

[5.2.1. Introduction 26](#_Toc189573996)

[5.2.2. Shut-off devices 26](#_Toc189573997)

[5.2.3. Unification of equipment 27](#_Toc189573998)

[5.3. Gas station 27](#_Toc189573999)

[5.3.1. Installation of gas stations 27](#_Toc189574001)

[5.3.2. Gas heating equipment 27](#_Toc189574002)

[5.3.3. Gas purification equipment - filters 28](#_Toc189574003)

[5.3.4. Regulation and safety equipment 28](#_Toc189574004)

[5.3.5. Remote monitoring and control equipment 29](#_Toc189574005)

[5.3.6. Pressure regulation 29](#_Toc189574006)

[5.3.7. Gas station configuration 30](#_Toc189574007)

[5.3.8. Conditions for ensuring good maintenance 30](#_Toc189574008)

[5.3.9. Noise requirements 31](#_Toc189574009)

[5.3.10. Grounding and insulating pieces (insulating flanges) 31](#_Toc189574010)

[6. CHAPTER - REQUIREMENTS FOR RELIABLE AND SAFE OPERATION OF THE TRANSMISSION SYSTEM 33](#_Toc189574011)

[6.1. General Provisions 33](#_Toc189574012)

[6.2. Quality range and other properties of Gas 33](#_Toc189574013)

[6.3. Rights and obligations in the event of Gas of inadequate quality 34](#_Toc189574014)

[6.3.1. Introduction 34](#_Toc189574015)

[6.3.2. Refusing to accept Gas of inadequate quality 34](#_Toc189574016)

[6.3.3. Calculation of penalties at the Entry 35](#_Toc189574017)

[6.3.4. Calculation of penalties at the Exit 36](#_Toc189574018)

[6.3.5. Compensation for actual damage 37](#_Toc189574019)

[7. CHAPTER - SYSTEM MAINTENANCE 38](#_Toc189574020)

[7.1. Maintenance Programme 38](#_Toc189574021)

[8. CHAPTER - METERING AND REQUIREMENTS FOR METERING EQUIPMENT 40](#_Toc189574022)

[8.1. Introduction 40](#_Toc189574023)

[8.2. Use of data obtained through metering 40](#_Toc189574024)

[8.3. Metering data 40](#_Toc189574025)

[8.4. Metering devices 41](#_Toc189574026)

[8.4.1. Introduction 41](#_Toc189574027)

[8.4.2. Primary metering devices 42](#_Toc189574028)

[8.4.3. Orifice meter 42](#_Toc189574029)

[8.4.4. Turbine volumetric meters and rotary piston meters 42](#_Toc189574030)

[8.4.5. Ultrasonic Gas volumetric meters 42](#_Toc189574031)

[8.4.6. Gas mass flow meters 43](#_Toc189574032)

[8.4.7. Secondary metering devices 44](#_Toc189574033)

[8.4.8. Tertiary metering devices 44](#_Toc189574034)

[8.5. Criteria for the selection of metering devices and the number of metering lines depending on the location of the metering point in the System and the type of User 44](#_Toc189574035)

[8.6. Testing and control of metering devices 45](#_Toc189574036)

[8.7. Processing of metering data 46](#_Toc189574037)

[8.7.1. Metering database 46](#_Toc189574038)

[8.7.2. Remote data collection 47](#_Toc189574039)

[8.7.3. Data validation 47](#_Toc189574040)

[8.7.4. Data correction 47](#_Toc189574041)

[8.8. Right of access to metering data 48](#_Toc189574042)

[8.9. Metering equipment for determining Gas quality 48](#_Toc189574043)

[8.9.1. Introduction 48](#_Toc189574044)

[8.9.2. Gas quality complaint 49](#_Toc189574045)

[9. CHAPTER - ACCESS TO THE TRANSMISSION SYSTEM 51](#_Toc189574046)

[9.1. General Provisions 51](#_Toc189574047)

[9.2. Procedure for entering into a Gas Transmission Agreement 51](#_Toc189574048)

[9.3. Gas Transmission Agreement 53](#_Toc189574049)

[9.4. Data updating 55](#_Toc189574050)

[9.5. Termination of User Status 55](#_Toc189574051)

[10. CHAPTER – PAYMENT SECURITY INSTRUMENT, INVOICING AND PAYMENT 56](#_Toc189574052)

[10.1. Payment Security Instrument - General Provisions 56](#_Toc189574053)

[10.2. Types of Payment Security Instruments 57](#_Toc189574054)

[10.3. Amounts of Payment Security Instruments 58](#_Toc189574055)

[10.4. Amount Available for Contracting at Interconnection Points 59](#_Toc189574056)

[10.5. Method of calculation and payment - Introductory provisions 60](#_Toc189574057)

[11. CHAPTER - CAPACITY ALLOCATION 63](#_Toc189574058)

[11.1. Standard Capacity Products at Interconnection Points and Other Points 63](#_Toc189574059)

[11.2. Calculation of Available Capacity 64](#_Toc189574060)

[11.3. Publication of Available Capacity 65](#_Toc189574061)

[11.3.1. Publication of Available Capacity at Interconnection Points 66](#_Toc189574062)

[11.3.2. Publication of Available Capacity at Other Points 67](#_Toc189574063)

[11.4. The User's right to participate in capacity allocation 68](#_Toc189574064)

[11.5. Capacity Allocation at Interconnection Points 68](#_Toc189574065)

[11.5.1. Introduction 68](#_Toc189574066)

[11.5.2. Bundling of Physical Flow Direction Firm Capacities 69](#_Toc189574067)

[11.5.3. Implementation of auctions by the Capacity Booking Platform 70](#_Toc189574068)

[11.6. Capacity Allocation at Other Points 71](#_Toc189574069)

[11.7. Rejection of the User's application for access to the System at Interconnection Points and Other Points 72](#_Toc189574070)

[11.8. Collective exits at Interconnection Points and Other Points 72](#_Toc189574071)

[11.9. Publication of the results of capacity allocation and notification to the User 73](#_Toc189574072)

[12. CHAPTER - SECONDARY CAPACITY TRADING 75](#_Toc189574073)

[12.1. General Provisions 75](#_Toc189574074)

[12.2. Secondary Capacity Trading at Interconnection Points 75](#_Toc189574075)

[12.3. Secondary Capacity Trading at Other Points 76](#_Toc189574076)

[13. CHAPTER - CONGESTION MANAGEMENT PROCEDURES 78](#_Toc189574077)

[13.1. General Provisions 78](#_Toc189574078)

[13.2. Surrender 78](#_Toc189574079)

[13.2.1. General Provisions 78](#_Toc189574080)

[13.2.2. Surrender Procedure 78](#_Toc189574081)

[13.2.3. Auction Premium 79](#_Toc189574082)

[13.3. Firm Day-Ahead “Use-it-or-Lose-it” Mechanism 80](#_Toc189574083)

[13.4. Long-Term “Use-it-or-Lose-it” Mechanism 81](#_Toc189574084)

[14. CHAPTER - DATA EXCHANGE WITH THE USERS 83](#_Toc189574085)

[14.1. Electronic communication 83](#_Toc189574086)

[15. ALLOCATION OF DAILY QUANTITIES OF NATURAL GAS BY USERS 85](#_Toc189574087)

[15.1. Determination of daily quantities of Gas at Handover Points 85](#_Toc189574088)

[15.2. Methods of the allocation of the daily quantity of Gas by Users 85](#_Toc189574089)

[15.3. Allocation of daily Gas quantities to Users at the Handover Points 86](#_Toc189574090)

[15.4. Informing the User about Gas deliveries and off-takes and User informing the TSO 87](#_Toc189574091)

[15.5. Information on the assessment of the User's off-take for Handover Points without daily metering on the distribution system on Gas Day D-1 87](#_Toc189574092)

[15.6. Information on User handover/off-take on Gas Day D 87](#_Toc189574093)

[15.7. Initial Report on the Allocation of Daily Gas Quantities to the User 88](#_Toc189574094)

[15.8. Final Report on the Allocation of Daily Gas Quantities to the User 89](#_Toc189574095)

[15.9. Correction of daily Gas quantities per User 90](#_Toc189574096)

[16. CHAPTER - GAS TRADING AT VTP 92](#_Toc189574097)

[16.1. General Provisions 92](#_Toc189574098)

[16.2. Trading on the Operational Platform 92](#_Toc189574099)

[17. CHAPTER - NOMINATIONS AND RENOMINATIONS 94](#_Toc189574100)

[17.1. General Provisions 94](#_Toc189574101)

[17.2. Equal Nominations Rule 94](#_Toc189574102)

[17.3. Submission of Nominations 95](#_Toc189574103)

[17.4. VTP Nominations 95](#_Toc189574104)

[17.5. Time schedule 96](#_Toc189574105)

[17.6. Renominations 96](#_Toc189574106)

[17.7. Over-Nominations 97](#_Toc189574107)

[18. CHAPTER - MATCHING 98](#_Toc189574108)

[18.1. Initiation of the Matching Process 98](#_Toc189574109)

[18.2. Verification of Nominated Quantities for the Matching Process 98](#_Toc189574110)

[18.3. Matching 98](#_Toc189574111)

[18.4. Minimum Flow Rate 99](#_Toc189574112)

[19. CHAPTER – SYSTEM BALANCING 100](#_Toc189574113)

[19.1. General Provisions 100](#_Toc189574114)

[19.2. Providing information for balancing 100](#_Toc189574115)

[19.3. Balancing services 100](#_Toc189574116)

[19.4. Determining the daily imbalance 101](#_Toc189574117)

[19.5. Price and Daily Imbalance Fee 102](#_Toc189574118)

[19.6. Calculation of the Balancing Neutrality Fee 103](#_Toc189574119)

[20. CHAPTER – CAPACITY RESTRICTION AND TERMINATION 105](#_Toc189574120)

[20.1. General Provisions 105](#_Toc189574121)

[20.2. Sequence of restriction/termination of the provision of the Gas Transmission Services 105](#_Toc189574122)

[20.3. Notification 106](#_Toc189574123)

[20.4. Temporary Disconnection from the System and Suspension of Delivery at the Request of the User 107](#_Toc189574124)

[21. CHAPTER - CONTROL IN THE EVENT OF SYSTEM DISRUPTION 108](#_Toc189574125)

[21.1. Introduction 108](#_Toc189574126)

[21.2. System operation disruption 108](#_Toc189574127)

[21.3. Market Disruption 109](#_Toc189574128)

[22. CHAPTER - DATA PUBLICATION 110](#_Toc189574129)

[22.1. General Data Publication Provisions 110](#_Toc189574130)

[22.2. Technical information required by Users to access the System 110](#_Toc189574131)

[22.3. Information published by the TSO for the Handover Points and the time schedule for publishing such information 111](#_Toc189574132)

[22.4. Information published by the TSO about the System and the time schedule of its publication 112](#_Toc189574133)

[22.5. Information published by the TSO in line with the regulation governing harmonized natural gas tariffs 113](#_Toc189574134)

[22.6. Information published by the TSO in line with this Network Code 113](#_Toc189574135)

[23. CHAPTER - DISPUTE RESOLUTION PROCEDURE 116](#_Toc189574136)

[23.1. Amicable dispute resolution and Expert designation 116](#_Toc189574137)

[23.2. Dispute Resolution by Court 116](#_Toc189574138)

[24. CHAPTER - OTHER MATTERS 117](#_Toc189574139)

[24.1. Commission for Monitoring the Implementation of the Network Code 117](#_Toc189574140)

[24.2. Amendments to the Network Code 118](#_Toc189574141)

[24.3. Data Confidentiality 120](#_Toc189574142)

[25. CHAPTER – TRANSITIONAL AND FINAL PROVISIONS 122](#_Toc189574143)

Based on Article 248, item 2), and in conjunction with Article 254 of the Energy Law ("Official Journal of the Republic of Serbia" Nos. 145/2014, 95/2018 - other law, 40/2021 35/2023 - other Law, 62/2023 and 94/2024), Article 50 of the Regulation on Network Code on the Balancing of the Natural Gas Transmission System ("Official Journal of the Republic of Serbia" No. 112/2022), Article 53 of the Regulation on Network Code on Congestion Management Procedures and Publication of Data and Technical Information for Access to the Natural Gas Transmission System ("Official Journal of the Republic of Serbia" No. 112/2022), Article 28, paragraph 1 of the Regulation on Network Code on Mutual Cooperation of Transmission System Operators and Rules for Data Exchange and Interoperability ("Official Journal of the Republic of Serbia" No. 112/2022), Article 41 of the Regulation on Network Code on the Calculation and Allocation of Natural Gas Transmission Capacity ("Official Journal of the Republic of Serbia" No. 112/2022), Article 20, paragraph 1, item 26) of the Decision on Amendments and Supplements to the Articles of Association of the Limited Liability Company Transportgas Srbija Novi Sad - consolidated text no. 01-01/119, dated January 19, 2024 and Article 6 of the Rules of Procedure of the Assembly of "Transportgas Srbija" d.o.o. Novi Sad, in the written voting procedure dated January 28, 2025, the Assembly of "Transportgas Srbija" d.o.o. Novi Sad adopts the following:

**NATURAL GAS TRANSMISSION SYSTEM NETWORK CODE**

1. CHAPTER - SCOPE OF THE NETWORK CODE
	1. This Network Code (the "Network Code") of the company Transportgas Srbija d.o.o. Novi Sad shall regulate: the method of planning the development of the transmission system; technical conditions for connection to the transmission system; conditions for reliable and safe operation of the transmission system; access to the transmission system; payment security instruments and criteria for determining the amounts and periods of the requested payment security instruments; use and maintenance of facilities; procedure for metering with defined necessary metering equipment depending on the location of the metering point in the system and the type of system user; capacity allocation based on the principles of non-discrimination and transparency; congestion management based on the principles of non-discrimination and transparency that enable cross-border exchange of natural gas and primary and secondary capacity trading; exchange of data on announced and realized quantities for the substitution of missing daily measurements, distribution of transported quantities by users, calculation of deviations and financial settlement; deadline for reconciliation of all received data with measurement data on realized quantities for transmission calculation; virtual point in the system at which users can change ownership rights to natural gas, which is considered an entry and exit from the transmission system for balancing purposes; method of exchange and harmonization of data, information and working conditions with other system operators; management in the event of system disruptions; rules of conduct in the event of a threat to the security of natural gas supply; trading conditions related to the technical and operational provision of transmission system services and system balancing; provision of balancing services in the most economical, fair, objective and impartial manner that will secure relevant incentives to system users to balance their delivery and off-take of natural gas; duty to publish all data necessary for access to the system; duty to publish data on services offered by the system operator, as well as all data related to technical, contracted and free capacity for all relevant points of the transmission system; type and method of submission of data that market participants are obliged to submit to the system operator; obligations of transmission system users; procedures for announcing the use of the system, system balancing, calculation of the imbalance fee and operational balancing between transmission system operators; the procedure for resolving disputes arising from transmission agreements and other issues necessary for the operation of the transmission system and the functioning and administration of the market, in compliance with the Law.
2. CHAPTER - RECITALS
	1. The Limited Liability Company Transportgas Srbija Novi Sad registered in the Republic of Serbia, registration number 21129542 (the "**TSO**"), is a transmission system operator that carries out the energy activities of natural gas transmission and transmission system management in line with the Law and resulting regulations.
	2. The TSO transmission system consists of a network of gas pipelines with a design pressure of more than 16 bar, compressor stations, block stations, metering and regulation and metering stations at all points of delivery from the transmission system, other energy facilities, an electronic communication and information system, and other infrastructure necessary for the transmission of natural gas, including linepack. The transmission system scheme is available on the TSO website.
	3. This Network Code is mandatory for the transmission system operator, the User, the distribution system operator, the storage operator, the natural gas producer and the end customer.
3. CHAPTER - TERMS
	1. In this Network Code, capitalized terms and expressions have the following meanings:

|  |  |
| --- | --- |
| **"AERS"** | means the Energy Agency of the Republic of Serbia; |
| **"Auction Premium"** | means difference between the Auction Price for any Standard Capacity Product and Reserve Price for such Standard Capacity Product; |
| **"Auction Price"** | means the price against which the TSO accepts on auction to contract the Standard Capacity Product with the User on the Interconnection Point, which may be equal to the Reserve Price or increased by the Auction Premium; |
| **"VTP"** | means a virtual trading point at which Users may effectuate contracted Trade of Gas; |
| **"Gas"** | means any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which are predominantly in gaseous state (natural gas) as well as biogas and other types of low-carbon gases that can be technically and safely taken over and transmitted through the System (low-carbon gas); |
| **"Gas Year"**  | means the time period starting at 06:00 hours on October 1 of a year and ending at 06:00 hours on October 1 of the following year; |
| **"Gas Day"**  | means the time period starting at 06:00 hours of a calendar day and ending at 06:00 hours on the following calendar day; |
| **"Gas Quarter"**  | means a period of three (3) months commencing at 06:00 hours of October 1, January 1, April 1, and July 1 and ending at 06:00 hours CET of January 1, April 1, July 1 and October 1; |
| **"Gas Month"** | means the time period commencing: at 06:00 hours of the first Gas Day in a calendar month and ending at 06:00 hours of the first Gas Day in the following calendar month; |
| **"Ten-year plan"** | means the ten-year development and investment plan of the System from Section 4.1 of this Network Code which the TSO is obliged to adopt under the Law; |
| **"ENTSO-G"** | means the Association of European Transmission System Operators for Natural Gas; |
| **"Law"** | means the law regulating the field of energy; |
| **"Exit Point"** | means the Handover Point at which the TSO delivers Physical Flow Gas from the System to the Adjacent Facility or the end customer’s facility connected to the System; |
| **"Payment Security Instrument"** | has the meaning specified in clause 10.2.1 of this Network Code; |
| **"Auction Calendar"** | means a predefined time schedule of auctions at which TSO offers Standard Capacity Products at Interconnection Points, published by ENTSO-G on its official website [www.entsog.eu](http://www.entsog.eu); |
| **"User"** | means any business entity or a foreign legal entity which entered into a Gas Transmission Agreement with the TSO, for so long as such Agreement continues to be in effect; |
| **"Minimum Flow Rate"** | means the minimum quantity of Gas that is required at a particular Interconnection Point in order for the TSO to provide Gas Transmission Services at that Interconnection Point in line with the technical limitations of the System and especially with System Metering Equipment limitations, and the relevant AFO Agreements; |
| **"Nomination"**  | means a notification submitted by the User to the TSO about the quantity of Gas the User intends to deliver for transport at the Entry or off-take from the System at the Exit on a specific Gas Day, divided into equal quantities for each hour on such Gas Day, which may not exceed the Contracted Capacity at the Entry or Exit; |
| **"Notice of Confirmed Quantity"** | means a notice sent by the TSO to the User following calculation of the Confirmed Quantities, setting out the Confirmed Quantities at each Interconnection Point; |
| **"Notice of Trade"** | means (a) in the case of the purchase and sale of Gas on the Operational Platform, a joint notice submitted by the Users to the TSO regarding the traded quantities between those two Users, where one User is the seller and the other is the buyer of Gas; |
| **"Operational Platform"** | means the platform consisting of a computer system, software and communication connections operated by the TSO through which the TSO distributes and contracts Standard Capacity Products with Users at Other Points, enables Users to trade Gas at VTP and communicates with Users to provide/use the gas transmission services in line with this Network Code and the Transmission Agreement; |
| **"AFO”** | means the operator of an Adjacent Facility; |
| **"Other Points"** | means all Handover Points on the System, except Interconnection Points; |
| **"Pair of Users"** | means users who have contracted capacities with the TSO and the AFO on each side of the same Handover Point, and who are identified by their user codes in the Nomination and Matching Process as a Pair of Users (whereby the User and the user of the AFO facility may be the same entity); |
| **"Capacity Booking Platform"** | means the Regional Booking Platform (RBP), as an electronic platform, designated by the TSO to provide information services in compliance with the regulation governing the network code on capacity calculation and allocation, by announcing for and on behalf of the TSO the organization of auctions, allocating and contracting (booking) Standard Capacity Products at each Interconnection Point, enabling secondary capacity trading, Capacity Surrender, capacity conversion, etc. in line with this Network Code;  |
| **"Applicant"** | means a business entity or foreign legal entity that submits an application for the entry into a Transmission Agreement according to Section 9.2 of this Network Code; |
| **"Matching Process"** | means the procedures for checking all data from User Nominations carried out by the TSO and AFO at the Handover Points in order to determine the Confirmed Quantities; |
| **"Confirmed Quantities"** | means the quantity of Gas from the Nomination or re-nomination confirmed by the TSO for transmission to the User for the Gas Day, expressed in kWh; |
| **"Gas Producer"** | means a natural gas producer and a low-carbon gas producer; |
| **"Reserve Price"** | means the initial price at the auction at which the TSO offers Standard Capacity Products at the Interconnection Points, which is determined according to the capacity rate established in the applicable decision on prices of access to the transmission system, which is adopted in compliance with the Law and the AERS methodology governing the determination of the price of access to the natural gas transmission system and published on the TSO website; |
| **"Reference Conditions"**  | the reference conditions for the calculation of the volume of Gas flow are normal conditions, a temperature of 273.15 K (0 °C) and a pressure of 1.01325 bar; |
| **"System"** | means the transmission system operated by the TSO and described in Section 2.2 of this Network Code; |
| **"Standard Capacity Product"** | means the part of the System capacity available for the transmission of Gas offered and contracted by the TSO at the Handover Points for the transmission of Gas, whose duration, direction and mode of transmission are prescribed and determined in Chapter 11 of this Network Code; |
| **"Adjacent Facility"** | means a distribution system, another transmission system, a natural gas storage facility connected to the TSO transmission system, as well as a facility of a Natural Gas Producer and an end customer that is connected to the TSO transmission system; |
| **"Adjacent Operator"** | means an operator that operates the connected transmission system; |
| **"Interconnection Point"** | means the Handover Point at which the System is connected to the transmission system of the Adjacent Operator from another country, as well as Paraćin, Pančevo or Gospođinci Interconnection Point (collectively: IP Serbia) determined by the Agency Decision No. 752/2024-D-I dated December 19, 2024, which connect the System to the system of the Adjacent Operator Gastrans d.o.o., and at which the TSO is obliged to distribute Standard Capacity Products in line with the regulation governing the network code on capacity calculation and allocation for natural gas transmission and Section 11.5 of this Network Code.  |
| **"Handover Point"** | means the point on the System at which the System is connected to the AFO, or at which the Adjacent Facility of the producer or end customer is connected to the System, which may be an Entry or Exit, and which is the place of delivery or off-take of Gas within the meaning of the Law and the regulation regulating the conditions of delivery and supply of natural gas.Within the meaning of this Network Code, Handover Point means Interconnection Points and Other Points on the System; |
| **"Technical Capacity"** | means the maximum available continuous capacity that the TSO can offer to the Users, taking into account the integrity, safety, security and reliability of the System; |
| **"Transmission Agreement"** | means the agreement on access to the Gas transmission system prescribed by the Law, entered into between the TSO and the User, which stipulates the User's right to use gas transmission services when the User contracts a specific Standard Capacity Product in line with Chapter 11 of this Network Code or on the secondary capacity market in line with Chapter 12 of this Network Code; |
| **"Contracted Capacity"** | means the maximum capacity as the quantity of Standard Capacity Product expressed in kWh/day at the Entry or Exit, which the User has contracted with the TSO and which the TSO is obliged to make available to the User for the transmission of Gas based on the Transmission Agreement; |
| **''Entry'’** | means the Handover Point at which the TSO off-takes Gas in Physical Flow into the System from the Adjacent Facility; |
| **"Physical Flow"** | means the flow of Gas through the System from the Entry to the Exit; |
| **''Price''** | means the price of the Standard Capacity Product determined in the act adopted in line with the Law and the AERS methodology governing the determination of the price of access to the natural gas transmission system, if the Standard Capacity Product is contracted at Other Points or the Reserve Price or Auction Price if the Standard Capacity Product is contracted at Interconnection Points. |
| **"UTC"** | stands for Coordinated Universal Time; |

* 1. Other terms used in this Network Code have the same meaning as set out in the Law and regulations adopted based on the Law.
	2. All time designations in this Network Code are expressed according to the current time in the Republic of Serbia, which corresponds to the time zone UTC + 1 hour in winter time or UTC + 2 hours in summer time.
1. CHAPTER - PLANNING THE TRANSMISSION SYSTEM DEVELOPMENT
	* 1. Ten-Year Development Plan
			1. The TSO shall prepare a Ten-Year Plan once a year and submit it to the AERS for approval no later than 30 September in the year preceding the beginning of the ten years covered by the Ten-Year Plan.
			2. The TSO is obliged to prepare a Ten-Year Plan in line with the Law, the Energy Development Strategy of the Republic of Serbia, the Strategy Implementation Program, and projected needs for Gas transmission, as well as to harmonize it with the development plans of the AFO, taking into account the planned production, consumption and exchange of Gas with other countries, as well as the results of consultations with energy entities, end customers and Gas Producers organized by the AERS within the approval procedure.
			3. The ten-year plan is developed to implement effective measures to ensure the security of the System, security of supply, and development of the System in line with realistic needs for Gas transmission while ensuring new interconnections with the gas pipeline systems of neighbouring countries, taking into account:
* the need for construction and reconstruction of the most relevant infrastructure in the next ten years;
* the existing capacities, assessment of the security of the System's operation, and measures necessary to ensure the safe and reliable operation of the System, its adequacy, and security of supply;
* long-term projected needs for Gas transmission;
* the obligation to improve energy efficiency and environmental protection; and
* the dynamics of implementing advanced metering systems at all points of delivery of Gas to end customers, determined according to the plan for implementing economically justified forms of advanced metering systems.
	+ - 1. The TSO plans to develop the System to achieve the N-1 standard of security of supply, meaning that the technical capacities at the Entries shall meet the total demand for Gas in the event of a supply interruption at the individually largest Entry during the day with the highest recorded consumption in the past 20 years.
			2. Energy entities, Gas Producers, and end customers shall provide the TSO with the necessary data for preparing the Ten-Year Plan so that the TSO can meet the requirements related to planning the System development and its harmonization with the development plans of the AFO and the connection requirements of Gas Producers and end customers.
			3. The entities referred to in point 4.1.5 of this Network Code shall, upon request by the TSO, submit a three-year assessment of:
* the need for construction and reconstruction of the most relevant infrastructure in the next ten years;
* maximum daily off-takes and an estimate of the average monthly off-take of Gas planned to be off-taken at each Exit; and
* other data requested by the TSO.
	+ - 1. The data required for the preparation of the Ten-Year Plan shall be requested by the TSO by the end of February. The above entities shall be obliged to submit the relevant data to the TSO by the end of March and may mark the data as confidential, in which case the TSO shall treat them in line with Section 24.3 of this Network Code.
			2. For the preparation of the Ten-Year Plan, the TSO shall, in addition to the data from Section 4.1.6. of this Network Code, use historical data on the quantities of Gas at the Entry and Exit, data from other sources, as well as data on requests for connection to the System that were rejected due to the lack of technical conditions for connection, and data on requests for access to the System that were rejected in the past period due to the lack of the required capacity.
			3. The Ten-Year Development Plan shall, in particular, contain:
* planning assumptions (projected demand for Gas, projected import and production of Gas);
* results of analysis of the current state of facilities, equipment, and operation of the System (age of facilities, unavailability of individual elements of the System, observed congestion, and recorded operational events);
* list of facilities by year that need to be built, reconstructed, or upgraded within ten years, a brief description of the planned facilities, technical data on each facility, project category, deadlines for the implementation of planned projects (year of investment start and planned year of commissioning), type of activity, the reason for investment, implementation phase and available technical documentation;
* implementation of advanced metering systems in line with the Implementation Plan for ten years;
* changes compared to the previous development plan;
* Investment plan to be implemented by the TSO in the next three years, including investments that are being approached according to point 4.2.9 of this Network Code, as well as investments whose implementation is underway and potential investments that have been decided to be implemented in line with point 4.2.4 of this Network Code (starting with the design phase). The Investment Plan shall, in particular, contain: names of projects and investments with investment codes, a brief description of projects and investments, deadlines for the implementation of planned projects and investments, and the total estimated preliminary cost value of each project or investment with the relevant basic data based on which the preliminary cost value was determined, investment dynamics for each investment for the next three years by funding sources, realized investments whose implementation is in progress, technical data on each project or investment, project category, type of activity, list of connection and interconnection projects by year for the planning period, changes compared to the previous Investment Plan (new projects or investments, activated projects or investments and other changes), Decisions on the implementation of investments;
* development plan for the supporting infrastructure of the System (telecommunications system, remote monitoring and management system, schedule of the implementation of advanced metering systems, etc.); and
* effective measures to achieve System adequacy and security of supply.
	+ - 1. If the result of the consultations conducted by the AERS in the approval procedure indicates that there is market interest in increasing the capacity at the Interconnection Point or in building a new Interconnection Point, the TSO shall consult with the AFO to decide on a joint examination of the market demand for additional capacities in even-numbered years as well, under the conditions and in compliance with the regulation governing the network code on the calculation and allocation of capacity for the transmission of natural gas and Section 4.2 of this Network Code.
			2. Upon obtaining the consent of the AERS, the TSO shall publish the Ten-Year Plan on their website.
		1. Market research of demand for additional capacities
			1. At least every odd year, in cooperation with the Adjacent Operator, the TSO shall conduct market demand research of demand for the use of additional capacities at existing and future points that are the points of connection of the System to the adjacent natural gas transmission system, in compliance with the regulation governing the network code on the calculation and allocation of natural gas transmission capacity.
			2. The TSO shall publish a call for submission of non-binding requests for the use of additional capacities. The call shall be sent via the Capacity Booking Platform and the TSO website simultaneously with the publication of auctions for annual Standard Capacity Products. The call shall contain, in particular, the following information:
* two or more adjacent entry-exit transmission systems between which the demand for additional capacities is expressed – on one or both sides of the interconnection point – and the requested direction of Gas transmission;
* the Gas Year(s) to which the request for additional capacity relates;
* the amount of capacity requested between the relevant entry-exit transmission lines;
* information on the non-binding demand indicators that have been submitted or will be submitted to other transmission system operators if these indicators are interconnected, such as the demand for capacity at multiple interconnected interconnection points; and
* whether the demand for additional capacity depends on the fulfilment of the conditions set out in paragraphs 1-4 of this section.
	+ - 1. In cooperation with the adjacent transmission system operator, the TSO shall prepare, within 8 (eight) weeks after the expiration of the deadline for submitting non-binding requests, and publish a joint report on the assessment of market interest in additional capacities after 16 weeks from the start of the annual auction on their website in Serbian and English, setting out whether there is sufficient market interest in additional capacities based on the submitted non-binding requests and the criteria from the regulation governing the network code on the calculation and allocation of natural gas transmission capacity, and shall accordingly determine whether to initiate the design phase or suspend the procedure.
			2. If there is sufficient market interest in additional capacities on both sides of the Interconnection Point, the TSO, in coordination with the Adjacent Operator, shall, on the day following the publication of the report referred to in point 4.2.3 of this Network Code, commence the phase of designing additional capacities.
			3. The TSO shall jointly conduct technical studies for additional capacity projects with the Adjacent Operator to develop an additional capacity project and adjust the level of supply based on the technical feasibility and market demand research report and shall cooperate with the AERS to adjust the level of supply so that the additional capacity could be offered as a bundled capacity product.
			4. The TSO and the Adjacent Transmission System Operator shall conduct public consultations on the draft additional capacity project, which shall last at least 1 (one) and at most 2 (two) months.
			5. After the completion of the public consultations, the TSO and the Adjacent Operator shall prepare an additional capacity project, which shall include, among other things, the parameters of the economic test. The TSO shall submit the additional capacity project proposal to the AERS for approval.
			6. Should the AERS approve the proposal for an additional capacity project in cooperation with adjacent regulatory bodies, the TSO shall publish the additional capacity project on their website, including a model agreement for access to the system and gas transmission for additional capacities, no later than 2 (two) months before the announcement of the auctions for annual Standard Capacity Products where the additional capacities are offered for contracting.
			7. Upon completion of the auctions, the TSO is obliged to conduct an economic test in line with the regulation governing the network code on capacity calculation and allocation, taking into account the total amount of additional capacities booked at the auctions to determine whether there is justification and financial viability of the investment in additional capacities. If the result of the economic test is positive, the TSO proceeds with the construction of additional capacities. If the result of the economic test is negative, the TSO suspends the additional capacities procedure.
1. CHAPTER - TECHNICAL CONDITIONS FOR CONNECTION TO THE TRANSMISSION SYSTEM
	* 1. General rules
			1. At the request of a natural person, domestic and foreign legal entity or entrepreneur who intends to build a facility that is connected or linked to the System and for which an energy permit is obtained in compliance with the Law, the TSO issues an opinion on the conditions and possibilities of connecting the energy facility to the System.
			2. The request for an opinion from point 5.1.1 of this Network Code is submitted to the TSO on the relevant form. The TSO publishes the form of the request for an opinion on their website.
			3. The TSO connects the facility of the end customer or the Gas Producer to the System based on the approval it issues in the administrative procedure, in line with the Law and resulting regulations.
			4. At the request of the end customer or the Gas Producer whose facilities are already connected to the System, the TSO shall approve the connection by decision in the event of:
* any change in the approved capacity or technical conditions of connection in the facility;
* connection or separation of installations, i.e., metering points; or
* reconnection of the facility due to disconnection from the System.
	+ - 1. At the request of the AFO, the TSO shall arrange for the connection of the System to the Adjacent Facility by entering into a connection agreement with the AFO in compliance with the Law.
			2. The request for connection approval shall be submitted to the TSO on a relevant form containing the data contained in the regulation that specifies the conditions for the delivery and supply of natural gas. The TSO shall publish the form of the request for connection approval with a list of prescribed evidence on their website.
			3. When it establishes that the prescribed conditions have been met, the TSO shall determine the technical and other conditions for connection in the decision approving the connection of the facility to the System, in compliance with the Law, regulations adopted by the Law, technical and other regulations and this Network Code.
			4. If the Applicant requests to carry out some connection works on their own, they shall be obliged to carry out the works in line with the regulations and under the supervision of the TSO.
			5. The facility of the end customer and the Gas Producer is physically connected to the System in line with the technical and other conditions established by the TSO in the decision approving the connection of the facility to the System.
			6. The decision on approval for the connection of the facility is implemented after the construction of the connection, based on the request for the release of Gas to the facility submitted by the end customer or the Gas Producer in writing. The TSO renders a decision on the release of Gas within 8 (eight) days after the receipt of the request, after determining that the conditions set out in the Law, the regulation governing the conditions for the delivery and supply of natural gas, and the decision on approval for the connection have been met.
			7. If the AFO requests the connection of a new energy facility for gas transmission, distribution, or gas storage or requests a change in the previously agreed connection conditions for an energy facility that is already connected to the System, the TSO and the AFO shall enter into a connection agreement referred to in point 5.1.5. of this Network Code, which shall contain, in particular:
* technical conditions for connecting to the System and the connection point;
* method of metering the delivered Gas;
* actual costs of connecting to the System; and
* deadline for connecting to the System.
	+ 1. Technical conditions

Introduction

The technical conditions for interconnection to the System and the technical conditions for connection to the System are identical and their purpose is to create the necessary conditions for the normal operation of the System.

The technical conditions uniquely determine the minimum requirements that are implemented during the design and construction of gas stations, thereby ensuring safe and reliable Gas transmission and high-quality maintenance of the System. These conditions are binding on investors, design and construction organizations, and permanent expert panels of the TSO during the facility inspection.

For technical conditions not established by binding national standards and this Network Code, the TSO may refer to the international standard ISO (International Organization for Standardization), EN (European Standards) or the German national standards DVGW (Deutscher Verein des Gas- und Wasserfaches) and DIN (Deutsches Institut für Normung).

Gas stations may be main metering and regulation stations (the MMRS) and off-take and receiving stations (the OTRS). In terms of design, the OTRSs do not have equipment for heating Gas (heat exchangers and boiler installations), and all other technical conditions are the same for both OTRS and MMRS.

Technical connection conditions relating to conditions regarding metering equipment for measuring Gas are regulated in more detail in Chapter 8 of this Network Code.

Shut-off devices

Fire-fighting shut-off devices are quick-closing shut-off devices – ball valves with a full opening. They are installed at a distance of 5 m to 100 m in front of and behind the gas station. The inlet fire-fighting valve must be welded.

Installed fire-fighting valves must be particularly clearly marked and protected from unauthorized handling.

Shut-off devices located directly in front of the Gas flow meter are ball valves with a full opening.

Shut-off devices on the discharge (drainage) lines from the filter must not be combined into one line. The minimum nominal opening of the shut-off device is DN 50.

Basic threaded fittings are used on above-ground parts up to a maximum of DN 50. For larger dimensions, flanged or welded fittings are used. This requirement does not apply to instrumentation fittings.

For shut-off devices on instrumental and impulse lines, threaded valves or needle valves with NPT threads are used.

Inlet fire-fighting shut-off devices are remotely controlled. They must be connected to the telemetry system and display the valve status and can be opened and closed remotely.

Unification of equipment

The equipment installed in the System must be unified for metering, regulating, safety, communication devices, shut-off devices and the remote monitoring and control system.

For installations at a pressure greater than 16 bar, shut-off valves and regulating and safety equipment must meet the requirements for pressure equipment prescribed by the regulation governing the conditions for uninterrupted and safe natural gas transmission via gas pipelines of pressure exceeding 16 bar.

* + 1. Gas station
	1.

Installation of gas stations

Gas stations may be located in a brick building or in a metal house (container).

The installation of gas stations, as well as the minimum distances from buildings, are determined by the regulation governing the technical conditions and standards for safe pipeline transport.

Gas heating equipment

Gas heating equipment consists of heat exchangers, boilers with boiler installation and supporting fittings.

The heat exchangers to be installed must be the gas-hot water type (90°C/70°C). Two heat exchangers shall be installed, one operating and one standby.

The installation of condensing boilers is not permitted.

The regulation of hot water boilers ensures a constant outlet temperature of the water from the boiler, taking into account the minimum return water temperature.

Gas temperature in the range of 5-10°C is the basic parameter for selecting a boiler and heat exchanger.

Heat exchangers are installed so that the U-tubes can be easily replaced.

Each heat exchanger must have built-in safety shut-off valves on the connecting hot water pipes, as a safeguard against Gas penetration into the hot water installation. The nominal pressure of the equipment and fittings that are directly connected to the exchanger on the water side corresponds to the nominal pressure of the gas side.

The following types of gas appliances and boilers may be used according to the heat capacity:

* only one "C" type appliance is installed in gas stations with a heat capacity of less than 65 kW;
* heat compensation is provided with "C" type gas appliances, which are cascaded, in gas stations with a heat capacity of up to 260 kW; and
* two boilers are installed in gas stations with a heat capacity of over 260 kW, each with 60% of the required capacity.

Each boiler, or boiler battery, must have a system for removing combustion products in line with the boiler manufacturer's recommendations and the regulations governing this area.

Steel chimneys must be thermally insulated. The chimney pipe is a pipe that connects the boiler to the chimney and is constructed at an angle of at least 10° to the horizontal so that it can be dismantled.

A valve must be installed at the lowest point of the installation for its filling and draining. The slope of the hot water pipes must be 0.3%. The hot water pipes are equipped with air vents installed at the highest point of the hot water installation.

Heat exchangers must have an air vent. The exchangers and hot water pipes are thermally insulated.

The maximum Gas pressure at the entrance to the room in which the MMRS boilers are installed is 1 bar.

Gas purification equipment - filters

The filter must have a cartridge with a purification rate of 98% of particles larger than 3µm and a cover with a flanged screw connection.

The filter must have a connection for a differential pressure transmitter.

Differential pressure transmitters must be connected to the telemetry system and display the filter clogging status.

Regulation and safety equipment

The regulation line at the gas station contains:

* shut-off devices at the beginning and end of the regulation line;
* safety shut-off (block) valve;
* pressure regulator;
* safety relief valve with a minimum capacity of 1% of the maximum throughput of the pressure regulator;
* relief valve in front of the safety quick-closing valve. The valve is installed when there is no bypass for pressure equalization on the safety quick-closing valve; and
* relief valve after the Gas pressure regulator.

The safety exhaust valve shall not be installed on the gas manifold.

Remote monitoring and control equipment

Due to its connection to the remote monitoring and control system, the gas station must have:

* A separate room for the accommodation of remote monitoring and control equipment or a designated space in the room where the boilers are installed for the accommodation of cabinets and uninterruptible power supply systems;
* 220/380 V electrical power supply; and
* a secured connection to the dispatch centre.

The data remotely transmitted are:

* data related to Gas flow measurements (meters, conversion devices - rectifiers, flow computers);
* position status (open/closed) of the inlet fire valve in front of the gas station;
* inlet pressure to the gas station - transmitter connection;
* differential pressure on each filter with alarm;
* position status (open/closed) of each safety shut-off valve;
* pressure behind each reduction stage in two-stage or multi-stage stations;
* temperature behind each flow meter and at the outlet of the station;
* outlet pressure from the gas station; and
* alarms from the rooms where the boilers are installed in case of fire, boiler operation, pump operation, water temperature, as well as in case of Gas leakage.

The remote monitoring and control system must provide control of:

* the open/closed position of the inlet fire valve in front of the gas station; and
* the position of the flow or pressure limiting control valve, when such a valve is in place at the gas station.

Pressure regulation

The main safety device for a gas station is a safety shut-off valve. If the maximum operating pressure before reduction (the **MOPbr**) is higher than the maximum incident pressure (the **MIP**), a safety device is installed to secure pressure.

Double safety is provided in the case when the following conditions are simultaneously met:

* the difference between the **MOPbr** and the maximum operating pressure after reduction (the **MOPar**) is greater than 16 bar; and
* the **MOPbr** is greater than the strength test pressure of the installation part after pressure reduction and is greater than 1.3 **MOPar**.

The Gas pressure regulator monitor may be used as a second safety device instead of a safety shut-off valve. Safety relief valves with full opening - complete Gas discharge may not be used.

Pressure reduction in the gas station is performed as a two-stage (two Gas pressure regulators, two safety shut-off valves and two safety relief valves) when the construction of a polyethylene gas pipeline network is planned behind the gas station.

Gas station configuration

The gas station must have two regulation lines, one of which is operating and one is standby (backup), both with a capacity of 100% of the gas station or three regulation lines – two operating and one backup, each with a capacity of 50%.

The bypass line of the gas station must be equipped with two shut-off valves with a built-in blind intended for sealing.

The gas station must have a complete metering and regulation line for small consumption when the nature of that consumption is such that there is a longer time interval in which it completely switches to significantly reduced consumption (nominal/reduced ≥ 20/1). The flow meter for small consumption is selected so that its maximum flow overlaps with the minimum flow of the meter for large consumption, at least by 0.2 Qmax of the meter for small consumption.

At a gas station to which end customers are connected who continuously consume Gas throughout the year and with downtime only during scheduled overhauls of technological facilities, it is necessary to provide three metering lines, namely two meters covering 60% Qmax and one meter covering 40% Qmax.

A check valve on the outlet part of the regulation line shall be installed when the dynamics of Gas delivery at the gas station are such that they cause large and sudden pressure oscillations in the outlet gas pipeline behind the gas station.

A check valve shall be installed at the MS for supplying the natural gas compression station.

If there is a risk of unwanted backflow, then the installation of a check valve or similar device shall be considered to prevent incorrect registration of the Gas flow.

Conditions for ensuring good maintenance

The distance between pipes and equipment in a gas station, as well as the distances from walls and roofs, must be such as to ensure easy equipment inspection and servicing.

Gas stations have horizontal parallel regulation and metering lines, provided that the axis of the regulation, safety and metering equipment must not be at a height greater than 1.2 m. The axial distance between the lines may not be less than 0.8 m + one half of the pipe diameter behind the first shut-off device on the regulation line, or 0.8 m + one half of the pipe diameter behind the first shut-off device on the metering line.

A gas station in a metal house shall be designed and constructed with doors along the entire length of the station on the left and right sides, looking in the direction of the Gas flow.

A gas station in a brick building shall be designed and constructed so that the wall of the building is located at a distance of no less than 1.2 m + one half of the pipe diameter behind the first shut-off device on the regulation line or 1.2 m + one half of the pipe diameter behind the first shut-off device on the metering line.

Metering equipment shall be installed to ensure easy reading of the measured values ​​and replacement of metering equipment and filter cartridges. The horizontal axis of the flow meter may not be at a height greater than 1.2 m.

For all equipment weighing more than 25 kg, support shall be provided on which a suitable crane can be suspended for repair. This applies, in particular, to the assembly and disassembly of filter cartridges, pressure regulators, valve blocks, and Gas flow meters. Where this is impossible, the design shall provide access by a mobile crane for service and assembly purposes.

Noise requirements

Gas stations must meet the noise requirements set out in the regulations on the permissible level of noise in the environment, as well as local urban planning regulations.

Gas station projects with a capacity of more than 30,000 m3/h must have a specially developed noise calculation and protection measures to reduce noise levels.

Grounding and insulating pieces (insulating flanges)

Insulating pieces (insulating flanges) are installed to enable the efficient operation of cathodic protection of steel underground gas pipelines and protection against overvoltage.

Insulating pieces for underground installation or insulating flanges for above-ground installation are installed on the inlet and outlet gas pipeline in front of and behind the gas station. The insulating flanges are bridged by cathodic surge arresters in the direction towards the earthing switch. The cathodic surge arresters have the relevant degree of explosion protection.

The insulating piece or flange may be omitted on the outlet gas pipeline from the gas station if the length of the underground, potentially cathodically protected, steel part of the outlet gas pipeline is less than 5m and after that the underground outlet gas pipeline passes into an overhead or polyethylene gas pipeline.

All overhead machinery and fittings, as well as other metal masses (e.g. supports) in the station must be properly grounded. Grounding in the gas station is carried out via at least two independent taps, made on opposite sides of the station. Metering and disconnecting connections are provided on the taps.

The grounding strip is connected by welding to the metal supports of the gas station if they are in galvanic connection with the station's mechanical equipment. The strip is connected by welding to the flanges if supports are not provided. Welding to the pipe is permitted only in grounding welded fire valves without flanges. The strip is installed to enable uninterrupted operation in the gas station.

Aboveground fire shut-off valves are grounded, taking into account the cathodic protection system of the gas pipeline.

In the station and shafts, potential equalization (equipotentialization) is mandatory. The flange connections are bridged with toothed washers under the head and nut of the same bolt. The installation points of these washers must be visibly marked in red. The bridging using copper wire and galvanized tape with adequate cross-section is also permitted. Threaded connections where insulating sealant is used are bridged with P-Y 6 mm2 or P/F-Y 6 mm2 conductors through adequate clamps.

In the event of temporary or permanent dismantling of equipment at a gas station, the ends of the equipment shall be bridged at the site of the dismantled equipment.

Protection measures against atmospheric discharge shall be put in place at gas stations in line with the regulations governing this area.

As the highest parts of gas stations, vent pipes shall be connected to the exhaust system. This connection shall be made at the point closest to the pipe entry into the facility.

1. CHAPTER - REQUIREMENTS FOR RELIABLE AND SAFE OPERATION OF THE TRANSMISSION SYSTEM
	* 1. General Provisions
			1. Gas taken at the Entry/Exit to/from the System(s) must meet the pressure requirements set out in the regulations and this Network Code.
			2. The pressure of the Gas taken at the Entry for gas pipelines with a design pressure of up to 50 bar may not exceed 45 bar.
			3. The pressure of the Gas taken at the Entry for gas pipelines with a design pressure of up to 55 bar may not exceed 54 bar.
			4. The pressure of the Gas taken at the Entry for gas pipelines with a design pressure of up to 75 bar may not exceed 68 bar.
		2. Quality range and other properties of Gas
			1. The requirements regarding the chemical composition, calorific value range and other properties of Gas delivered to/from the System are set out in the regulation governing the conditions of delivery and supply of natural gas. The TSO publishes the prescribed requirements regarding the quality, chemical composition and other properties of Gas (the Gas of prescribed quality) on their website.
			2. The TSO shall cooperate with the AFO in order to align the requirements regarding the quality of Gas and, in case of differences in the quality of Gas, shall undertake the activities set out in the regulation governing the network code on mutual cooperation of transmission system operators and the rules for data exchange and interoperability.
			3. The User is obliged to deliver to the TSO at the Entry Gas of the prescribed quality, i.e., Gas that does not contain solid impurities, resin or substances that produce resin and liquids such as hydrocarbons, condensates, glycols, water, and whose quality meets the requirements in terms of chemical composition, calorific value range and other properties set out in the regulation from point 6.2.1 of this Network Code.
			4. The Gas taken over at the Entry is considered a homogeneous volume (generic goods), i.e., the Gas taken over by the TSO at the Entry on a specific Gas Day is believed to have the same quality for all Users at that Entry.
			5. The TSO is obliged to deliver to the User at the Exit Gas that does not contain solid impurities, resin or substances that produce resin and liquids such as hydrocarbons, condensates, glycols, water, and whose quality meets the prescribed requirements in terms of chemical composition, calorific value range and other properties of the Gas set out in the regulation from point 6.2.1 of this Network Code.
			6. The Gas delivered at the Exit is considered a homogeneous volume (generic goods), i.e., the Gas delivered by the TSO at the Exit on a specific Gas Day is believed to have the same quality for all Users at that Exit.
			7. The persons provided with information about Gas quality by the TSO are:
* end customers directly connected to the System, or the User acting on behalf of the end customer, unless there is a direct contractual relationship between the TSO and the end customer;
* operators of distribution systems directly connected to the System; and
* operators of natural gas storage facilities.
	+ 1. Rights and obligations in the event of Gas of inadequate quality

Introduction

If the User delivers at the Entry, or if the TSO delivers at the Exit, Gas whose quality deviates from the prescribed (inadequate quality), the TSO, or the User, may:

* refuse to take over such Gas entirely or in part;
* calculate a penalty in line with Sections 6.3.3 and 6.3.4 of this Network Code for improper performance of the contractual obligation to deliver Gas of the prescribed quality; and
* demand compensation for damages under applicable regulations if the damage was caused by the delivery of such Gas to the System or the delivery of such Gas from the System.

The TSO shall notify the User if they determine that they are delivering or have delivered Gas of inadequate quality at the Entry.

If the User delivers Gas containing solid impurities, resin or substances that produce resin and liquids such as hydrocarbons, condensates, glycols, water at the Input, the TSO shall remove the technological impurity within a period not exceeding 48 hours. The TSO shall charge the User for the cost of removing impurities as a non-standard service.

The User shall notify the TSO if they determine that they are delivering or have delivered Gas of inadequate quality at the Exit, unless the TSO has notified the User of the delivered Gas of inadequate quality in line with point 10.5.3 of this Network Code.

Refusing to accept Gas of inadequate quality

The TSO may accept Gas of inadequate quality if the acceptance of such Gas does not endanger the security or integrity of the System. In such case, the User shall immediately adjust its Nominations at the Entry according to the request of the TSO for a reduction in the delivery of Gas of inadequate quality at such Entry. The TSO reserves the right to charge the User for all actual damages resulting from the acceptance of Gas of inadequate quality unless the User has adjusted the Nominations at the request of the TSO.

If the receipt of Gas of inadequate quality endangers the security or integrity of the System or if the TSO justifiably believes that it will not be able to ensure the delivery of Gas of the prescribed quality at any Exit, or if the acceptance of such Gas affects the fulfilment of the TSO's contractual obligations, the TSO will partially or completely discontinue the acceptance of Gas of inadequate quality.

The TSO shall partially interrupt the acceptance of Gas of inadequate quality at the Entry in proportion to the User's Nominations for such Entry on that day.

The interruption of the acceptance of Gas of inadequate quality shall not release the User from the obligation to pay for the transmission service at the Contracted Capacity based on the Transmission Agreement.

The User has the right to refuse to accept Gas of inadequate quality at the Exit.

Calculation of penalties at the Entry

The TSO calculates and charges the User a penalty for the delivery of Gas of inadequate quality if at the Entry the User delivers Gas whose upper Wobbe index is outside the prescribed range from point 6.2.1 of this Network Code.

Should the User deliver Gas at the Entry whose upper Wobbe index deviates from the prescribed range, the TSO calculates the penalty amount for each Gas Day in the following cases:

* when the deviation of the upper Wobbe index from the prescribed range is less than or equal to 5%, according to the formula:

 PEn = 0.1 \* GP \* QEn1

where:

PEn - is the amount of the first level penalty at the Entry (in dinars);

GP - is the price at which the TSO purchases Gas for Gas Day D based on the balancing services agreement (in dinars/kWh);

QEn1 - is the quantity of Gas whose upper Wobbe index at the Entry deviates by up to 5% from the prescribed range, expressed in kWh.

* when the deviation of the upper Wobbe index from the prescribed range at the Entry is greater than 5% and less than or equal to 10%, according to the formula:

 PEn2 = 0.2 \* GP \* QEn2

where:

PEn2 - is the amount of the second level penalty at the Entry (in dinars);

GP - is the price at which the TSO purchases Gas for Gas Day D based on the balancing services agreement (in dinars/kWh);

QEn2 - is the quantity of Gas whose upper Wobbe index at the Entry deviates by more than 5% and up to 10% from the prescribed range, expressed in kWh.

* when the deviation of the upper Wobbe index from the prescribed range is greater than 10%, according to the formula:

 PEn3 = 0.5 \* GP \* QEn3

where:

PEn3 - is the amount of the third level penalty at the Entry (in dinars);

GP - is the price at which the TSO purchases Gas for Gas Day D based on the balancing services agreement (in dinars/kWh);

QEn3 - is the quantity of Gas whose upper Wobbe index at the Entry deviates by more than 10% from the prescribed range, expressed in kWh.

If there are multiple Users at the Entry, PEn1, PEn2 and PEn3 for each User shall be determined in proportion to the quantities of Gas determined for each User for that Gas Day.

Along with the invoice for the penalty, the TSO shall deliver to the User documentation containing data on the Entry and Gas Day on which the User delivered Gas of inadequate quality to the System, the total quantity of Gas of inadequate quality delivered, and documentation based on which the delivery of Gas of inadequate quality was determined.

Calculation of penalties at the Exit

The User is entitled to calculate and charge the TSO a penalty if the TSO has delivered at the Exit Gas to the User whose upper Wobbe index is outside the prescribed range.

 If the TSO delivers at the Exit Gas whose upper Wobbe index deviates from the prescribed range, the User shall calculate the amount of the penalty for each Gas Day in the following cases:

* when the deviation from the prescribed range of the upper Wobbe index is less than or equal to 5%, according to the formula:

 PEx1 = 0.1 \* GP \* QEx1

where:

PEx1 - is the amount of the first level penalty at the Exit (in dinars);

GP - is the price at which the TSO purchases Gas for Gas Day D based on the balancing services agreement (in dinars/kWh);

QEx1 - is the quantity of Gas whose upper Wobbe index at the Exit deviates by up to 5% from the prescribed range, expressed in kWh.

* when the deviation of the upper Wobbe index from the prescribed range at the Exit is greater than 5% and less than or equal to 10%, according to the formula:

 PEx2 = 0.2 \* GP \* QEx2

where:

PEx2 - is the amount of the second level penalty at the Exit (in dinars);

GP - is the price at which the TSO purchases Gas for Gas Day D based on the balancing services agreement (in dinars/kWh);

QEx2 - is the quantity of Gas whose upper Wobbe index at the Exit deviates by more than 5% and up to 10% from the prescribed range, expressed in kWh.

* when the deviation of the upper Wobbe index from the prescribed range is greater than 10%, according to the formula:

 PEx3 = 0.5 \* GP \* QEx3

where:

PEx3 - is the amount of the third level penalty at the Exit (in dinars);

GP - is the price at which the TSO purchases Gas for Gas Day D based on the balancing services agreement (in dinars/kWh);

QEx3 - is the quantity of Gas whose upper Wobbe index at the Exit deviates by more than 10% from the prescribed range, expressed in kWh.

If there are multiple Users at the Exit, QEx1, QEx2 and QEx3 for each User shall be determined in proportion to the quantities of Gas determined for each User for that Gas Day.

Along with the invoice for the penalty, the User shall deliver to the TSO documentation containing data on the:

* Exit and Gas Day on which the Gas of inadequate quality was supplied from the System;
* the total quantity of Gas of inadequate quality, and documentation based on which the supply of Gas of inadequate quality was determined.

Compensation for actual damage

The TSO has the right to compensation for actual damage from the User who delivered Gas of inadequate quality to the System unless the User has adjusted the Nominations, as instructed by the TSO, in compliance with point 6.3.2.1 of this Network Code.

The User has the right to compensation for actual damage from the TSO for the supplied Gas of inadequate quality from the System, and for the actual damage suffered due to the failure to accept Gas of inadequate quality.

1. CHAPTER - SYSTEM MAINTENANCE
	* 1. Maintenance Programme
			1. The TSO shall render Maintenance Programme each year and consult the Users and AFOs that may be affected by the activities provided in the Maintenance Program.
			2. The TSO shall draw up the Maintenance Program so that the maintenance activities have the least possible impact on the provision of gas transmission services, i.e., so that the maintenance causes the least possible reduction in capacity at the Handover Points.
			3. The TSO shall submit a draft Maintenance Program to the Users and the AFOs, no later than October 1 of the current calendar year for the following calendar year.
			4. The Users and AFOs to whom the TSO has submitted a draft Maintenance Program have the right to propose other periods for maintenance for some Handover Points no later than December 1 of the current calendar year for the following calendar year.
			5. The TSO shall adopt the Maintenance Program no later than December 31 of the current calendar year for the following calendar year, taking into account the proposals of the User and the AFOs.
			6. The maintenance activities provided by the Maintenance Program shall be implemented from April 1 to September 1 of the Gas Year.
			7. The Maintenance Program shall contain:
* Handover Points that will be affected by the planned maintenance;
* the time period in which the capacities at the Handover Points will be reduced due to maintenance;
* the level of reduction in available capacity; and
* a description of the works to be carried out, which affect the reduction of transmission capacity, and include works on connection to the System, testing, repair, replacement, re-commissioning, development and expansion of the System, as well as preparatory and finishing works required for maintenance.
	+ - 1. The TSO shall publish the Maintenance Program on their website 42 (forty-two) days before the start of the maintenance.
			2. When the TSO amends the Maintenance Program, it shall notify the Users and the AFOs in line with Chapter 14 of this Network Code, within a period not shorter than 30 (thirty) days after:
* the planned commencement of the works if the works are carried out after the date specified in the Maintenance Program; or
* the commencement of the works if the works are carried out before the date specified in the Maintenance Program.
	+ - 1. The TSO is obliged to notify the User, or the AFOs, of the commencement of the works 5 (five) business days in advance. The User is obliged to promptly notify the end customers connected to the System when the delivery at the Exit to those end customers will be interrupted or limited and send a copy of the notification to the TSO. Exceptionally, if the System maintenance works require the interruption of the Uninterrupted Capacity, the TSO is obliged to notify the Users at least 42 (forty-two) days before the planned interruption.
			2. The TSO is obliged to keep records of the duration of the interruption and capacity limitations for each Handover Point. The records of the level of capacity reduction are also kept for the Handover Point at which the capacity is limited.
			3. The TSO will reduce the calculation of the gas transmission service according to the AERS methodology that regulates the determination of the price of access to the natural gas transmission system if the planned maintenance activities at a specific Handover Point last longer than 5 (five) days per year, unless the longer duration of the planned activities results from force majeure or an accident caused by the actions of third parties.
1. CHAPTER - METERING AND REQUIREMENTS FOR METERING EQUIPMENT
	* 1. Introduction
			1. Gas metering is the process of determining: the Gas volume, composition, quality, temperature and the gauge/absolute pressure at the Handover Point.
			2. The volume of Gas flowed is calculated in standard cubic meters, with reference conditions of 0°C and 1.01325 bar. For the gross calorific value and the Wobbe index, the standard reference combustion temperature is 25°C. The supplied Gas energy is determined based on the gross calorific value and is expressed in kWh. The Wobbe index is determined based on the gross calorific value and is expressed in kWh/m3.
		2. Use of data obtained through metering
			1. Data obtained through metering are used for:
* determining daily quantities of Gas at all Handover Points;
* determining daily quantities of Gas by Users at all Handover Points;
* determining User imbalances;
* invoicing of gas transmission services;
* calculating own consumption and losses of Gas in the System;
* submitting data to the AFO;
* preparing reports; and
* projecting Gas consumption at Exits, etc.
	+ 1. Metering data
			1. Metering intervals are:
* hourly;
* daily; and
* billing period.
	+ - 1. The minimum metered and calculated data for the hourly metering interval shall include the following:
* Gas volume flow under operating conditions;
* Gas volume flow under Reference conditions;
* average Gas pressure; and
* average Gas temperature.
	+ - 1. The minimum metered and calculated data for the daily metering interval shall include the following:
* Gas volume flow under operating conditions;
* Gas volume flow under Reference conditions;
* average Gas pressure;
* average Gas temperature;
* average Gas composition; and
* average gross calorific value.
	+ - 1. The minimum metered and calculated data for the billing period shall include the following:
* Gas volume flow under operating conditions;
* Gas volume flow under Reference conditions;
* average Gas pressure;
* average Gas temperature;
* average Gas composition; and
* average gross calorific value.
	+ 1. Metering devices

Introduction

The volume of Gas flow is metered continuously using volume meters whose features comply with the requirements of the following regulations:

* the law governing the field of metrology;
* the regulation prescribing the metrological requirements for gas volume flow meters;
* the metrological instructions for the inspection of gas meters;
* the regulation prescribing the metrological requirements for meters that rectify the volume of gas flow;
* the metrological instructions for the inspection of volume conversion devices;
* the regulation prescribing metrological requirements for gas flow meters with a metering diaphragm;
* metrological instructions for the inspection of fluid flow meters with a metering diaphragm; and
* the regulation prescribing metrological requirements for fluid flow meter testing devices with a metering diaphragm.

The metering device may be:

* primary;
* secondary; and
* tertiary.

Primary metering devices

Primary metering equipment includes orifice meters, turbine volume meters, rotary piston volume meters, ultrasonic meters, and mass (Coriolis) meters.

Orifice meter

Metering and correction of the flow volume of Gas at the Handover Points with an orifice meter is carried out according to the following regulations and standards:

* the regulation prescribing metrological requirements for gas flow meters with an orifice meter;
* ISO 5167;
* ISO 6976;
* AGA Newsletter No. 3; and
* AGA Newsletter No. 8.

The metering device covers the entire range of metering the Gas volume flow so that the total relative measurement error of the metering equipment is:

* for values from Qmin to 0.2 Qmax + 2%; and
* for values over 0.2 Qmax to Qmax + 1%.

Turbine volumetric meters and rotary piston meters

The Gas volume flow at the Handover Points is metered by turbine and rotary piston volumetric meters according to the regulation prescribing metrological requirements for gas volume flow meters.

The permissible relative error when metering by these volumetric meters must be within the limits prescribed by the competent authority for measures and precious metals, so that it is:

± 2% for Qmin ≤ Q <Qt

± 1% for Qt ≤ Q ≤ Qmax

where:

Qt - is the breaking point of the permissible limit of the relative error of the volumetric meter indication and depends on the size and range of the volumetric meter in accordance with the regulation prescribing metrological requirements for gas volume flow meters.

Ultrasonic Gas volumetric meters

Ultrasonic Gas volumetric meters consist of a metering body and at least four pairs of metering sensors.

The Gas volume flow at the Handover Points is metered by ultrasonic volumetric meters according to the following regulations and standards:

* ISO 17089 - 1:20210; SRPS ISO 17089-1:2020;
* AGA 9, Measurement of Gas by Multipath Ultrasonic Meters, 2022;
* BS7965, The Selection, Installation, Operation and Calibration of Diagonal Path Transit Time Ultrasonic Flow Meters for Industrial Gas Applications, 2013;
* MID metrological requirements

The permissible relative error when metering by these ultrasonic volumetric meters must be within the limits prescribed by the competent authority for measures and precious metals, so that it is:

± 2% for Qmin ≤ Q <Qt

± 1% for Qt ≤ Q ≤ Qmax

where:

Qt - is the breaking point of the permissible limit of the relative error of the volumetric meter indication and depends on the size and range of the meter in accordance with the regulation prescribing metrological requirements for gas volume flow meters.

Gas mass flow meters

Gas mass flow meters (Coriolis flow meters) consist of two tubes, electromagnetic actuators, metering sensors, a temperature sensor metering and control unit and a housing with a connection to the pipeline.

The Gas mass flow at the Handover Points is metered by Coriolis flow meters according to the following regulations and standards:

* calibration certificate according to ISO/IEC 17025;
* MID OIML R140/R139-1/R139-2/R137;
* ISO 10790:2015 Measurement of fluid flow in closed conduits — Guidance to the selection, installation and use of "Coriolis" flow meters (mass flow, density and volume flow measurements);
* AGA REPORT 11 Measurement of Natural Gas by "Coriolis" Meter; and
* ASME MFC-11 Measurement of Fluid Flow by Means of "Coriolis" Mass Flow Meters.

The permissible relative error when metering by these Coriolis volumetric meters must be within the limits prescribed by the competent authority for measures and precious metals, so that it is:

* ± 2% for Qmin ≤ Q <Qt;
* ± 1% for Qt ≤ Q ≤ Qmax;
* the pressure drop at maximum operating flow may not exceed 300 mbar, and the Gas flow velocity may not exceed 45 m/sec;
* it must have the ability to compensate for the influence of temperature (different from the calibration temperature) on the flow calculation.

Secondary metering devices

Secondary metering devices are: differential, relative and absolute pressure metering transducers and temperature metering transducers or can be an integral part of the flow computer (Volume conversion device).

Tertiary metering devices

Volume conversion device

Volume conversion devices are metering devices with a relevant program, which receives data from primary and secondary devices and calculates the volume flow at Reference Conditions, taking into account the composition of Gas whose values are entered into the volume conversion devices as an average value from the previous period or as current data from the process gas chromatograph.

When calculating the Gas volume flow at Reference Conditions, a compressibility factor determined based on the Gas composition is used.

The volume conversion device program must meet the following requirements:

* easy configuration and monitoring of the volume conversion device; and
* archiving of all process and calculated values, events and alarms by metering intervals.

The design of the volume conversion device must meet the following requirements:

* have an explosion-resistant design according to the degree of mechanical protection IP 66 in the case of operation of the volume conversion device in hazardous zones 1 and 2; and
* have an external power supply of 24V DC.

The communication equipment of the volume conversion device must meet the following requirements:

* communication interface for local access to the device for configuration and data download;
* communication interface to a remote HOST; and
* standard communication protocols (Modbus RTU in TCP, Enron, DSfG-B).

The permissible relative error in the operation of the volume conversion device is ± 1%.

* + 1. Criteria for the selection of metering devices and the number of metering lines depending on the location of the metering point in the System and the type of User
			1. Depending on the location of the metering point in the System, the TSO determines the criteria for the selection of metering devices at the Handover Points.
			2. Orifice meters, turbine meters or ultrasonic meters shall be installed at the Entry.
			3. In the event that the metering point is located at a station with no Gas regulation, ultrasonic meters or mass meters shall be installed. For flows with pronounced unevenness, i.e., sudden jumps and interruptions (compressor stations for filling compressed natural gas), mass meters (Coriolis meters) are installed in the Gas delivery.
			4. The meters shall be installed at the Exit according to the following criteria:
* rotary piston meters shall be installed up to G 250;
* turbine meters, ultrasonic meters, mass meters (Coriolis meters) shall be installed above G 400; and
* if the pressure at the metering point is greater than 5 bar, gauge and the Gas flow is greater than 5 GWh/year, an ultrasonic meter shall be installed.
	+ - 1. The required number of metering lines shall be determined depending on the Gas flow at the Handover Points.
			2. The number of metering lines at the Handover Points is determined depending on the oscillation and the maximum daily quantity of Gas as follows:
* if one volumetric meter can cover the entire range of Gas flow metering, then one metering line is installed;
* if one volumetric meter cannot cover the entire range of Gas flow metering, then two or, if necessary, more metering lines of different metering ranges are installed;
* at stations with a maximum daily flow greater than 20,000 m3/h, a backup line must be installed;
* at stations with a maximum daily flow of less than 20,000 m3/h, a backup line may be installed if it is assessed as necessary for the System; and
* at stations with a flow of more than 4,000 m3/h, at operating pressure of more than 16 bar, a control line may be installed if defined by the decision on approval for connection or the connection agreement.
	+ - 1. Depending on the size of the metering station and its requirements, as well as in order to increase the availability of metering results, essential instruments and/or metering systems should be duplicated by instruments operating independently in compliance with SRPS EN 1779.
		1. Testing and control of metering devices
			1. Testing of metering devices on the System is carried out by representatives of an authorized metrological laboratory that meets the prescribed requirements and has a decision issued by an authorized institution.
			2. Testing of metering devices is carried out in laboratory conditions, except for orifice meters, which are tested on site under operating conditions.
			3. The metering devices may be used for commercial purposes only if they have been verified by a competent institution.
			4. The time interval for periodic verification of volumetric meters is prescribed by the regulation that determines the type of volumetric meters requiring verification.
			5. Testing of metering devices may be more frequent than prescribed, all in order to verify the correct operation of the metering equipment.
			6. Extraordinary testing of metering devices may also be carried out at the request of the User at any time. The costs of extraordinary testing shall be borne by the User or the TSO, depending on the test results.
			7. The control of metering devices shall be carried out by the TSO directly on the System at least once a year, and in case of doubt as to their correctness, the testing procedure shall be initiated.
			8. The control procedure of metering devices shall include activities of control of the validity and integrity of seals and stamps, a visual inspection of mechanical damage and the correct operation of metering devices, recording data from the metering point (serial numbers, manufacturer, type and year of manufacture of metering devices, stamp markings, etc.), and their comparison with existing data, etc.
		2. Processing of metering data

Metering database

The TSO maintains a database of metering devices, as well as a database of metering data on metered quantities.

The database of metering devices contains:

* code and name of the Handover Point through which Gas is received or delivered;
* number of metering lines;
* number of regulation lines; and
* number of control lines.

The metering equipment database also contains the specification of metering devices for each metering line, which contains the following data:

* unique factory number;
* manufacturer's name;
* type of metering device, type/model;
* pressure class;
* installation location;
* year of manufacture;
* connection to the metering platform;
* year of verification; and
* information on the existence of a seal.

The metering database contains values collected from the metering devices, namely:

* meter status;
* operating pressure;
* operating temperature; and
* Gas quality.

The metering database is updated for each billing period.

Remote data collection

Remote data collection from the Handover Points is carried out using a single SCADA system, which consists of a server with workstations and terminals and remote telemetry stations (the RTS) with associated equipment at the station.

The values collected from the Handover Points equipped with the RTS are pressure, temperature, current flow and Gas quantities at operating and Reference conditions. Alarms, digital input states - statuses as well as calculated quantities are also collected. The RTS is also equipped with a local database consisting of hourly and daily logs.

The data from the metering lines are collected using a special metering platform. Within this platform, events are collected as well as records of a defined data set related to the metering of quantities at the hourly and daily levels, which are archived in a volume conversion device with an internal time stamp. These records are used, after validation, for the calculation of charges between the TSO and the User.

The Handover Points are equipped with communication channels for data transmission. The primary channel is provided via the public telephone network L3VPN link (Ethernet), and the backup via the 3G/GPRS network.

Data validation

Data validation is a check of metering data performed by the TSO before their entry into the metering database.

The purpose of metering data validation is to determine whether the collected data are complete and realistic.

During validation, the invoiced quantities of Gas calculated using the volume conversion device and the meter are compared. If the difference is greater than 3%, an additional check is performed.

During validation, the data obtained are compared with data from the previous billing period, as well as with data for the same billing period in previous years.

Data correction

Data correction at the Entry

The TSO corrects invalid metering data based on the quantity estimate, in the event that the device did not measure the quantities of Gas in a specific period or the registration was incomplete.

The quantity estimate (lump sum) is made in the following order, and based on:

* data from primary and secondary metering equipment from the RTS or backup metering equipment if data are available for such a metering point;
* data from internal certified volumetric meters;
* average off-taken quantities of Gas in previous periods, provided that the Gas off-take in those periods is approximately equal; and
* standards and records of production units, operating hours or other indicators of the AFO at the Entry.

The quantity estimate (lump sum) is made for a maximum period of 90 (ninety) days.

Data correction at the Exit

The TSO corrects invalid metering data based on the estimate of quantities in the event that the volumetric meter did not meter the quantities of Gas, or the registration was incomplete, as well as in other cases established by the regulation governing the general conditions of natural gas supply.

The quantity estimate (lump sum) is made in the following order, and based on:

* data from primary and secondary metering devices from the RTS or backup metering equipment if data are available for such a metering point;
* data from internal certified volumetric meters of end customers, i.e., based on metering available to the AFO at the Exit;
* average supplied quantities of Gas in previous periods, provided that the Gas supply in those periods is approximately equal;
* consumption standards and records of production units, operating hours or other indicators of the end customers;
* comparative analysis of Gas delivery trends for Exits with similar features.

If, during the testing and control of the metering devices, it is determined that the metering or registration of the metering data was incorrect, the metering data will be replaced in the database based on the analysis of the available data from the date of the malfunction and the lump sum determined in the manner prescribed in point 8.7.4.5 of this Network Code. The TSO will notify the AFO or the end customer of the corrected metering data. The invoicing of the gas transmission service between the TSO and the User will also be corrected.

The quantity estimate (lump sum) is made for a maximum period of 90 (ninety) days.

* + 1. Right of access to metering data
			1. The TSO must provide the User with access to metering data from the Handover Points for which they have contracted capacity by not violating data confidentiality.
		2. Metering equipment for determining Gas quality

Introduction

Gas chromatographs are used to determine Gas quality.

Gas chromatographs can be:

* process gas chromatographs (the PGH); or
* laboratory chromatographs.

The composition of Gas is determined by a gas chromatograph, based on which the following quantities are calculated:

* Gas density;
* Relative density;
* Gross calorific value;
* Compressibility factor; and
* Gross Wobbe index.

The listed quantities are calculated according to SRPS EN ISO 6976.

The following values are determined by the process moisture analyser:

* water dew point; and
* hydrocarbon dew point.

The listed values are calculated according to SRPS EN ISO 18453, SRPS EN ISO 6327:2014 and SRPS EN ISO 23874:2013.

The PGH and the Process Moisture Analyser are installed at the Handover Points and junctions where quality deviations from the prescribed can be expected, and necessarily at the Entries where the Gas volume flow exceeds 0.5 million m3/day. The results obtained with the PGH at the junctions are applied to all Exits before and after the gas junction if there are no Entries between the junction and these Exits.

The TSO manually samples Gas at the Handover Points where the results of the PGH are not applied. Regular sampling is performed at least 2 (two) times during the Gas Month.

The number and locations of manual sampling are determined by the sampling dynamics program on the System, published by the TSO on their website.

The Gas quality for manually taken samples is determined on laboratory chromatographs.

An accredited laboratory controls the operation of gas chromatographs.

The TSO delivers to the User, upon request, a Gas quality report issued by an accredited laboratory.

Gas quality complaint

Upon receipt of a complaint about the Gas quality, a detailed analysis of the samples already taken and processed is initiated.

For the Handover Points for which the Gas quality is determined by PGH, data are continuously monitored and provided to the User for inspection.

For the Handover Points for which the Gas quality is determined by a laboratory gas chromatograph, the TSO performs an extraordinary check of the Gas quality.

The extraordinary quality check of Gas is carried out on the basis of three identical samples:

* a sample processed in an accredited laboratory authorized by the TSO;
* a sample processed in an accredited laboratory authorized by the User; and
* an arbitration sample processed in an independent accredited laboratory and used only in the event of disagreement between the results obtained by the accredited laboratories authorized by the TSO and the User.

The costs of the extraordinary quality check are borne by the TSO or the User, depending on whose results prove to be incorrect.

1. CHAPTER - ACCESS TO THE TRANSMISSION SYSTEM
	* 1. General Provisions
			1. The right to access the System is granted to the Gas Producer, the end customer of Gas, the Gas Supplier, the Wholesale Gas Supplier, the Public Gas Supplier and the AFO when purchasing Gas for their own needs, under the conditions established by the Law, the regulation governing the network code on the capacity calculation and allocation and this Network Code.
			2. Access to the System is based on the right to use transmission capacities at the Handover Points and is exercised on the basis of a Gas Transmission Agreement entered into under this Network Code.
			3. Access to the System is achieved and carried out in two steps:
* by entering into a Gas Transmission Agreement; and
* by contracting Standard Capacity Products at selected Interconnection Points, which must be proven by the TSO to the User by delivering:
	+ - * Notification of contracting a Standard Capacity Product at the requested Interconnection Point, via the Capacity Booking Platform, or
			* Notification of contracting a Standard Capacity Product at the requested Other Points, via the Operational Platform,

 which become an integral part of the Gas Transmission Agreement.

* + - 1. Contracting of Standard Capacity Products at Interconnection Points is carried out in the procedure described in Section 11.5 of this Network Code, with the User being required to register on the Capacity Booking Platform.
			2. Contracting of Standard Capacity Products at Other Points is carried out in the procedure described in Section 11.6 of this Network Code.
		1. Procedure for entering into a Gas Transmission Agreement
			1. The TSO publishes on their website a model Gas Transmission Agreement, which is attached to this Network Code as Annex 1 and forms an integral part hereof.
			2. The publication of the model Gas Transmission Agreement is considered an invitation by the TSO to make an offer to enter into this Agreement within the meaning of the law governing contracts and torts.
			3. The entity referred to in point 9.1.1 of this Network Code, which is interested in entering into a Gas Transmission Agreement, shall submit a request to the TSO, which shall contain:
* business data of the applicant (trade name, registered office address, company identification number, tax identification number, etc.);
* contact details of persons authorized for the exchange of information and operational communication between the parties, data of persons authorized for submitting a request for access to the System/contracting Standard Capacity Products via the Capacity Booking Platform or the Operational Platform, data of the person authorized for submitting this request and entering into a Gas Transmission Agreement; and
* the number of the valid license or the number and date of the AERS decision based on which an energy license in the field of natural gas was issued to the Applicant, when the Applicant is not the end customer or the Gas Producer.
	+ - 1. The request shall be completed in electronic form using the Form published by the TSO on their website. The request shall be signed with a qualified electronic signature of a person authorized to enter into a Gas Transmission Agreement and submitted to the TSO at the email address published by the TSO on their website.
			2. The request shall be supported by:
* a model Gas Transmission Agreement, downloaded by the Applicant from the TSO website and signed with a qualified electronic signature by a person authorized to enter into the Gas Transmission Agreement; and
* proof of authorization for the person who signed the Gas Transmission Agreement with an electronic signature, which shall be attached in the form of an electronic document (decision of the governing body or power of attorney) when the authorization of the signatory is not visible from the publicly available records of the body responsible for registering data on business entities.
	+ - 1. If the request is submitted by a foreign legal entity, in addition to the evidence referred to in point 9.2.3 of this Network Code, the foreign legal entity shall also submit a duly legalized copy (scan) of the evidence of registration of the foreign legal entity containing the business data registered in the register of the competent authority valid on the date of signing the Gas Transmission Agreement, which is not older than 3 (three) months from the date of signing the Gas Transmission Agreement, as well as a copy (scan) of the translation of this evidence into Serbian certified by an authorized court interpreter.
			2. If applicable, the Applicant shall also submit a copy (scan) of the translation into Serbian of the evidence referred to in point 9.2.5. indent 2 of this Network Code certified by an authorized court interpreter.
			3. By signing the Gas Transmission Agreement, the Applicant confirms:
* that they are familiar with the content of this Network Code, accept to use during the term of this Agreement use gas transmission services that are predetermined in terms of duration, performance method and transmission direction, offered by the TSO in the capacity allocation procedure that it contracts, at the request of the User, as Standard Capacity Products at the Handover Points, in line with this Network Code,
* that they agree to request for the purposes of delivery or offtake of Gas for transmission via the relevant platform, access to the System at the Handover Points for contracting the selected Standard Capacity Product in line with this Network Code; and
* that no motion for initiating bankruptcy proceedings has been submitted against them, i.e., no decision has been made to initiate liquidation proceedings, and that they are not facing imminent insolvency within the meaning of the regulations governing bankruptcy.
	+ - 1. Upon receipt of the signed Gas Transmission Agreement, the TSO shall check the validity of the request in terms of points 9.2.3-9.2.7. of this Network Code and inspect the publicly available records of data on business entities and the Register of Issued Licenses if the Applicant is an energy entity.
			2. Communication between the TSO and the Applicant shall be carried out by electronic mail (via e-mail). Delivery of documents in electronic form shall be deemed to have been made on the day on which the sender receives an automatically generated confirmation of receipt of the electronic message via e-mail.
			3. The TSO will, within 5 (five) days from the date of receipt of the proper request, notify the Applicant that they accept their offer to enter into a Gas Transmission Agreement and deliver to them a Gas Transmission Agreement signed with a qualified electronic signature by an authorized person of the TSO as proof of the concluded transaction.
			4. This Agreement shall be deemed effective on the date of confirmation of receipt of the mutually signed Gas Transmission Agreement referred to in point 9.2.11 of this Network Code, on which date the Applicant shall become a User entitled to use the transmission services whenever they contract a Standard Capacity Product in line with this Network Code.
			5. Upon duly completed delivery of the mutually signed Gas Transmission Agreement, the TSO shall register the User, provide them with access to the Operational Platform and assign them user code.
			6. If the request contains formal deficiencies, the TSO shall, within 8 (eight) days from the date of receipt of the request, invite the Applicant to eliminate the deficiencies within a period not shorter than 8 (eight) days, with a warning of the consequences of failure to do so. The TSO shall not accept the request for entry into the Gas Transmission Agreement if the Applicant fails to eliminate the deficiencies in the request within a subsequently determined period, as well as if they determine that the Applicant does not have the legitimacy to request the entry into the Gas Transmission Agreement. In both cases, it shall be deemed that the Applicant has been denied access to the System, on which the TSO shall, within 5 (five) days from the expiry of the period for supplementing the request, issue a reasoned decision in compliance with the Law in the form of an electronic document, against which the Applicant has the right to file a complaint with the AERS within 8 (eight) days from the date of confirmation of proper delivery.
		1. Gas Transmission Agreement
			1. By entering into the Gas Transmission Agreement, the Applicant referred to in point 9.1.1 of this Network Code becomes the User.
			2. Based on the Gas Transmission Agreement, the TSO undertakes to provide the User with gas transmission services of a predetermined duration, method of performance and direction of transmission offered by the TSO in the available capacity distributed as Standard Capacity Products, which the User has the right to use on a "ship-or-pay" basis when they prove their readiness to:
* contract the requested Standard Capacity Product at the Interconnection Point at the Auction Price determined at auctions conducted by the Capacity Booking Platform in line with Section 11.5 of this Network Code, or
* contract the requested Standard Capacity Product at Other Points in the capacity allocated by the TSO through the Operational Platform in line with Section 11.6 of this Network Code, at the Price published on the TSO's website, adopted in accordance with the Law and the methodology governing the determination of the price of access to the natural gas transmission system,
* contract the requested Standard Capacity Product on the secondary market by obtaining from another User subject to the fulfilment of the conditions set out in Section 12.1.5 of this Network Code.
	+ - 1. The TSO accepts the offer for contracting the Standard Capacity Product of the User who requested access to the System in the capacity allocation procedure and proved willingness to pay for the allocated Standard Capacity Product. The User proves their willingness to pay for the Standard Capacity Product by submitting the Payment Security Instruments before the start of the capacity allocation procedures, in the amount determined in accordance with Chapter 10. of this Network Code.
			2. The TSO shall notify the User of the acceptance of the offer by delivering a notification in electronic form, namely:
* notification of contracting capacity at the Interconnection Point via the Capacity Booking Platform, in line with Section 11.5 . and 11.9. of this Network Code; or
* notification of contracting capacity at Other Points via the Operational Platform, in line with Section 11.6. and 11.9. of this Network Code.

9.3.5. On the date of delivery of the notification referred to in Section 9.3.4 of this Network Code, it shall be deemed that the TSO and the User have contracted the Standard Capacity Product at the requested Interconnection Point/Other Points.

9.3.6. The notification referred to in point 9.3.4 of this Network Code, delivered in electronic form via the Capacity Booking Platform or the Operational Platform, shall be considered evidence of the contracted Standard Capacity Product (Contracted Capacity) which, on the date of delivery to the User, shall become an integral part of the Gas Transmission Agreement. The TSO shall record the delivered notifications in the Gas Transmission Agreement Register maintained by the TSO by Users.

9.3.7. The User shall have the right to use the contracted Standard Capacity Product on a “ship-or-pay” basis under the conditions of the Gas Transmission Agreement and this Network Code

9.3.8. During the term of the Gas Transmission Agreement, the User has the right to contract Standard Capacity Products in the capacity allocation procedure or obtain them through a legal transaction from another User through secondary capacity trading, as well as the right to transfer thus contracted Standard Capacity Products to another User through secondary trading or hand them over to the TSO, under the conditions and in the manner established by this Network Code. Notifications of contracting capacity on the secondary market, capacity surrender and other notifications of the Contracted Capacity established by this Network Code, delivered to the User in electronic form via the Capacity Booking Platform or the Operational Platform, shall be attached to the Gas Transmission Agreement as its integral part and recorded in the Register in line with point 9.3.6. of this Network Code.

* + 1. Data updating
			1. Each User is obliged to inform the TSO of any change in the business and other data specified in the request for entry into the Gas Transmission Agreement or in the Gas Transmission Agreement, immediately after the occurrence or knowledge of the change, as well as to submit evidence confirming the content of the change. The TSO may at any time, or upon receipt of the notification, request the submission of additional information and evidence in connection with the change.
			2. The User who intends to implement a status change is obliged to notify the TSO without delay so that measures can be taken promptly for the assignment, amendment and/or termination of the Gas Transmission Agreement.
			3. In the case referred to in point 9.4.2 of this Network Code, the TSO and the User shall determine on which Gas Day the provision of gas transmission services for the User shall cease, or on which Gas Day the provision of gas transmission services to the legal successor of the User shall begin. The TSO shall not be obliged to begin the provision of gas transmission services to the legal successor of the User unless all conditions referred to in point 9.4.4 of this Network Code have been met by that Gas Day.
			4. In the event of a change in the status of the User, the TSO retains all rights against the User in accordance with this Network Code and the Gas Transmission Agreement and any legal successor of the User, until all due debts of the User against the TSO based on the obligations assumed under the Gas Transmission Agreement are fully settled, and in the event that it is necessary for the rights and obligations under the Gas Transmission Agreement to be transferred to a new User, until the new User delivers the Payment Security Instrument in line with this Network Code. Should there be more than one legal successor of the User, all of them are jointly and severally liable for the obligations of the User within the meaning of this clause and the law governing contracts and torts.
			5. If the User fails to notify the TSO of the status change in accordance with clause 9.4.2 of this Network Code, and the TSO learns of a status change that affects the performance of the Gas Transmission Agreement, the TSO is not obliged to consider offers for contracting capacity or secondary trading in capacities until the conditions prescribed in clause 9.4.4 of this Network Code are met.
		2. Termination of User Status
			1. Any User who has no outstanding debt to the TSO under the effective Gas Transmission Agreement may submit a notice of termination of this Agreement to the TSO, in which case the TSO shall, within 3 (three) business days from the date of receipt of the notice, notify the User of the termination of the Gas Transmission Agreement and record this in the register.
			2. An entity that has ceased to be a User due to cancellation or termination of the Gas Transmission Agreement may become a User again if they enter into a new Gas Transmission Agreement with the TSO, under the conditions prescribed by the Law and this Network Code.
1. CHAPTER – PAYMENT SECURITY INSTRUMENT, INVOICING AND PAYMENT
	* 1. Payment Security Instrument - General Provisions
			1. The User is obliged, before submitting a request for access to the System or an offer for contracting a Standard Capacity Product in line with Chapter 11 of this Network Code or Chapter 12 of this Network Code, to prove to the TSO their readiness to pay for it by delivering to the TSO the Payment Security Instrument prescribed by this Network Code in the amount calculated by the User in compliance with this Network Code.
			2. If the User intends to contract Standard Capacity Products only at Interconnection Points or only at Other Points, they must deliver at least one Payment Security Instrument based on the Gas Transmission Agreement.
			3. In case the User intends to contract Standard Capacity Products both at Interconnection Points and at Other Points, they shall be obliged to submit at least one Payment Security Instrument for contracting Standard Capacity Products at Interconnection Points and at least one Payment Security Instrument for contracting Standard Capacity Products at Other Points, based on the Gas Transmission Agreement.
			4. Within 2 (two) business days from the date of receipt of the Payment Security Instrument, the TSO shall inform the User whether they have submitted a valid Payment Security Instrument in accordance with this Network Code and, if not, of the reasons why the Payment Security Instrument is not valid, with an invitation to the User to submit a valid Payment Security Instrument. For allocation at Interconnection Points, the TSO shall notify the Capacity Booking Platform of the amount of the valid Payment Security Instrument received.
			5. The User shall be deemed to have submitted the Payment Security Instrument on the date of receipt of the bank guarantee via SWIFT at the TSO's commercial bank, i.e., on the date of approval of the TSO account maintained with the TSO's commercial bank for the deposit amount, i.e., on the date of receipt of the bill of exchange.
			6. For contracting the Standard Capacity Product at Other Points, the User shall submit a valid Payment Security Instrument no later than 2 (two) business days before submitting a request for access to the System. For contracting capacity at Interconnection Points, the User shall submit a valid Payment Security Instrument no later than 2 (two) business days before the start of the relevant auction.
			7. The User shall ensure at all times that the submitted Payment Security Instrument corresponds to the minimum amount of the Payment Security Instrument with regard to the quantity of the Standard Capacity Product that they wish to contract.
			8. Should the User fail to fulfil the obligations under the Gas Transmission Agreement arising from the Contracted Capacity at Other Points, the TSO has the right to use any Payment Security Instrument submitted by the User to secure the payment of such obligations.
			9. If the User fails to fulfil the obligations under the Gas Transmission Agreement arising from the Contracted Capacity at Interconnection Points, the TSO has the right to use any Payment Security Instrument submitted by the User to secure the payment of such obligations.
			10. The User's obligations under the Gas Transmission Agreement referred to in points 10.1.8 and 10.1.9 of this Network Code shall mean all due financial obligations of the User for which the TSO has issued an invoice to the User, which are specified in point 10.5.4 of this Network Code. The TSO has the right to use any Payment Security Instrument provided by the User for the collection of daily imbalance quantities and neutrality fees.
			11. If the TSO has used the Payment Security Instrument for collection purposes in compliance with points 10.1.8,10.1.9. and 10.1.10. of this Network Code, i.e., if the Price of the Standard Capacity Product contracted by the User increases during the term of the Gas Transmission Agreement, the User is obliged to submit a new Payment Security Instrument within 5 (five) business days of use in accordance with point 10.1.2 of this Network Code or supplement the existing Payment Security Instrument.
			12. Should the User fail to submit or supplement the Payment Security Instrument in line with this Network Code, the TSO has the right to terminate or limit the gas transmission service.
			13. If the User has duly fulfilled all its obligations under the Gas Transmission Agreement, the TSO is obliged to return the Payment Security Instrument, or its remaining part, at the request of the User within 3 (three) business days. The TSO will return the Payment Security Instrument within 3 (three) business days to the User if the Gas Transmission Agreement has been cancelled or terminated, and such User has no outstanding obligations against the TSO under the Gas Transmission Agreement.
		2. Types of Payment Security Instruments
			1. The User may provide the TSO with one or several Payment Security Instruments, as follows:
* Bank guarantee; or
* Cash Deposit or
* Registered Bills of Exchange in the Republic of Serbia
	+ - 1. The Bank guarantee shall be irrevocable, unconditional, payable on first demand and without objection, with a validity period of at least 60 (sixty) days longer than the expiry of the last Standard Capacity Product the User intends to contract on the basis of the Bank Guarantee as payment security instrument.
			2. The bank guarantee referred to in point 10.2.2 of this Network Code must be issued in RSD or EUR in accordance with the Uniform Rules for Demand Guarantees 758 (URDG 758) by a bank licensed by the National Bank of Serbia, or a foreign bank or international financial institution rated "BBB-" by Fitch or Standard & Poor's, or "Baa3" by Moody's. The beneficiary is obliged to provide evidence of the credit rating of the foreign bank or international financial institution to the TSO. For the purposes of calculating the EUR amount of the bank guarantee, the middle exchange rate of the NBS applicable on the date of issuance of the bank guarantee shall apply.
			3. The User is obliged to, within 5 (five) business days from the date of learning that the National Bank of Serbia, or the central bank competent for the foreign bank, has imposed a measure on the bank referred to in point 10.2.3 of this Network Code that may lead to the withdrawal of the operating license, or has withdrawn the operating license, or within 5 (five) business days from the date of learning that the credit rating of the foreign bank or international financial institution has been changed so that it does not meet the criteria referred to in point 10.2.3 of this Network Code, submit to the TSO a new Payment Security Instrument that meets the conditions referred to in point 10.2.3 of this Network Code. Should the TSO learn of any of these circumstances before the User, the period of 5 (five) business days shall start to run from the date of delivery of the call to the User by the TSO for the submission of the new Payment Security Instrument.
			4. The User is obliged to submit a bank guarantee via SWIFT, through the TSO's commercial bank, according to the instructions and indicative text of the guarantee published by the TSO on their website.
			5. The cash deposit represents funds in RSD or EUR, which the User pays into the TSO account maintained with the commercial bank, in accordance with the TSO's instructions and with the purpose of a Payment Security Instrument, with an indefinite validity period. The TSO does not charge interest on the received deposit. For the purposes of calculating the EUR amount of the cash deposit, the middle exchange rate of the NBS applicable on the day of approval of the account shall apply in terms of the regulations governing payment services.
			6. The User who has duly fulfilled their obligations under the Gas Transmission Agreement in the last 6 (six) months may submit bills of exchange registered in the Republic of Serbia as a payment security instrument.
			7. In the event that bills of exchange of the User are used as a payment security instrument, the User is obliged to submit 2 (two) blank single bills of exchange with draft authorizations for each Standard Capacity Product.
		1. Amounts of Payment Security Instruments
			1. For contracting Standard Capacity Products, the User is obliged to submit Payment Security Instruments in the following amounts, plus VAT:
* for an annual standard capacity product – in the amount of 25% of the total annual fee for the annual standard capacity product;
* for a quarterly standard capacity product – in the amount of 66.67% of the total fee for the quarterly standard capacity product;
* for monthly standard capacity product – in the amount of the monthly fee for the monthly standard capacity product increased by 10%;
* for daily standard capacity product – in the amount of the fee for the daily standard capacity product increased by 10%;
* for intra-day standard capacity product at Interconnection Points – in the amount of the fee for the intra-day standard capacity product increased by 10%.
	+ - 1. A non-resident User is not obliged to increase the Payment Security Instrument by the amount of VAT.
			2. The amount of the Payment Security Instrument is calculated as the product of the quantity of the Standard Capacity Product for which the User applies for access to the System and its corresponding Price.
		1. Amount Available for Contracting at Interconnection Points
			1. The TSO calculates the amount available for contracting Standard Capacity Products for each User, based on which the User can contract the relevant amount of Standard Capacity Product at Interconnection Points and regularly updates this value according to changes in parameters affecting it in accordance with this Network Code.
			2. The available amount of payment security instruments for contracting Standard Capacity Products is calculated separately for each Standard Capacity Product by applying the following formula:

**PSIAA = PSIA - SVCC**

where:

**PSIAA** means the available amount of the payment security instrument for contracting Standard Capacity Products;

**PSIA** means the amount of the Payment Security Instrument, which is equal to the sum of all Payment Security Instruments submitted by the User to the TSO for the Interconnection Points, whose validity has not yet expired or which the TSO has not activated (less the amount of VAT for payment security instruments submitted by residents);

**SVCC** means the sum of the values of all previously reserved funds for Contracted Capacities, calculated in accordance with clause 10.4.3 of this Network Code.

* + - 1. The sum of the values of all previously reserved funds for Contracted Capacities is calculated by adding the values obtained by multiplying the Price at which the User contracted each Standard Capacity Product (including in accordance with Chapter 12 of this Network Code) and for which the provision of gas transmission services has not yet commenced or has not been completed, or the service has not been paid in full, with the quantity of that Standard Capacity Product contracted by the User (including in accordance with Chapter 12 of this Network Code) and subtracting it for the completed and fully paid services based on those Standard Capacity Products at the time of calculation, as follows:
* for monthly, daily and intra-day Standard Capacity Products:

**Value = (Price at which the Standard Capacity Product was contracted by the User multiplied by the quantity of that Standard Capacity Product contracted by the User and reduced by the Transmission Fee based on that Standard Capacity Product paid up to the moment of calculation) multiplied by 125%;**

* for quarterly Standard Capacity Products:

**Value = (Price at which the Standard Capacity Product was contracted by the User multiplied by the quantity of that Standard Capacity Product contracted by the User and reduced by the Transmission Fee based on that Standard Capacity Product paid up to the moment of calculation) multiplied by 66.67%;**

* for yearly Standard Capacity Products:

**Value = (Price at which the Standard Capacity Product was contracted by the User multiplied by the quantity of that Standard Capacity Product contracted by the User and reduced by the Transmission Fee based on that Standard Capacity Product paid up to the moment of calculation) multiplied by 33.33%;**

Transmission Fee means the product of the Price and the contracted quantity of a particular Standard Capacity Product.

* + - 1. The User shall ensure that the value of the Payment Security Instruments submitted to the TSO is such that it enables them to contract the required quantity of the relevant Standard Capacity Product at the Price at which that Standard Capacity Product is offered under Section 11.5 of this Network Code.
			2. For the purposes of the calculations carried out by the TSO in accordance with this Section, the calculation of the amount from EUR to RSD as well as from RSD to EUR shall be carried out using the middle exchange rate of the NBS applicable on the date of calculation.
		1. Method of calculation and payment - Introductory provisions
			1. The calculation and payment of the gas transmission service shall be carried out between the TSO and the User within the deadlines and as specified in this Network Code, the Gas Transmission Agreement and the methodology for determining the price of access to the natural gas transmission system.
			2. The TSO shall make monthly payments for:
* provision of gas transmission services, in accordance with the Gas Transmission Agreement and this Network Code, including the fee for exceeding the Contracted Capacity if the User has exceeded the Contracted Capacity;
* daily imbalance quantities pursuant to Section 19.4 of this Network Code;
* neutrality fee pursuant to Section 19.6. of this Network Code;
* inadequate Gas quality at the Entry pursuant to Section 6.3.3 of this Network Code; and
* uncovered amount of the Auction Premium pursuant to Section 13.2.3 of this Network Code.
	+ - 1. The TSO shall deliver to the User, together with the invoices, a notification containing daily reports on the amount of Contracted Capacities at the Handover Points, overruns of the Contracted Capacity, daily imbalance quantities, inadequate Gas quality at the Entry/Exit, partial or complete interruptions of uninterrupted capacity and interruptions of daily interruptible capacity, and the neutrality fee. If the applicable methodology for determining the price of access to the natural gas transmission system also provides for energy product, the notification from this point shall also include energy product in the report.
			2. Based on the Gas Transmission Agreement, the TSO issues invoices to the User for:
* the gas transmission service provided under item 1 of clause 10.5.2. of this Network Code, provided they issue one invoice for all Contracted Capacities at Other Points, and one invoice for all Contracted Capacities at Interconnection Points; including capacity overruns, if any;
* daily imbalance quantities, when negative;
* neutrality fee, when negative;
* inadequate Gas quality at the Entry, if any; and
* the uncovered amount of the Auction Premium, if any.
	+ - 1. When issuing invoices from indent 1 of clause 10.5.4. of this Network Code, the TSO shall also indicate in the transmission service invoice the invoiced amount of the reduction of the Contracted Capacities when the conditions from points 7.1.12, 13.2.2.9 and 20.1.2 of this Network Code are met.
			2. Invoices from clause 10.5.4. of this Network Code shall be issued once a month, as follows:
* invoices for the Gas transmission service and an invoice for the penalty calculated for the delivery of Gas of inadequate quality at the Entry no later than 5 (five) business days in the current month for the previous Gas month;
* an invoice for daily imbalance quantities no later than 3 (three) business days after the receipt of the last notification in accordance with Sections 19.4 and 19.5 of this Network Code;
* an invoice for the neutrality fee no later than 30 (thirty) days after the end of the Gas Month for which the neutrality fee is invoiced under Section 19.6 of this Network Code; and
* an invoice for the uncovered amount of the auction premium within 3 (three) business days after the day when the Delivered Capacity is re-contracted in line with Section 13.2.2 of this Network Code.
	+ - 1. The User has the right to file a complaint against the issued invoice and the notification referred to in point 10.5.3. within 3 (three) days after the date of receipt of the invoice, and the TSO is obliged to respond to the complaint within 3 (three) days after the date of receipt of the complaint. If the deadline for the complaint expires on a non-working day, the next working day shall be considered the last day of the deadline for the complaint.
			2. Based on the notification from the TSO, the User issues invoices to the TSO for:
* daily imbalance quantities, when positive;
* neutrality fee, when positive;
* case of delivery of Gas of inadequate quality at the Exit.
	+ - 1. The User shall issue an invoice no later than 5 (five) business days after the date of receipt of the notification referred to in clause 10.5.3. of this Network Code.
			2. For the purpose of invoicing, the conversion of the amount expressed in dinars into euros shall be carried out at the middle dinar/euro exchange rate of the National Bank of Serbia applicable on the day of the transaction.
			3. The TSO has the right to file a complaint against the issued invoice within 3 (three) days after the date of receipt of the invoice, and the User is obliged to respond to the complaint within 3 (three) days after the date of receipt of the complaint. If the deadline for complaints expires on a non-working day, the next working day shall be considered the last day of the deadline for complaints.
			4. The deadline for payment of invoices referred to in points 10.5.4 and 10.5.8 of this Network Code is 8 (eight) days after the date of receipt of the invoice, in terms of the regulations governing electronic invoicing. For foreign Users, the deadline for payment of invoices begins to run from the date of receipt of the invoice by email. If the payment deadline expires on a non-working day, the next working day shall be considered the last day of the payment deadline.
			5. Should the User fail to pay the invoice on time, the TSO will charge the User statutory default interest for each day of delay. The User is obliged to pay the TSO the interest within 8 (eight) days after the TSO sends the interest calculation by email.
			6. Unless the User pays the invoices referred to in point 10.5.4 of this Network Code on time, the TSO shall deliver a reminder that in the event of a failure to pay the invoice within 5 (five) days after the date of delivery of the reminder, the amount of the unpaid invoice will be collected by activating the Payment Security Instrument.
			7. If the TSO fails to pay the invoice on time, the User shall charge the TSO the statutory default interest for each day of delay. The TSO shall be obliged to pay the User the interest within 8 (eight) days after the User sends the interest calculation by email.
1. CHAPTER - CAPACITY ALLOCATION
	* 1. Standard Capacity Products at Interconnection Points and Other Points
			1. The TSO offers gas transmission services that are predetermined in terms of duration, method of performance and transmission direction so that they constitute Standard Capacity Products that Users can contract in the required capacity at:
* Interconnection Points in line with the regulation governing the network code on capacity calculation and allocation and in accordance with this Network Code;
* Other Points in accordance with this Network Code.
	+ - 1. Standard Capacity Products may be Firm Capacity or Interruptible Capacity, in Physical Flow or in Commercial Return Flow, for a period of 1 (one) Gas Year or for a period shorter than 1 (one) Gas Year.
			2. Standard Capacity Products for Interruptible Capacity at the Handover Points are offered for distribution by the TSO only if there is no free Firm Capacity at such point. Interruptible Capacity is capacity in Physical Flow for a period of one Gas Day.
			3. **Standard Capacity Products at Interconnection Points are:**
* **Yearly capacity**, which means the capacity in the Physical Flow contracted for a period of 1 (one) Gas Year;
* **Short-term capacity**, which means the capacity in the Physical Flow contracted as:

**Quarterly capacity**, for the period of the Gas Quarter, where a quarter may refer to the periods from October to January, from January to April, from April to July, from July to October;

**Monthly capacity**, for the period of the Gas Month;

**Daily capacity**, for the period of the Gas Day;

**Intra-day capacity**, for the period of one or more Gas Hours

* **Commercial reverse yearly capacity**, which means the capacity in the Commercial reverse flow contracted for a period of 1 (one) Gas Year;
* **Commercial reverse short-term capacity**, which means the capacity in the Commercial reverse flow contracted as:
* **Commercial reverse quarterly capacity**, for the period of the Gas Quarter, where a quarter may refer to the periods from October to January, from January to April, from April to July, from July to October;
* **Commercial reverse monthly capacity**, for the period of the Gas Month;
* **Commercial reverse daily capacity**, for the period of the Gas Day.
	+ - 1. **Standard Capacity Products at Other Points are:**
* **Yearly capacity**, which means the capacity in the Physical Flow contracted for a period of 1 (one) Gas Year;
* **Short-term capacity**, which means the capacity in the Physical Flow contracted as:

**Quarterly capacity**, for the period of the Gas Quarter, where a quarter may refer to the periods from October to January, from January to April, from April to July, from July to October;

**Monthly capacity**, for the period of the Gas Month; and

**Daily capacity**, for the period of the Gas Day.

**Commercial reverse daily capacity**, which means the capacity in the Commercial reverse flow contracted for a period of 1 (one) Gas Day. This type of capacity is offered at the entry/exit of natural gas storage.

* + - 1. Standard Capacity Products at Interconnection Points shall be allocated and contracted through auctions in accordance with Section 11.5 of this Network Code.
			2. Standard Capacity Products at Other Points shall be allocated and contracted in accordance with Section 11.6 of this Network Code.
			3. Standard Capacity Products in the Physical Flow shall be allocated and contracted separately for each Handover Point.
		1. Calculation of Available Capacity
			1. Standard Capacity Products in the Physical Flow are offered for contracting as long as there is Available Capacity at the relevant Handover Point, which is calculated as follows:
* Available Capacity offered as Firm Yearly Capacity is calculated as the Technical Capacity of the Handover Point reduced by the total Contracted Capacity and increased by the Delivered Capacity at that Handover Point and the total frequently unused capacity included by the TSO in accordance with clause 13.4.6 of this Network Code, whereby the total Contracted Capacity, Delivered Capacity and frequently unused capacity refer to the relevant Gas Year.
* Available Capacity offered as Firm Quarterly Capacity is calculated as the Technical Capacity of the Handover Point reduced by the total Contracted Capacity and increased by the Delivered Capacity at that Interconnection Point and the total frequently unused capacity included by the TSO in accordance with clause 13.4.6 of this Network Code, whereby the total Contracted Capacity, Delivered Capacity and frequently unused capacity refer to the relevant Gas Quarter.
* Available Capacity offered as Firm Monthly Capacity is calculated as the Technical Capacity of the Handover Point reduced by the total Contracted Capacity and increased by the Delivered Capacity at that Handover Point and the total frequently unused capacity included by the TSO in accordance with clause 13.4.6 of this Network Code, whereby the total Contracted Capacity, Delivered Capacity and frequently unused capacity refer to the relevant Gas Month.
* Available Capacity offered as Firm Daily Capacity is calculated as the Technical Capacity of the Handover Point reduced by the total Contracted Capacity and increased by the Delivered Capacity, non-nominated capacity that cannot be renominated in accordance with clause 13.3.3 of this Network Code at that Handover Point and the total frequently unused capacity included by the TSO in accordance with clause 13.4.6 of this Network Code, whereby the total Contracted Capacity, Delivered Capacity, non-nominated capacity and frequently unused capacity refer to the relevant Gas Day.
* Available Capacity offered as Firm Inter-Day Capacity is calculated as the Technical Capacity of the Handover Point reduced by the total Contracted Capacity and increased by the Delivered Capacity, non-nominated capacity that cannot be renominated in accordance with clause 13.3.3 of this Network Code at that Handover Point and the total frequently unused capacity included by the TSO in accordance with clause 13.4.6 of this Network Code, whereby the total Contracted Capacity, Delivered Capacity, non-nominated capacity and frequently unused capacity refer to the relevant Hour(s) within the Gas Day.
	+ - 1. The TSO offers Interruptible Daily Capacity for a specific Handover Point and Gas Day for contracting only if the entire Technical Capacity for the following Gas Day has been allocated at that Handover Point and if the difference between the Technical Capacity and the total Confirmed Quantities for the Physical Flow at that Handover Point for the following Gas Day is a positive number.
			2. Standard Capacity Products in Commercial Reverse Flow are offered for contracting as long as there is contracted Firm Capacity in the Physical Flow at the relevant Handover Point, namely:
* Available Capacity offered as Commercial Reverse Yearly Capacity is equal to the total Contracted Capacity in the Physical Flow for the following Gas Year at that Handover Point.
* Available Capacity offered as Commercial Reverse Quarterly Capacity is equal to the total Contracted Capacity in the Physical Flow for the relevant Gas Quarter at that Handover Point, less the contracted Commercial Reverse Yearly Capacity and the previously contracted Commercial Reverse Quarterly Capacity relating to the relevant Gas Quarter.
* Available Capacity offered as Commercial Reverse Monthly Capacity is equal to the total Contracted Capacity in the Physical Flow for the relevant Gas Month at that Handover Point, less the sum of the contracted Commercial Reverse Yearly Capacity and Commercial Reverse Quarterly Capacity relating to the relevant Gas Month.
* Available Capacity offered as Commercial Reverse Daily Capacity is equal to the total Contracted Capacity in the Physical Flow for the relevant Gas Day at that Handover Point, less the sum of the contracted Commercial Reverse Yearly Capacity, Commercial Reverse Quarterly Capacity and Commercial Reverse Monthly Capacity relating to the relevant Gas Day.
	+ 1. Publication of Available Capacity

The TSO shall publish available capacities at Other Points on the Operational Platform, and available capacities at Interconnection Points on the Capacity Booking Platform. The TSO shall publish available capacities from this Section within the deadlines specified in the regulation governing the network code on capacity calculation and allocation and this Network Code.

Publication of Available Capacity at Interconnection Points

The allocation of Firm Capacities at Interconnection Points in accordance with Section 11.5 of this Network Code shall be published and implemented in line with the following Auction Calendar:

* Firm Yearly Capacities are offered at an auction held on the first Monday of July, and the deadline for submitting auction bids is from 9:00 am to 6:00 pm. At the auction for Firm Yearly Capacities, capacities for the next five Gas Years are offered. The capacity offered for the next Gas Year (G+1) corresponds to the Available Capacity from indent 1, clause 11.2.1. of this Network Code, reduced by 10% of the Technical Capacity. The capacity offered for Gas Years G+2, G+3, G+4, G+5 corresponds to the Available Capacity from indent 1, clause 11.2.1. of this Network Code, reduced by 20% of the Technical Capacity.
* Firm Quarterly Capacities are offered at 4 (four) auctions, the first of which is held on the first Monday in August, the second on the first Monday in November, the third on the first Monday in February, and the fourth on the first Monday in May. The deadline for submitting auction bids is from 9:00 am to 6:00 pm The first auction offers Available Capacity for all four quarters of the Gas Year. The second auction offers Available Capacity for the remaining three quarters of the Gas Year. The third auction offers Available Capacity for the third and fourth quarters of the Gas Year. The fourth auction offers Available Capacity for the fourth quarter of the Gas Year.
* Firm Monthly Capacities are offered at auctions held every third Monday of the month for the following Gas Month. The deadline for submitting auction bids is from 9:00 am to 6:00 pm
* Firm Daily Capacities are offered at auctions held every day for the following Gas Day. The deadline for submitting auction bids is from 4:30 pm to 5:00 pm.
* Firm Intra-Day Capacities are offered at auctions held every hour starting from the next hour after the announcement of the results of the last auction for Firm Daily Capacities for the following Gas Day, or for Interrupted Daily Capacities if offered. The deadline for submitting auction bids for the first auction is from the next hour after the announcement of the results of the last auction for Firm Daily Capacities, or Interrupted Daily Capacities if offered, until 02:30 am of the previous Gas Day. Firm Intra-Day Capacities are offered at the first auction for all 24 (twenty-four) hours of the Gas Day. After the first auction, the auctions offer Firm Intra-Day Capacities for periods shorter than 24 (twenty-four) hours during the Gas Day. At the beginning of each hour, a new auction for Firm Intra-Day Capacities is opened for the period starting 4 (four) hours after the opening of the auction and ending at the end of the Gas Day. The deadline for submitting auction bids is 30 minutes. The deadline for submitting auction bids for the last auction offering capacities for the last hour within the Gas Day is 01:30 am of the relevant Gas Day.

The allocation of Commercial Reverse Capacities at the Interconnection Points in accordance with Section 11.5 of this Network Code shall be published and implemented in accordance with the following Auction Calendar:

* Commercial Reverse Yearly Capacities shall be offered at an auction held on the third Monday in July. The deadline for submitting auction bids is from 9:00 am to 6:00 pm.
* Commercial Reverse Quarterly Capacities shall be offered at 4 (four) auctions for quarters in the Gas Year, the first of which shall be held on the first Monday in September, the second on the first Monday in December, the third on the first Monday in March, and the fourth on the first Monday in June. The deadline for submitting auction bids is from 9:00 am to 6:00 pm. The first auction offers Available Capacity for all four quarters of the Gas Year. The second auction offers Available Capacity for the remaining three quarters of the Gas Year. The third auction offers Available Capacity for the third and fourth quarters of the Gas Year. The fourth auction offers Available Capacity for the fourth quarter of the Gas Year.
* Commercial Reverse Monthly Capacities are offered at auctions held every fourth Tuesday of the month for the following Gas Month. The deadline for submitting auction bids is from 9:00 am to 5:00 pm.
* Commercial Reverse Daily Capacities are offered at auctions held every day for the following Gas Day. The deadline for submitting auction bids is from 5:30 pm to 6:00 pm.

The allocation of Interruptible Daily Capacities at Interconnection Points in accordance with Section 11.5 of this Network Code is carried out at auctions held every day, for the following Gas Day if the conditions from Section 11.2.2 of this Network Code are met. The deadline for submitting auction bids is from 5:30 pm to 6:00 pm.

The auction calendar from this Section may be adjusted in the event of a change in the ENTSO-G auction calendar for a particular Gas Year.

Publication of Available Capacity at Other Points

The TSO shall publish on its Operational Platform the updated Available Capacity for Distribution as Firm Capacity at Other Points in accordance with Section 11.6 of this Network Code, and Users shall submit requests for access to the System in line with the following calendar:

* For Firm Yearly Capacities, Users may submit requests for access to the System no later than the second Monday of July. Firm Yearly Capacities are allocated each year for five subsequent Gas Years, whereby for the first subsequent Gas Year (G+1) a maximum of 90% of the Available Capacity from indent 1, clause 11.2.1. of this Network Code is offered, and for Gas Years G+2, G+3, G+4, G+5 the Available Capacity from indent 1, clause 11.2.1. of this Network Code is reduced by 20% of the Technical Capacity.
* For Firm Quarterly Capacities, Users may submit requests for access to the System no later than the second Monday in August, the second Monday in November, the second Monday in February, and the second Monday in May. During the first allocation, Available Capacity is offered for all four quarters of the Gas Year. During the second allocation, Available Capacity is offered for the remaining three quarters of the Gas Year. During the third allocation, Available Capacity is offered for the third and fourth quarters of the Gas Year. During the fourth allocation, Available Capacity is offered for the fourth quarter of the Gas Year.
* For Firm Monthly Capacities, Users may submit a request for access to the System by every third Wednesday of the current month for the following Gas Month.
* For Firm Daily Capacities, Users may submit a request for access to the System no later than [12:00] hours, on the current day before the Gas Day to which the request relates or on the following Gas Days of the current month, and for the Gas Day or Gas Days of the following month after the capacity allocation at the monthly level for the following month has been completed.
* For Interruptible Daily Capacities, Users may submit a request for access to the System no later than [17:00] hours on the current day before the Gas Day to which the request relates.
* For Commercial Reverse Daily Capacity, Users may submit a request for access to the System no later than [12:00] hours, on the current day before the Gas Day to which the invitation relates.

Interruptible Intra-Day Capacity is offered through the Excess Nominations procedure from Section 17.7 of this Network Code every hour during the Gas Day, after the results of the auctions for Firm Intra-Day Capacity have been published and if the conditions from Section 17.7 of this Network Code are met.

When the AERS act on joint prices of access to transmission systems viewed as a whole is applied at Other Points where the System is connected to the Adjacent Operator's system, the TSO does not publish available capacities at Other Points where the System is connected to the Adjacent Operator's system.

* + 1. The User's right to participate in capacity allocation
			1. The User may participate in capacity allocation at the Handover Points if they have submitted to the TSO the Payment Security Instrument specified in Chapter 10 of this Network Code and if their Amount Available for Contracting Standard Capacity Products, calculated as prescribed in Section 10.4 of this Network Code and published by the TSO, allows them to contract at least 24 (twenty-four) kWh/day of the Standard Capacity Product offered for contracting.
			2. The TSO monitors whether the User's Amount Available for Contracting Standard Capacity Products is sufficient within the meaning of Section 11.4.1 of this Network Code. If this is not the case, the User shall not be entitled to participate in capacity allocation.
			3. If the User's Gas Transmission Agreement is terminated, the TSO shall notify the Capacity Booking Platform that the User's right to participate in auctions and capacity allocation procedures on the Operational Platform, has permanently ceased.
		2. Capacity Allocation at Interconnection Points

Introduction

The TSO has designated the Capacity Booking Platform operator, which provides information services, within the meaning of the law governing electronic commerce, with the aim of the TSO concluding Standard Capacity Products at Interconnection Points with the Users, in electronic form.

The TSO shall notify the Capacity Booking Platform of the entry into the Gas Transmission Agreement and the assigned user code within one business day after the entry into the Gas Transmission Agreement.

The publication of auctions for Standard Capacity Products on the Capacity Booking Platform has the legal significance as set out in Section 11.5.3.5 of this Network Code, and in the case where the auction algorithm with successively increasing prices is applied to the auction, the start of a new bidding round has the legal significance as set out in Section 11.5.3.6 of this Network Code.

Reserve prices are established for each Gas Year in accordance with the Law and the methodology for determining the price of access to the natural gas transmission system, and are published on the TSO website for each Standard Capacity Product and Interconnection Point.

The contracting of Standard Capacity Products at auctions and secondary trading of capacities is carried out through the Capacity Booking Platform, by the TSO and the Users exchanging commercial messages in electronic form. The legal significance of the exchanged commercial messages is determined in Section 11.5.3 of this Network Code. They constitute evidence of the concluded transaction, in accordance with the regulations governing electronic commerce.

Bundling of Physical Flow Direction Firm Capacities

The TSO, together with the Adjacent Operator, offers the entire capacity that is available in the same quantity on both sides of the Interconnection Point, as the relevant firm Standard Capacity Product of the bundled capacity. Additional capacity in accordance with clause 4.2.8 of this Network Code is also offered as bundled capacity.

If the TSO has a higher Available Capacity at the Interconnection Point than the available capacity of the Adjacent Operator at the same Interconnection Point, the TSO shall offer such excess to the Users for contracting as unbundled capacity, in accordance with the Auction Calendar and the following rules:

* if the Adjacent Operator has entered into a Gas Transmission Agreement for unbundled capacity on the other side of the Interconnection Point, the TSO shall offer unbundled capacity at most in a quantity equal to the quantity from the existing Gas Transmission Agreement on the other side of the Interconnection Point and for a maximum period equal to term of the Gas Transmission Agreement on the other side of the Interconnection Point; or
* if no Gas Transmission Agreement for unbundled capacity on the other side of the Interconnection Point has been entered into, the TSO shall offer unbundled capacity for a maximum period of one year.

Bundled capacity is contracted through the Capacity Booking Platform, in a single auction per Interconnection Point. Any User who has contracted a Standard Capacity Product of Bundled Capacity has the same rights and obligations against the TSO arising from the regulations, this Network Code and the Gas Transmission Agreement as if they had contracted a Standard Capacity Product of Unbundled Capacity.

The Reserve Price of the Standard Capacity Product of Bundled Capacity is the sum of the Reserve Price and the initial price for that capacity product for that interconnection point offered by the Adjacent Operator ("**Reserve Price for Bundled Capacity**").

The User may invite the TSO to participate, together with the Adjacent Operator, in negotiations to reach an agreement on bundling between the User and a user with contracted capacity with the Adjacent Operator at one Interconnection Point.

If the User and a user with contracted capacity with the Adjacent Operator reach an agreement on bundling without the participation of the TSO in the negotiations, the User shall, without delay, notify the TSO of the reached agreement on bundling, in order to implement the transfer of the Contracted Capacity of that User, or part of the Contracted Capacity, for the purpose of capacity bundling.

The TSO and the User shall notify the AERS of the capacities from existing Transmission Agreements that they have agreed to use as bundled capacities.

Unless the Adjacent Operator offers the amount of unbundled capacity that the User has contracted with the TSO at the relevant Interconnection Point, the User has the right to perform a capacity conversion by exchanging their unbundled capacity contracted with the TSO for the relevant yearly, quarterly or monthly Standard Capacity Products for bundled capacity at that Interconnection Point.

The conversion referred to in clause 11.5.2.8 of this Network Code shall be based on the conversion model established by ENTSO-G. The TSO shall not charge the Users any conversion costs, except for any Auction Premium achieved in accordance with this Network Code and the rules of the Capacity Booking Platform at the relevant auction.

Implementation of auctions by the Capacity Booking Platform

The Capacity Booking Platform allows the submission of bids for participation in auctions by those Users who have been verified by the TSO as qualified for participation in that auction in accordance with Section 11.4 of this Network Code.

If a User entitled to participate in the auction wishes to contract a Standard Capacity Product at an Interconnection Point, they shall submit a bid for contracting to the TSO via the Capacity Booking Platform. The User entitled to participate in the auction shall comply with the agreed general terms and conditions of use of the Capacity Booking Platform.

Only bids from Users who are entitled to participate in the auction and whose value does not exceed the amount available for contracting Standard Capacity Products calculated in accordance with clause 10.4.2 of this Network Code may be accepted by the Capacity Booking Platform, which acts for and on behalf of the TSO.

The Capacity Booking Platform, conducts auctions in electronic form for and on behalf of the TSO, by conducting the first round of bidding, receiving bids from Users verified by the TSO, determining whether there is a need to conduct the next round of bidding and publishing the price applicable to that round, determining when the auction ends and publishing the auction results, all in accordance with the regulation governing the network code on capacity calculation and allocation, this Network Code and the general terms and conditions of use of the Capacity Booking Platform.

The announcement of the auction by the TSO has the meaning of an invitation to make a bid within the meaning of the law governing contract and torts, which is sent by the TSO to all Users entitled to participate in the auction for the purpose of contracting capacity.

When the Capacity Booking Platform starts a new bidding round regarding the Available Capacity, it is considered that the TSO has sent a proposal to the Users through the Capacity Booking Platform to amend the bids within the meaning of the law governing contract and torts.

Upon completion of the auction, the published price for the last bidding round in which the auction was completed is considered to be the achieved Auction Price.

The prescribed rules for conducting auctions from this Section shall also apply in the case of auctions for Bundled Capacities.

* + 1. Capacity Allocation at Other Points
			1. For the purposes of capacity allocation at Other Points referred to in this Section, the TSO shall publish on their website the following:
* the total Available Capacity for allocation at each Entry and Exit, expressed in kWh/day; and
* the Price at which the Standard Capacity Product is contracted.
	+ - 1. Any User who wishes to contract a Standard Capacity Product in accordance with this Section shall submit to the TSO an application for access to the System by filling out an electronic form on the Operational Platform containing:
* the User's identification number and code and other data (trade name and registered office, company identification number, tax identification number, account number and data on the person authorized for representation without limitations, the person authorized to submit and receive submissions and notifications);
* the type of Standard Capacity Product;
* the designation of each individual Entry or Exit to which the application for access to the System relates;
* the requested capacity at the Entry or Exit, expressed in kWh/day.
	+ - 1. The User has the right to withdraw the submitted application for access to the System at any time, and no later than the expiration of the deadlines set out in Section 11.3.2 of this Network Code.
			2. If the sum of the requested capacities from all applications for access to the System considered by the TSO is less than or equal to the Available Capacity for the relevant Standard Capacity Product, the TSO will allocate the requested capacity to all Users.
			3. If the sum of the requested capacities from all applications for access to the System considered by the TSO is greater than the Available Capacity for the relevant Standard Capacity Product, the TSO will allocate the Available Capacity pro rata to their requested capacity.
			4. When the AERS act on joint prices of access to transmission systems viewed as a whole is applied to Other Points where the System is connected to the Adjacent Operator's system, the TSO does not allocate or contract capacities.
			5. The contracting of Standard Capacity Products at Other Points is carried out in electronic form via the Operational Platform, through which the User submits an application for access from clause 11.6.2. of this Network Code, which has the meaning of an offer for contracting Standard Capacity Products, and the TSO informs the User of the acceptance of this offer by sending a notification of contracting the Standard Capacity Product from clause 11.9.1. of this Network Code. These commercial messages exchanged in electronic form via the Operational Platform are attached to the Gas Transmission Agreement and constitute its integral part and proof of the concluded transaction.
		1. Rejection of the User's application for access to the System at Interconnection Points and Other Points
			1. The TSO has the right to reject the User's application for access to the System in cases prescribed by the Law.
			2. In the event of rejection of the application for access to the System, the TSO will issue a decision with a detailed explanation of the reasons for the rejection within 5 (five) days after the date of submission of the application for access to the System.
			3. The User has the right to file an appeal to the AERS against the decision to reject access to the System within 8 (eight) days after the date of delivery of the decision to reject access.
		2. Collective exits at Interconnection Points and Other Points
			1. If the System is connected to an adjacent distribution system via multiple Exits and if the parts of the Adjacent Facility thus connected represent a single hydraulic unit, the TSO may, together with the distribution system operator, define in the agreement on the operating regime the introduction of a collective exit from the System consisting of the relevant Exits.
			2. The TSO and the distribution system operator are obliged to enter into the Agreement referred to in clause 11.8.1 of this Network Code no later than 15 (fifteen) days before the start of the deadline for submitting applications for access to the System for the purpose of contracting Firm Yearly Capacity.
			3. The TSO shall publish the introduction of a collective exit from the System on their website.
			4. The collective exit from clause 11.8.3 of this Network Code contains at least data on:
* contracting parties;
* Exits included in the collective exit;
* start of implementation;
* capacity of the collective exit, expressed in kWh/day;
* determination of the operating regime of the Exits that make up the collective exit.
	+ - 1. The collective exit is used in the procedures of capacity booking, submission of Nominations and the Matching Process, distribution of Gas quantities metered at individual Exits and reporting.
			2. For the purpose of offering Standard Capacity Products, the TSO may establish multiple Handover Points between adjacent transmission systems as one virtual point in accordance with the regulation governing the network code on the calculation and allocation of capacity for the natural gas transmission. In such a case, the TSO shall determine the Available Capacity of the virtual point as the sum of the Available Capacities of the Handover Points that make up that virtual interconnection point.
		1. Publication of the results of capacity allocation and notification to the User
			1. The TSO notifies the User of the acceptance of their bid for contracting capacity at the relevant auction or allocation, by sending a notification on contracting the Standard Capacity Product, which contains the following data:
* Contracted Capacity;
* Standard Capacity Product;
* Transmission Start Date;
* Transmission End Date;
* Contracted Entry or Contracted Exit; and
* Transmission Price, or Auction Price.
	+ - 1. The TSO shall publish aggregated data on the results of capacity allocation on their website.
			2. The allocation results for Interconnection Points at the relevant auction for Firm Capacity and Commercial Reverse Capacity, except for Standard Capacity Products from clause 11.9.4 of this Network Code, shall be published on the next business day after the end of the auction.
			3. The allocation results for Firm Daily Capacity, Firm Intra-Day Capacity, Commercial Reverse Daily Capacity and Interruptible Daily Capacity shall be published no later than 30 (thirty) minutes after the end of the allocation.
			4. The results of the allocation for Other Points for Firm Capacity and Commercial Reverse Capacity, except for Standard Capacity Products from clause 11.9.6 of this Network Code, are published according to the following schedule:
* **for the Yearly Standard Capacity Product**, no later than 10 (ten) business days after the deadline for submitting an application for access to the System;
* **for the Quarterly Standard Capacity Product**, no later than 5 (five) business days after the deadline for submitting an application for access to the System; and
* **for the Monthly Standard Capacity Product**, no later than 3 (three) business days after the deadline for submitting an application for access to the System.
	+ - 1. The results of the allocation for Firm Daily Capacity, Commercial Reverse Daily Capacity and Interruptible Daily Capacity shall be published no later than 30 (thirty) minutes after the end of the allocation.
			2. The day on which the notification referred to in clause 11.9.1. of this Network Code is delivered to the User is the day on which the requested volume and type of Standard Capacity Product for the purposes of transmission at the requested Entry or Exit is considered contracted.
			3. On the day of notification to the User in accordance with clause 11.9.7 of this Network Code, the obligation arises on the part of the TSO to enable the User to use the gas transmission service in the Contracted Capacity starting from the Gas Day, determined in this notification as the day of commencement of Gas transmission, from which Gas Day the User has the right to deliver Gas for transmission at the contracted Entry or off-take Gas in the Contracted Capacity at the contracted Exit.
			4. On the date of receipt of the notification referred to in clause 11.9.1 of this Network Code, the notification becomes an integral part of the Gas Transmission Agreement, without the need for the TSO and the User to sign it, provided that the provision of the Gas Transmission Service begins on the first Gas Day on which the User has the right to deliver Gas for transmission or off-take Gas from transmission.
1. CHAPTER - SECONDARY CAPACITY TRADING
	* 1. General Provisions
			1. The User has the right to secondary capacity trading, which is exercised by transferring the right to use the Contracted Capacity to another User, under the conditions set out in this Network Code.
			2. The object of secondary capacity trading may be the transfer of the right to use all or part of the contracted yearly, quarterly or monthly capacity that the User has at the Handover Point based on the effective Gas Transmission Agreement.
			3. The User who transfers only a part of their Contracted Capacity to another User on the secondary market shall retain all rights and obligations under the Gas Transmission Agreement to the extent that the Contracted Capacity has not been transferred.
			4. The User may initiate secondary capacity trading no later than 3 (three) days before the beginning of the Gas Day on which the provision of gas transmission services will commence.
			5. The TSO shall accept the agreement of two Users on secondary capacity trading, provided that the User to whom the capacity is transferred has, to a sufficient extent, the available amount of the Payment Security Instrument for contracting capacity, which is determined in accordance with Sections 10.1, 10.2, 10.3 and 10.4 of this Network Code.
			6. If the conditions set out in Section 12.1.5 of this Network Code are met, the TSO shall, within 24 (twenty-four) hours from the moment when the other User accepts the offer for secondary capacity trading, notify the Users that the secondary trading agreement is accepted as an offer to amend their Gas Transmission Agreements, so that the Contracted Capacity of the User transferring the capacity is reduced, and at the same time, the Contracted Capacity of the other User is increased by the amount of the transferred capacity at the Handover Point.
		2. Secondary Capacity Trading at Interconnection Points
			1. Secondary Capacity Trading at Interconnection Points is carried out on the Capacity Booking Platform in accordance with this Network Code and as described in the operational rules of this platform.
			2. Secondary capacity trading at Interconnection Points may be bilateral or anonymous.
			3. Bilateral trading may only be initiated by a User who intends to participate in secondary capacity trading as a transmitter.
			4. Anonymous trading may be initiated by any User who intends to participate in secondary capacity trading.
			5. The User initiating secondary capacity trading shall provide at least the following data in the offer:
* identification of the Exit or Entry;
* User's user code;
* quantity and type of Standard Capacity Product subject to secondary trading;
* Gas Day on which the provision of gas transmission services using the capacity subject to secondary trading begins; and
* validity period of the offer for secondary capacity trading.
	+ - 1. The User has the right to withdraw the offer for secondary capacity trading until the other User accepts the offer for secondary capacity trading.
			2. When another User accepts the offer for secondary capacity trading, the Capacity Booking Platform shall notify the TSO. If the conditions set out in clause 12.1.5. of this Network Code are met, the TSO shall notify the Users via the Capacity Booking Platform of the acceptance of the offer for amendment of the Gas Transmission Agreement within the meaning of clause 12.1.6 of this Network Code.
			3. The capacity contracted as bundled capacity may be offered by the User on the secondary market only as bundled capacity, in which case the Users shall exercise the right to secondary trading in bundled capacities under the conditions set out in this Network Code and provided that the Adjacent Operator accepts the agreement on secondary trading in bundled capacity.
			4. Notifications of the TSO (and the Adjacent Operator) from clauses 12.2.7 and 12.2.8 of this Network Code, as evidence of amendments to the Gas Transmission Agreement of both Users, shall be attached to these Agreements and shall form an integral part thereof.
		1. Secondary Capacity Trading at Other Points
			1. Secondary Capacity Trading at Other Points shall be conducted on the Operational Platform.
			2. Secondary Capacity Trading may be initiated by any User.
			3. The User initiating secondary capacity trading shall enter the following data on the Operational Platform:
* user code of the transferor and transferee;
* identification of the Exit and/or Entry;
* quantity and type of Standard Capacity Product subject to secondary trading;
* number of the capacity contracting notification;
* Gas Day on which the provision of gas transmission services using the capacity subject to secondary trading begins; and
* validity period of the offer for secondary capacity trading.
	+ - 1. The User initiating secondary capacity trading may withdraw the offer until the other User confirms the secondary capacity trading on the Operational Platform.
			2. When another User confirms on the Operational Platform their acceptance of the offer for secondary capacity trading, if the conditions set out in Section 12.1.5 of this Network Code are met, the TSO shall notify the Users of the acceptance of the offer to amend the Gas Transmission Agreement within the meaning of Section 12.1.6 of this Network Code.
			3. The TSO shall send the notifications referred to in Section 12.3.5 of this Network Code to the Users via the Operational Platform within the period prescribed by this Network Code.
			4. The TSO notifications, as evidence of the amendment of the Gas Transmission Agreement of both Users, shall be attached to these Agreements and shall form an integral part thereof.
1. CHAPTER - CONGESTION MANAGEMENT PROCEDURES
	* 1. General Provisions
			1. For the purpose of managing contractual congestion, the TSO offers for contracting Interruptible Capacity in the amount of Technical Capacity, and in the event of contractual congestion at the Interconnection Points, they apply the following procedures:
* Surrender;
* Firm day-ahead “use-it-or-lose-it” mechanism; and
* Long-term “use-it-or-lose-it” mechanism.
	+ 1. Surrender

General Provisions

The User has the right to request from the TSO that part or all of the capacity contracted at the Interconnection Point which the User does not intend to use, be offered by the TSO at auctions in accordance with Chapter 11 of this Network Code and contracted with another User.

The User has the right to request the Surrender of their contracted Firm Capacity for a period that allows the TSO to offer such Surrendered Capacity at the auction as Firm Yearly Capacity, Firm Quarterly Capacity or Firm Monthly Capacity. The User has the right to request the Surrender of their contracted Commercial Reverse Capacity for a period that allows the TSO to offer such Surrendered Capacity at the auction as Commercial Reverse Yearly Capacity, Commercial Reverse Quarterly Capacity and Commercial Reverse Monthly Capacity.

Surrender Procedure

Any User wishing to Surrender Contracted Capacity shall send a Surrender Request to the TSO via the Capacity Booking Platform. The Surrender Request must be sent to the TSO no later than 10:00 a.m. on the day that falls 4 (four) business days before the day specified in the Auction Calendar as the day of publication of the Available Capacity for the relevant auction at which the Surrendered Capacity is offered. The User must complete the Surrender Request form available on the Capacity Booking Platform, containing, in particular:

* the Interconnection Point at which the Contracted Capacity is Surrendered;
* the quantity and Standard Capacity Product of the Contracted Capacity to be Surrendered;
* the duration of the Surrendered Capacity (corresponding to one of the Standard Capacity Products as specified in clause 13.2.1.2 of this Network Code); and
* whether the Surrendered Capacity is Connected Capacity or not.

If the Surrender Request, completed on the Capacity Booking Platform, contains all the required data and the Standard Capacity Product meets the requirements of clause 13.2.1.2 of this Network Code, the TSO shall notify the User to accept the Surrender Request no later than 10:00 a.m. on the day that falls 2 (two) business days before the day of publication of the Available Capacity for the relevant auction at which the Surrender Capacity is offered.

The User may not cancel or amend an accepted Surrender Request without the consent of the TSO.

After the TSO sends a notification to the User accepting the Surrender Request, the Surrendered Capacity shall be included in the Available Capacity offered by the TSO in the relevant auctions in line with Chapter 11 of this Network Code.

At each auction where Surrendered Capacity is offered, the TSO:

* first contracts the part of the Available Capacity that does not include the Surrendered Capacity; and
* then contracts the part of the Available Capacity that constitutes the Surrendered Capacity.

If more than one User has offered Surrendered Capacity, the Surrendered Capacity shall be offered at the relevant auction in the order of the TSO’s receipt of the Surrender Requests relating to such Surrendered Capacity.

Immediately after the closing of the auction at which the Surrendered Capacity was offered to the TSO, they shall notify each User with the Surrendered Capacity at that auction by e-mail of:

* the quantity of their Surrendered Capacity contracted by the TSO at that auction with another User ("Re-contracted Capacity") and the quantity of their Surrendered Capacity not contracted by the TSO at that auction; and
* the amount to be paid to the TSO (if applicable) calculated according to clause 13.2.3.1 of this Network Code.

If the Surrendered Capacity is not contracted at the auction, the Surrender Request shall cease to be valid. If the Surrendered Capacity is not fully re-contracted at the auction, and the User wishes the Contracted Capacity to be re-offered at the next auction, the User is obliged to send a new Surrender Request to the TSO before the next auction.

The User retains all rights and obligations under the Gas Transmission Agreement in the total Contracted Capacity including Surrendered Capacity (except for the right to trade the Contracted Capacity in line with Section 13.2 of this Network Code when requesting the Surrender), until such Surrendered Capacity is contracted by the TSO and a new User, in whole or in part. After contracting the Surrendered Capacity at the auction, the Gas Transmission Agreement of the User whose Surrendered Capacity is contracted at the auction is deemed to be amended on the date on which the Capacity Booking Platform confirms to the TSO the contracting of the Surrendered Capacity, on which date all rights and obligations of the User in the quantity and duration of the Re-contracted Capacity shall cease (with the obligation, if applicable, to pay the amount calculated under Section 13.2.3.1 of this Network Code). The request and notification are attached to the Agreement and constitute evidence of its amendment.

Auction Premium

If the User has contracted the Surrendered Capacity with an Auction Premium, and the Auction Premium for the Re-contracted Capacity is lower than the Auction Premium of the originally contracted Surrendered Capacity, the User whose Surrendered Capacity has been re-contracted shall pay to the TSO an amount equal to the total uncovered Auction Premium, calculated using the following formula:

* 1. **AP = [Pold − Pnew] x RC x P**
	2. where:

***AP*** is the total amount to be paid by the User to the TSO for the uncovered Auction Premium for specific Surrendered Capacity for the period for which the TSO has renegotiated the Surrendered Capacity, expressed in dinars,

* 1. ***Pold*** is the Auction Premium applied to the capacity before Surrender, expressed in RSD/kWh/day,
	2. ***Pnew*** is the Auction Premium applied to the Renegotiated Capacity, expressed in RSD/kWh/day,
	3. ***RC*** is the quantity of Renegotiated Capacity, expressed in kWh/day, and
	4. ***P*** is the number of days of the renegotiated Surrendered Capacity.

The User has no obligation against the TSO from clause 13.2.3.1 regarding the Renegotiated Capacity if the User contracted the Surrendered Capacity with an Auction Premium, and the Auction Premium for the Renegotiated Capacity is greater than or equal to the Auction Premium of the originally contracted Surrendered Capacity, and if the User contracted the Surrendered Capacity at the Reserve Price.

* + 1. Firm Day-Ahead “Use-it-or-Lose-it” Mechanism
			1. The TSO shall apply the Firm Day-Ahead “Use-it-or-Lose-it” Mechanism at Interconnection Points where there is congestion in compliance with the regulation governing the network code on congestion management procedures and publication of data and technical information for access to the natural gas transmission system, by setting restrictions on Users when submitting renominations.
			2. The restrictions prescribed in clause 13.3.3 of this Network Code do not apply to capacity contracted as Firm Daily Capacity, Firm Intra-Day Capacity and Interruptible Daily Capacity.
			3. In the case of renominations, the following restrictions apply:
* if the User Nominates quantities between 0-80% of the Contracted Capacity by renomination requiring an increase, the User may renominate up to 90% of their Contracted Capacity as Firm Capacity, and 10% of the Contracted Capacity as Interruptible Daily Capacity;
* if the User Nominates quantities of 80% or more of the Contracted Capacity by renomination requiring an increase, the User may renominate up to half of the non-nominated Contracted Capacity as Firm Capacity. The User may renominate the other half of the non-nominated Contracted Capacity as Firm Daily Capacity;
* if the User Nominates quantities of more than 20% of the Contracted Capacity by renomination requiring a decrease, the User must renominate at least 10% of their Contracted Capacity as Firm Capacity;
* if the User Nominates quantities of 20% or less of the Contracted Capacity by renomination requiring a decrease, the User must renominate at least half of the nominated quantity as Firm Capacity.
	+ - 1. The Firm Day-Ahead “Use-it-or-Lose-it” Mechanism shall not apply to Users who have contracted less than 10% of the Technical Capacity in the previous Gas Year at the relevant Interconnection Point.
		1. Long-Term “Use-it-or-Lose-it” Mechanism
			1. The TSO shall regularly submit to the AERS all data necessary to monitor the scope of use of the Contracted Capacities at the Interconnection Points under agreements entered into for a period of more than one year, or for consecutive quarters over a period of at least two years, in order to determine the existence of frequently unused capacity and the need for the application of the Long-Term “Use-it-or-Lose-it” Mechanism.
			2. Frequently unused capacity exists at a single Interconnection Point when:
* during a Gas Day, the User uses on average less than 80% of the contracted Firm Yearly Capacity in the periods from April 1 to September 30, or from October 1 to March 31, with no adequate justification;
* the User does not offer or offers less than 20% of the total contracted Firm Yearly Capacity on the secondary market; and
* there is demand for Firm Capacity from other Users.
	+ - 1. Frequently unused capacity at a single Interconnection Point also exists when the User frequently nominates close to 100% of their Contracted Capacity and then re-nominates it downwards, with the aim of circumventing the rules from indent 1 of clause 13.4.2. of this Network Code.
			2. The TSO shall submit the data from clause 13.4.1 of this Network Code to the AERS by May 30 for the period from October 1 to March 31, and by November 30 for the period from April 1 to September 30. Based on the submitted data, the AERS shall adopt an act obliging the TSO to include in the available capacity all or part of the frequently unused capacity at the Interconnection Point for a specific period of time.
			3. The TSO shall immediately upon receipt of the act referred to in Section 13.4.4 of this Network Code notify the Users to whom the Long-Term “Use-it-or-Lose-it” Mechanism has been applied, and that they shall not have the right to secondary capacity trade or request Surrender from the date of receipt of the TSO’s notification.
			4. The TSO shall include the capacity resulting from the application of the Long-Term “Use-it-or-Lose-it” Mechanism in the Available Capacity to be offered at auctions.
			5. The User shall retain its rights and obligations in relation to the capacity to which the measure referred to in this Section applies until the TSO contracts that capacity and to the extent that the TSO has not contracted that capacity.
			6. By allocating capacity to which the measure referred to in this Section applies, the User loses all or part of their Contracted Capacity corresponding to the quantity of allocated capacity during a specific period or for the entire remaining period for which they contracted such capacity.
1. CHAPTER - DATA EXCHANGE WITH THE USERS
	* 1. Electronic communication
			1. Communication between the TSO and the User or Applicant, as well as electronic processing of exchanged data and their storage, in compliance with the regulations governing electronic commerce, is carried out via the Operational Platform, except for the communication referred to in clause 14.1.6 of this Network Code.
			2. Communication via the Operational Platform is carried out using a set of standardized messages published on the TSO website using the following standard data exchange solutions:
* for the exchange of data contained in files, the protocol is AS4, and the data format is Edig@s-XML or an equivalent data format ensuring the same level of interoperability, as published by ENTSO-G;
* for the integrated data exchange, the protocol is HTTP/S-SOAP, and the data format is Edig@s-XML or an equivalent data format ensuring the same level of interoperability, as published by ENTSO-G; and
* for the interactive data exchange, the protocol is HTTP/S.
	+ - 1. The TSO publishes the instructions for using the Operational Platform on their website, and, if necessary, provides support for using the Operational Platform.
			2. Received electronic submissions and communications from the User or Applicant, as well as electronic messages and communications from the TSO sent and received from the Operational Platform, are considered proof of communication between the TSO and the User or Applicant.
			3. The User or Applicant shall be obliged to provide, at their own expense, the equipment and telecommunications means necessary for the use of the Operational Platform.
			4. Communication between the TSO and the User for the purpose of contracting Standard Capacity Products at auctions and secondary capacity trading, as well as communication between Users regarding secondary capacity trading, shall be carried out via the Capacity Booking Platform, using a set of standardized messages as specified in the Capacity Booking Platform instructions.
			5. Each User is obliged to comply with the access terms and conditions and communication rules of the Capacity Booking Platform. If the Capacity Booking Platform is temporarily not operational or is partially operational, for reasons beyond the TSO’s responsibility, the TSO shall notify all Users, specifying the date on which the use of one or several services (conducting auctions and/or secondary capacity trading) was interrupted, the reasons that led to the interruption of the provision of information services and the moment when the reasons that led to the interruption of the provision of information services to the User and/or the TSO are expected to be eliminated.
			6. The moment of confirmation of receipt of the electronic message containing the offer, acceptance of the offer for the entry into the Gas Transmission Agreement or the contracting of capacity and other declarations of will is determined in compliance with the law governing electronic commerce.
			7. In the event of unforeseen circumstances (problems in the operation of the Operational Platform or the Capacity Booking Platform or telecommunications resources) as well as in the event that the Operational Platform or the Capacity Booking Platform does not allow the User to perform the necessary communication, communication between the TSO and the User or the Applicant will be carried out:
* by e-mail using the e-mail addresses published on the TSO website (or, in the case of the User, the e-mail addresses specified in their request for access to the System); and
* by fax.
	+ - 1. In the event of changes to the regime of services provided through the Operational Platform, the TSO shall notify the User at least 14 (fourteen) days before the change comes into force.
			2. Each User is obliged, after entering into the Gas Transmission Agreement, to appoint one or several authorized representatives for the purposes of notification or correspondence through the Operational Platform. The User may change the authorized representative through the Operational Platform at any time.
			3. The authorized representative acts for and on behalf of the User and the User is responsible for their actions.
1. ALLOCATION OF DAILY QUANTITIES OF NATURAL GAS BY USERS
	1. In compliance with the Law, regulations adopted pursuant to the Law and this Network Code, the TSO shall distribute daily quantities of Gas to Users based on data on total daily quantities of Gas delivered/received at the Handover Point and shall inform Users about their deliveries and off-takes for the Gas Day by applying variant 2 of the information provision model in line with the regulation governing the network code on balancing the natural gas transmission system.
		1. Determination of daily quantities of Gas at Handover Points
			1. The TSO is obliged to determine the total daily quantities of Gas delivered/received at each Entry/Exit, expressed in the energy measurement unit (kWh).
			2. At the Interconnection Points, the TSO receives information on the total delivered/received daily quantities of Gas from the Adjacent Operator in line with the signed Operating Regime Agreements.
			3. The TSO also receives information on the total delivered/received daily quantities of Gas to/from the storage facility from the natural gas storage facility operator, and this information is exchanged in line with the signed Operating Regime Agreement.
			4. The TSO determines the daily quantities of Gas delivered/received at Other Points, which are not natural gas storage facilities, by reading the billing metering points using the system for remote reading of billing metering of Gas quantities (TSO metering platform).
			5. Using the Gas quality monitoring system in the System, the TSO continuously collects data on the composition of Gas and the calorific value of Gas at sampling points in the System.
			6. At points where there is no continuous data collection, manual sampling and subsequent analysis of samples are performed to determine the composition and calorific value of Gas in accordance with the Sampling Dynamics Program published by the TSO on their website.
			7. For the calculation of daily quantity of Gas, expressed in the energy unit of measurement (kWh), the quantity of Gas flowing through an individual billing metering point in one day, calculated in the unit of measurement m3 under normal pressure and temperature conditions, is multiplied by the amount of the average gross calorific value (kWh/m3) determined for an individual Gas Day for the relevant Gas sampling point. The calculated quantity of Gas is expressed as an integer value.
			8. If, due to technical reasons, the metering data from the Remote Reading System for Billing Metering are not available or are not complete, the TSO determines the daily quantities of Gas in proportion to the quantities from the Confirmed Quantities of the User for such Handover Point.
			9. For Handover Points with reverse capacity, the total daily quantities of Gas delivered/received are determined as the sum of the daily quantity of Gas delivered/received at that Exit/Entry and the nominated quantities for reverse capacity at that Exit/Entry.
		2. Methods of the allocation of the daily quantity of Gas by Users
			1. The User's daily quantities of Gas represent the sum of all quantities of Gas distributed to that User at all Entries and all Exits.
			2. For the distribution of the daily quantity of Gas by Users at specific Handover Points, the following shall be applied:
* the balance method, if established by the Operating Regime Agreement between the TSO and the AFO;
* the proportional method; or
* the method of data delivery of the connected distribution system operator and the connected transmission system operator at Other Points.
	+ - 1. When the balance method is applied, the TSO distributes the determined total daily delivered/received quantity of Gas at the Handover Point among the Users so that the distributed quantities of Gas among the Users are equal to the quantities from the Confirmed Quantities of the Users for that Gas Day. The TSO takes over the difference between the total delivered/received quantities of Gas and the quantities from the Confirmed Quantities for such Gas Day at that Handover Point.
			2. When the proportional method is applied, the TSO distributes the total daily delivered/received quantity of Gas at the Handover Point among the Users in proportion to the announced quantities from the Confirmed Quantities for such Handover Point.
			3. When the method of data delivery of the connected distribution system operator and the connected transmission system operator at Other Points is applied, the TSO shall distribute the total daily delivered or off-taken quantity of Gas at the Handover Point among Users based on the data on delivered quantities of Gas among Users submitted by the connected distribution system operator or the connected transmission system operator at Other Points.
			4. The TSO shall accordingly apply the method from clauses 15.2.4. and 15.2.5 of this Network Code at the Connection Points with the Adjacent Operator, when the balance method from point 1 of clause 15.2.2 of this Network Code has not been agreed between the TSO and the Adjacent Operator.
			5. When distributing the daily quantity of Gas to Users, the sum of the quantities of Gas distributed by the TSO to all Users at a specific Handover Point is equal to the total daily quantity of Gas delivered/received at that Handover Point, when the TSO distributes the daily quantities of Gas to Users using the proportional method.
			6. The method for distributing the daily quantities of Gas to Users determined at a specific Handover Point in accordance with this Network Code applies to all Users throughout the Gas Year.
		1. Allocation of daily Gas quantities to Users at the Handover Points
			1. For each Gas Day, the TSO shall allocate the quantity of Gas at the Handover Points to each User in the following manner:
			2. At the Interconnection Points, the TSO shall apply the balance method to allocate quantities to Users. The allocated quantity to each User shall be equal to the Confirmed Quantity for that User.
			3. At the Handover Point to/from the natural gas storage facility, the TSO shall apply the balance method for the allocation of quantities among Users. The allocated quantity to each User shall be equal to the Confirmed Quantity for that User.
			4. At the Handover Point with the Gas Producer and the Exit to the end customer, the TSO shall apply the proportional allocation method for the allocation of quantities among Users. The allocated quantity of the User shall be determined by distributing quantities from the total daily quantity at that Handover Point to the User in proportion to the share of the Confirmed Quantity of the User in the total confirmed quantities for such Handover Point.
			5. At the Handover Point towards the distribution system operator, the TSO allocates the daily quantities of Gas at the relevant Handover Point among the Users as defined in Sections 15.7 and 15.8 of this Network Code.
			6. At the Handover Point with the connected transmission system operator at Other Points, the TSO allocates the daily quantities of Gas at the relevant Handover Point among the Users based on the data on delivered/received quantities of Gas delivered by the connected transmission system operator at Other Points as defined in Sections 15.7 and 15.8 of this Network Code.
			7. At the Handover Point where the reverse capacity is realized, the TSO allocates the Gas quantities among the Reverse Capacity Users so that the allocated quantities are equal to their Confirmed Quantities for Reverse Capacity.
		2. Informing the User about Gas deliveries and off-takes and User informing the TSO
			1. Providing access to other information in accordance with this Chapter is not considered to be the provision of any specific guarantee, but only providing information in the established format on the Operational Platform and giving the User the opportunity to access that information under the conditions of use of the Operational Platform, except in the case of submission of the Final Report on the Allocation of Daily Quantities from this Chapter.
			2. Users shall provide information to the TSO in accordance with the regulation governing the terms and conditions of delivery and supply of natural gas.
		3. Information on the assessment of the User's off-take for Handover Points without daily metering on the distribution system on Gas Day D-1
			1. The TSO shall provide Users on Gas Day D-1 with information regarding the assessment of their off-take without daily metering for Gas Day D on the distribution system.
			2. As the party designated by the AERS decision to assess the off-take of daily quantities of natural gas without daily metering, the TSO shall deliver to Users the off-take assessment for Handover Points without daily metering on the distribution system for all Exits that are simultaneously entering the distribution system on Gas Day D no later than 1:00 p.m. on Gas Day D-1.
		4. Information on User handover/off-take on Gas Day D
			1. The TSO provides all Users with access to the total handover/off-take by hour, at all Entries/Exits on Gas Day D where the User has Contracted Capacities. When the conditions given under clauses 11.3.2.3. and 11.6.7. of this Network Code are met, the TSO provides access to the total handover/off-take of Gas at Other Points where the System is connected to the Adjacent Operator's system to all Users using them for Gas transmission.
			2. The Distribution System Operator shall provide the TSO with data on daily metered off-takes at Handover Points on the distribution system on Gas Day D by Users.
			3. The Distribution System Operator is obliged to provide the TSO with the data referred to in clause 15.6.2 of this Network Code no later than 12:00 p.m. for the period from 06:00 a.m. to 10:00 p.m. and by 08:00 p.m. for the period from 06:00 a.m. to 06:00 p.m. of Gas Day D, in order for the TSO to be able to provide updated information to the Users referred to in clause 15.6.1 of this Network Code.
			4. The TSO shall provide the updated information referred to in clause 15.6.3 of this Network Code to the User, on each Gas Day, regarding their share of the measured Gas flow for at least the total daily metered off-takes for that Gas Day. The TSO shall provide this information twice a day, as follows:
* by 02:00 p.m. on Gas Day D for the period from 06:00 a.m. to 10:00 a.m. on Gas Day D; and
* by 10:00 p.m. on Gas Day D for the period from 06:00 a.m. to 18:00 p.m. on Gas Day D.
	+ - 1. The Distribution System Operator shall submit data to the TSO via the Operational Platform.
		1. Initial Report on the Allocation of Daily Gas Quantities to the User
			1. The TSO shall make available to all Users, no later than 04:00 p.m. on Gas Day D+1, the Initial Report on the Allocation of Daily Gas Quantities to the User, which shall contain information on the initial allocated quantity of Gas to the User at the Handover Point for Gas Day D and information on the initial quantity of daily imbalance for that User.
			2. The Initial Report on the Allocation of Daily Gas Quantities to the User shall contain:
* Handover Point (Entry/Exit);
* Gas Day;
* total daily quantity of Gas delivered/off-taken at that Entry/Exit expressed in kWh/day; and
* allocated daily quantity of Gas to that User at that Entry/Exit expressed in kWh/day.
	+ - 1. For Interconnection Points and Other Points where the System is connected to the Adjacent Operator's system, the TSO shall exchange data with the Adjacent Operator on each Gas Day for the previous Gas Day on the total determined quantity of Gas delivered/off-taken at the Interconnection Points and Other Points where the System is connected to the Adjacent Operator's system, Gas quality and data on the allocation of Gas quantities by Users, no later than 11:00 a.m.
			2. For the Handover Point to/from a natural gas storage facility, the TSO shall exchange data with the storage operator on each Gas Day for the previous Gas Day on the total determined quantity of Gas delivered/off-taken to/from a natural gas storage facility, Gas quality and data on the allocation of Gas quantities by Users for the relevant Handover Point, no later than 11:00 a.m.
			3. For Handover Points with the Gas Producer, Distribution System Operator, Connected Transmission System Operator at Other Points, as well as end customers, the TSO shall, on each Gas Day, no later than 12:00 p.m. for the previous Gas Day, provide the Gas Producer, Distribution System Operator, Connected Transmission System Operator at Other Points, and end customer with data on the total determined quantity of Gas, separately for each Entry/Exit into/out of the System, and the quality of Gas.
			4. The Distribution System Operator is obliged to deliver to the TSO data on the quantity of Gas per User for each Exit which is also an Entry to the distribution system for each User on each Gas Day no later than 12:00 p.m. for the previous Gas Day for Handover Points on the distribution system with daily metering. For Handover Points on the distribution system with no daily metering, the quantity of Gas is equal to the estimated off-take for Gas Day D-1. The allocated quantity per User is equal to the sum of the daily metered quantities on Gas Day D and the estimated off-take for Gas Day D-1 for that User.
			5. At the Exit to the distribution system, the TSO shall provide information to the User and display the allocated daily quantities of Gas for Handover Points with daily metering and Handover Points with no daily metering for such User, if available.
			6. For Entries from Gas production and Exits to the end customer, the TSO shall allocate the quantities to the Users on each Gas Day for the previous Gas Day, applying the proportional allocation method. The allocated daily quantity of Gas to the User is determined proportionally to the quantities from the Confirmed Quantities for such Handover Point.
			7. The total allocated Gas quantities by Users at the Entry/Exit from the Initial Report on the Allocation of Daily Quantities are used to determine the User's initial daily imbalance quantity.
		1. Final Report on the Allocation of Daily Gas Quantities to the User
			1. The TSO shall deliver to each User the Final Report on the Allocation of Gas Quantities for the User's deliveries and off-takes at the Handover Points for the previous Gas Month.
			2. The Final Report on the Allocation of Daily Gas Quantities to the User shall contain:
* Handover Point (Entry/Exit);
* Gas Day;
* total daily quantity of Gas delivered/off-taken at that Entry/Exit expressed in kWh/day; and
* allocated daily quantity of Gas to that User at that Entry/Exit expressed in kWh/day.
	+ - 1. For Interconnection Points and Other Points where the System is connected to the Adjacent Operator's system, the TSO shall exchange data with the Adjacent Operator by the fourth day of the month for the previous Gas Month on the total determined quantity of Gas delivered/off-taken at the Interconnection Points and Other Points where the System is connected to the Adjacent Operator's system and data on the allocation of Gas quantities by Users.
			2. For the Handover Point to/from the natural gas storage facility, the TSO shall exchange data with the Storage Operator by the fourth day of the month for the previous Gas Month on the total determined quantity of Gas delivered/off-taken to/from the natural gas storage facility and data on the allocation of quantities by Users for the relevant Handover Point.
			3. For the Handover Point with the Gas Producer, the TSO shall exchange data with the Gas Producer on the determined total quantity of Gas delivered by the Gas Producer to the System at the Handover Point and data on the allocation of quantities by Users for the relevant Handover Points, no later than the third day of the month for the previous Gas Month.
			4. For Handover Points with the Distribution System Operator and the end customer, the TSO shall deliver to the Distribution System Operator and the end customer, no later than 12:00 p.m. on the second day after the end of the Gas Month, data on the total determined quantity of Gas and the quality of Gas separately for each Entry/Exit per Gas Day.
			5. The Distribution System Operator shall, no later than 04:00 p.m. on the fourth day of the month for the previous Gas month, submit to the TSO data on the allocation of quantities for each Gas Day by Users for each Exit that is also an Entry to the distribution system. When allocating the daily quantity of Gas by Users, the sum of the quantities of Gas distributed by the Distribution System Operator to all Users at a specific Handover Point is equal to the total daily quantity of Gas delivered/off-taken at that Handover Point.
			6. If the TSO does not have data on the allocation of quantities by Users for each Gas Day within the deadline specified in clause 15.8.7 of this Network Code, the TSO shall allocate the total daily quantities of Gas by Users in proportion to the Confirmed Quantities for that day.
			7. For Exits to the end customer, the TSO shall apply the proportional allocation method to the allocation of quantities by Users after the end of the Gas Month for each Gas Day for the previous Gas Month.
			8. Based on the information received, the TSO shall prepare and deliver to Users Final Reports on the Allocation of Daily Gas Quantities for each User at each Entry/Exit, no later than 04:00 p.m. on the fifth day after the end of the Gas Month.
			9. The total allocated Gas quantities by Users at the Entry/Exit from this final report shall be used to determine the User's daily imbalance quantities.
		1. Correction of daily Gas quantities per User
			1. Daily Gas quantities shall be corrected per User in the event of a subsequently established malfunction of the metering equipment or an incorrectly performed calculation of the Gas quantity.
			2. The User and the TSO have the right to request, within 30 (thirty) days after the end of the Gas Month, a correction of the allocated Gas quantity at a specific Entry/Exit for that Gas Month.
			3. The Gas quantity determined in accordance with Section 8.7.4 of this Network Code shall be allocated per Gas Days during the period when the metering was incorrect as prescribed in this Chapter.
			4. The daily quantity of Gas for each User for each Gas Day is determined as prescribed in Sections 15.7 and 15.8 of this Network Code.
			5. The TSO is obliged to prepare and deliver a report for the correction of the Gas quantities from the Final Report referred to in Section 15.8 of this Network Code to all Users at the Entry/Exit at which the Gas quantity was corrected.
			6. The Report on the correction of Gas quantities from the Final Report referred to in Section 15.8 of this Network Code shall contain:
* Entry/Exit to which the correction applies;
* Gas Day to which the correction applies;
* daily quantities to be corrected; and
* daily quantities to be corrected per Users.
	+ - 1. The TSO shall issue each User a new invoice for the gas transmission service and imbalance due to a change in the allocated daily quantity of Gas.
			2. Correction of the calculation on the distribution system does not cause a correction of the allocated daily quantities of Gas per Users on the System.
1. CHAPTER - GAS TRADING AT VTP
	* 1. General Provisions
			1. The TSO enables trading in Gas transmitted through the System between Users via the Operational Platform.
			2. The quantities of Gas that are the object of trade in accordance with this Chapter are considered to have been delivered/off-taken at the VTP.
		2. Trading on the Operational Platform
			1. Users have the right to buy or sell Gas transmitted through the System, and notify the TSO by sending a joint Notice of Trade, using the standardized TSO form, which contains, in particular, the following:
* user code of the selling User;
* user code of the purchasing User;
* Gas Day on which the Gas subject to the purchase and sale is transmitted; and
* the quantity of Gas for the Gas Day (or part of the Gas Day) in kWh, which is evenly distributed over the hours and expressed in kWh/h for each hour of the Gas Day (or part of the Gas Day).
	+ - 1. Both the Selling User and the Purchasing User shall independently complete and sign the Notice of Trade on the Operational Platform. Only a fully completed Notice of Trade may be signed by the User using an electronic signature.
			2. If the TSO receives Notices of Trade (a Gas Purchase Notice and a Gas Sale Notice) that match, and if the quantities from these Notices are equal, the TSO shall allocate the quantity from the Notice of Trade to the Users to which they relate:
* as a delivery, to the User who submitted the Notice of Trade for the purpose of selling Gas; and
* as an off-take, to the User who submitted the Notice of Trade for the purpose of purchasing Gas.
	+ - 1. If the quantities from the Notice referred to in Section 16.2.3 of this Network Code are not equal, the TSO shall reject both Notices of Trade.
			2. The Notice of Trade shall be deemed to have been submitted to the TSO only after the User signs the Notice of Trade.
			3. The Notice of Trade may be submitted no earlier than 15 (fifteen) business days before the date on which the Gas subject to the sale is transmitted and no later than the time specified for the submission of Nominations specified in Section 17.5 or renominations specified in Section 17.6 of this Network Code.
			4. The Notice of Trade that is in accordance with Sections 16.2.3 and 16.2.6 of this Network Code shall be accepted by the TSO as a Nomination, or re-nomination of the relevant Users, whereby the VTP shall be considered to be an Exit for the User selling Gas and an Entry for the User purchasing Gas.
			5. The quantities from the Notice of Trade shall be taken into account for the purposes of Section 17.2 of this Network Code and, if necessary, reduced in accordance with these Sections.
1. CHAPTER - NOMINATIONS AND RENOMINATIONS
	* 1. General Provisions
			1. By submitting Nominations and Renominations to the TSO, the User informs the TSO about the quantities of Gas they intend to transport using the Contracted Capacity.
			2. The User who submits a nomination for the use of the Contracted Capacity at the Entry and/or Exit in accordance with clause 17.1.1. hereof is obliged to also submit a nomination for the quantities of Gas they intend to deliver/off-take at Other Points where capacity is not contracted in line with clauses 11.3.2.3. and 11.6.7. of this Network Code.
			3. Each User shall submit separate Nominations for the Physical Flow, as well as for Commercial Reverse Flow, for each Entry and each Exit at which they have Contracted Capacity, for each Gas Day.
			4. The User is responsible for submitting the Nomination within the deadline and in accordance with this Chapter 17.
			5. The User and the TSO shall take the following actions:
* The User shall send a notification to the TSO with its Nominations/Renominations for Entry and Exit in accordance with Chapter 14 of this Network Code;
* The TSO shall verify the Gas quantities from the Nominations and match them with the AFO in accordance with Chapter 18 of this Network Code; and
* The TSO sends the User a notification of the Confirmed Quantities at Entry or Exit.
	+ 1. Equal Nominations Rule
			1. The User is responsible for ensuring that their Nominations are equal so that:
* the quantities from the Nomination for the Physical Flow at Entry are equal to the sum of the quantities of Gas sold by the User at the VTP and the quantities from the Nominations at Exit; or
* the sum of the quantities from the Nomination for the Physical Flow at Entry and the quantities purchased by the User purchased at the VTP is equal to the quantities from the Nomination at Exit; or
* the sum of the quantities from the Nominations for the Physical Flow at Entry and the quantities purchased by the User at the VTO is equal to the sum of the quantities of Gas sold by the User at the VTP and the quantities from the Nominations for the Physical Flow at Exit.
	+ - 1. Nominations for Commercial Reverse Capacity must be submitted with equal nominated quantities at Entry and Exit.
			2. Nominations at the Handover Point with natural gas storage must be equal on both sides of the Handover Point.
		1. Submission of Nominations
			1. The User submits Nominations using the standardized TSO form containing, in particular, the following data:
* identification of the Entry or Exit;
* direction of Gas transmission;
* user code;
* identification of the other party (user code issued by the Adjacent Operator to the other user in the relevant Pair of Users on the other side of the Entry or Exit);
* start and end times of Gas transmission for which the Nomination or Renomination is submitted;
* Gas Day to which the Nomination relates; and
* the quantity of Gas announced for transmission, for the Gas Day in kWh, which is evenly distributed over hours and expressed in kWh/h for each hour of the Gas Day.
	+ - 1. The responsibility of the User and the other user in the Pair of Users is to ensure that the nominations of that Pair of Users on both sides of the Entry or Exit are equal.
			2. The TSO may reject the Nomination in the following cases:
* if it does not contain all the prescribed elements from clause 17.3.1 of this Network Code;
* if it is submitted by an unauthorized person;
* if the acceptance of daily Nominations would result in a negative flow arising from the Nominations; or
* if it exceeds the Contracted Capacity of that User or the capacity from the connection act from Chapter 5 of this Network Code.
	+ - 1. The TSO may reject the Nomination for Commercial Reverse Capacity also in the event that the announced quantities in the Physical Flow for Entry or Exit are less than the Nomination for Commercial Reverse Capacity for that Gas Day.
		1. VTP Nominations
			1. A Notice of Trade sent to the TSO before the deadline set out in Section 17.5 of this Network Code shall be deemed to be a VTP Nomination of the User specified in such Notice of Trade.
			2. A Notice of Trade sent to the TSO after the deadline set out in Section 17.5 of this Network Code and in accordance with the deadline set out in Section 17.6.2 of this Network Code shall be deemed to be a VTP Renomination of the User specified in such Notice of Trade and shall only be considered if both Users specified in the Notice of Trade submit a renomination in the same renomination cycle.
			3. A Notice of Trade under clause 17.4.2 of this Network Code may be submitted even if a Notice of Trade under clause 17.4.1 of this Network Code has not been submitted. A Notice of Trade under clause 17.4.2 of this Network Code may be submitted even if one or both of the Users in such Notice of Trade have not submitted a Nomination.
			4. The traded quantities of each User listed in a Notice of Trade may not exceed the Contracted Capacity of that User and may not constitute a breach of the User’s renomination restrictions.
		2. Time schedule
			1. In a process of Nomination submission, the following time schedule applies:
* the User submits a Nomination to the TSO for a particular Gas Day at earliest fifteen (15) business days the before Gas Day to which the Nomination refers, and no later than 02.00 p.m. on the immediately preceding Gas Day;
* if the User has submitted a Nomination in respect of a particular Gas Day then, at any time before the Nomination deadline for that Gas Day, the User may submit a new Nomination to the TSO, which will override any previous Nominations for that Gas Day; and
* following the expiry of Nomination deadline for a particular Gas Day, the TSO performs the Matching Processes as specified in Chapter 18 of this Network Code using the last Nominations received from the User before the Nomination deadline, after which the TSO notifies the User of their Confirmed Quantities for Gas Day no later than 04.00 p.m. on preceding Gas Day.
	+ - 1. If the TSO does not receive a valid message with Nominations for an Entry or Exit for a particular Gas Day by the nomination deadline, the Nominated Quantities at that Entry or Exit for that Gas Day will be deemed to be zero (0).
			2. The User has the right to make Renomination in line with Section 17.6 of this Network Code. After verification of fulfilment of conditions from Section 17.6 of this Network Code and conducting of Matching Process in line with Chapter 18 of this Network Code, the TSO confirms quantities within two (2) hours of receipt of Renomination and commences provision of Gas Transmission Service not earlier than two (2) hours as of the end of renomination cycle.
			3. When the access to the Operational Platform is not possible from the reasons stated in clause of 14.1.9 this Network Code, the User will be entitled to use means of communication from clause 14.1.9, but in such case,
			the deadline for submission of Nominations and/or Renominations shall expire fifteen (15) minutes before the deadlines from clauses 17.5.1 and 17.6.2 of this Network Code.
		1. Renominations
			1. Renomination may be submitted by the User with the Contracted Capacity and a user from clause 17.1.2 of this Network Code.
			2. The User may submit Renomination after the deadline for the notification of their Confirmed Quantities (pursuant to indent 3 of clause 17.5.1. of this Network Code), and at latest three (3) hours before the end of the Gas Day. The TSO will run a renomination cycle each hour. Renominations submitted in a renomination cycle may not relate to hour which is less than two (2) hours after the end of relevant renomination cycle.
			3. The TSO shall notify the User of their revised Confirmed Quantities resulting from Renomination within two (2) hours from the end of the renomination cycle.
			4. The TSO may reject Renomination in the following cases:
* if it does not contain all the prescribed elements from clause 17.3.1 of this Network Code;
* if it is submitted by an unauthorized person;
* if the acceptance of daily Renominations would result in a negative flow arising from the Renominations; or
* if it exceeds the Contracted Capacity of that User or the capacity from the connection act from Chapter 5 of this Network Code.
* if it exceeds the Contracted (allocated) Capacity of the User for the remaining hours, unless such Renomination is submitted in order to request Interruptible Capacity if offered by the TSO; and
* if accepting the hourly Renomination would result in an expected change in Gas flow before the end of the renomination cycle.
	+ 1. Over-Nominations
			1. If the Firm Capacity is fully contracted at the relevant Entry or Exit for Gas Day and Nomination are less than Total Contracted Capacity on such Entry or Exit, the User has the right during Gas Day to submit Over-Nomination for that Entry or Exit which exceeds the sum of their Contracted Capacity. In the Matching Process in line with Chapter 18 of this Network Code, the TSO determines Confirmed Quantities against the Over-Nomination. Accordingly, it shall be deemed that Intra-Day Interruptible Capacity is contracted in the quantity equal to Confirmed Quantities and Notice of Confirmed Quantity issued by the TSO shall represent an annex to the Gas Transmission Agreement.
			2. The User may use Intra-Day Interruptible Capacity at Entry or Exit through Over-Nominations on interruptible basis if the User receives confirmation from the TSO, at earlier two (2) hours after the end of renomination cycle in which Over-Nomination is submitted.
1. CHAPTER - MATCHING
	* 1. Initiation of the Matching Process
			1. After the expiry of Nomination deadline and at the end of each renomination cycle, the TSO and each AFO will initiate the Matching Process in respect of each relevant Handover Point, in order to determine Confirmed Quantities of each User which submitted Nomination or Renomination.
		2. Verification of Nominated Quantities for the Matching Process
			1. The User is responsible for submitting Nominations that do not exceed their Contracted Capacity and Renominations that comply with the Renomination Limitations. As part of the Matching Processes, the TSO will first ensure that the Nominated Quantities are consistent with these amounts, rejecting through the Operational Platform Nominations that exceed Contracted Capacity and Renominations not complying with Renomination Limitations, whereby last valid Nomination or Renomination shall be taken into account. For this purpose, the Contracted Capacity for all Standard Capacity Products in the Physical Flow Direction, as well in Commercial Reverse Flow, shall be treated on an aggregate basis at each Handover Point.
			2. If the conditions for Over-Nominations from Section 17.7 of this Network Code are fulfilled, Over-Nominations will be allowed. In such case, the TSO accepts quantities of Natural Gas in Over-Nomination that are greater than the Contracted Capacity as the Nominated Quantities at the relevant Handover Point.
		3. Matching
			1. During the Matching Process at an Handover Point, the TSO and the AFO verify that:
* the identity of the User and other user in each Pair of Users as contained in a Nomination corresponds to the identity of the users in Pair of Users notified to the AFO; and
* the Nominated Quantities of each user in the Pair of Users are equal.
	+ - 1. The Matching Process will result in Confirmed Quantities for each User in Pair of Users at each Handover Point if:
* the identity of Pair of Users is the same and the nominated quantities are equal, then there is a "match" and the Confirmed Quantities will be equal to the Nominated Quantity;
* the identity of Pair of Users is the same, but the nominated quantities are not equal, then there is a "mismatch" and nominated quantities of Pair of Users shall be decreased to the lower nominated value and such decreased quantities shall be Confirmed Quantities; and
* the identity of Pair of Users is not the same, then there is a "mismatch" and the Confirmed Quantities will be zero (0).
	+ - 1. The TSO shall send a Notice of Confirmed Quantity to the User with a Confirmed Quantity at an Handover Point following the end of the Matching Process at that Handover Point. If the User has submitted a Notice of Trade, the Notice of Confirmed Quantity shall state specifically the quantity of Natural Gas which is deemed as Confirmed Quantity at VTP.
		1. Minimum Flow Rate
			1. If the aggregate of the Confirmed Quantities at a particular Handover Point resulted in an hourly flow in the Physical Flow Direction below the Minimum Flow Rate at that Handover Point, the TSO should use their reasonable endeavours to coordinate with the AFO, subject to the technical limitations of the System and the relevant AFO Agreements, to provide the Gas Transmission Services at that Handover Point and thus ensure flow on interruptible basis during the Gas Day.
			2. If it is not possible for either the System or the transmission system of Adjacent Operator, or both, to enable accurately measurement and/or take over or deliver Natural Gas based on a modified flow on interruptible basis, the TSO shall interrupt any Commercial Reverse Capacity at the relevant Handover Point. If this is still insufficient to maintain the Minimum Flow Rate, the TSO will notify the Users with Contracted Capacity at that Handover Point that they cannot provide Gas Transmission Services due to the fact that the flow is below the Minimum Flow Rate and may reduce the flow at the relevant Handover Point to zero (0).
			3. If the TSO interrupts Commercial Reverse Capacity or is required to bring the flow rate down to zero (0), the TSO shall revise the Confirmed Quantities and notify the User of their revised Confirmed Quantities at the affected Handover Point and other Handover Points on which the TSO is required to reduce Confirmed Quantities to ensure that the Confirmed Quantities are equal, as described in Section 17.2 of this Network Code.
1. CHAPTER – SYSTEM BALANCING
	* 1. General Provisions
			1. System balancing is the activity of continuous monitoring, control and adjustment of the Gas flow in the transmission system to ensure balance in the quantities of Gas at the Entry and/or Exit and stable pressure in the System, avoid instabilities and ensure reliable delivery of Gas to Users.
			2. The balancing zone includes all Entries and all Exits from the transmission systems, including the VTP.
			3. The TSO carries out System balancing at the Gas Day level in accordance with the regulation governing the network code on balancing the natural gas transmission system.
			4. The TSO is obliged to balance the System at the Gas Day level with the aim of maintaining the System within its operational limits.
			5. The TSO determines the operational limits of the System taking into account the technical characteristics and physical limitations of the System based on pressure and energy quantity and publishes their value on TSO website.
			6. In the event of a change in the operational limits of the System, the TSO will publish the new limit amounts on the website and notify the AERS of such change at least 24 hours before the start of the Gas Day to which the change applies.
			7. The User is obliged to ensure that for each Gas Day the quantities of Gas delivered at the Entry are equal to the quantities of Gas received at the Exit in order for the TSO to undertake as few balancing activities as possible.
			8. If the TSO assesses that the total deviation at the end of the Gas Day D is such that it will result in a drop/increase in pressure beyond the planned operational limits, the TSO shall use balancing services as a temporary measure and alternative to the balancing platform in accordance with the regulation governing the network code on balancing the natural gas transmission system subject to the consent of the AERS to the annual report submitted by the TSO to the AERS.
			9. By using balancing services, the TSO ensures stability and efficiency of operation, based on the principles of transparency and non-discrimination among Users, taking into account the economic and efficient control of the System.
		2. Providing information for balancing
			1. The TSO publishes the estimated total deviation of Gas quantities between Entry and Exit on the website every hour during Gas Day D, from 09:30 a.m. to 10:30 p.m.
		3. Balancing services
			1. Balancing service is a service of selling Gas to the TSO, or purchasing Gas by the TSO on the basis of an agreement, which does not represent a short-term standard product in the sense of the regulation governing the network code on balancing the natural gas transmission system, in the event that the TSO has to purchase or sell Gas in order to balance the System.
			2. The balancing services are procured in a procedure compliant with the regulation governing public procurement in order to ensure transparency and non-discrimination.
			3. The Balancing Services Agreement is signed for a maximum period of one year.
		4. Determining the daily imbalance
			1. The difference between the quantity of Gas delivered by the User at the Entry and the quantity taken by the User at the Exit on Gas Day D is called daily imbalance.
			2. The quantities for the daily imbalance are:
* Initial daily imbalance quantities (DIMQinit); and
* Final daily imbalance quantities (DIMQfin); and
	+ - 1. The TSO calculates the Initial Daily Imbalance Quantity for the User by subtracting the User's Initial Exits from the User's Initial Entries, for each Gas Day (in kWh) according to the formula:

DIMQinit = Eninit – Exinit

Eninit= ∑EnAQinit + ∑Sfs+ ∑TBGDpur

where:

Eninit - Allocated quantities at the Entries;

∑EnAQinit - sum of initial Allocated quantities at the Entry;

∑Sfs - sum of the quantities of Gas sold by the TSO from the System to cover the daily imbalance, for Gas Day D, and purchased from the TSO by the User who has a Balancing Services Agreement entered into with the TSO;

∑TBGDpur - sum of the quantities of Gas purchased by the User at the VTP before Gas Day D for Gas Day D;

Exinit= ∑ExAQinit + ∑Pfs+ ∑TBGDsold

Exinit - Allocated quantities at the Exits;

∑ExAQinit - sum of initial Allocated quantities at the Exit;

∑Pfs - sum of the quantities of Gas purchased by the TSO for the System to cover the daily imbalance, and sold to the TSO by the User who has a Balancing Services Agreement entered into with the TSO;

∑TBGDsold - sum of the quantities of Gas sold by the User at the VTP before Gas Day D for Gas Day D or delivered to the TSO as Gas for own consumption;

* + - 1. At the end of the Gas Month, the TSO calculates the Final Daily Imbalance Quantity for each User by subtracting the Final Exits from their Final Entries for each Gas Day (in kWh) according to the formula:

DIMQfin = Enfin – Exfin

where:

Enfin - Final Entries;

Exfin - Final Exits;

* + - 1. The TSO shall notify the User of their daily imbalance quantity for each Gas Day as follows:
* The TSO shall deliver to each User, no later than 01:00 p.m. on Gas Day D+1, the initial allocated quantity for their deliveries and off-takes on Gas Day D and the initial daily imbalance quantity; and
* for the Final Daily Imbalance Quantities no later than 04:00 p.m. on the seventh business day following the end of the Gas Month.
	+ - 1. The imbalance for the Full Return Flow for Gas Day D and for the User shall be equal to zero (0).
		1. Price and Daily Imbalance Fee
			1. The price at which the TSO purchases or sells Gas for balancing purposes is used to calculate the daily imbalance fee and is applied to the quantities of the Final Daily Imbalance, depending on whether it is negative or positive.
			2. The price of Balancing Gas can be SGP and PGP and is published for each Gas Day.
			3. SGP is the price at which the TSO sells Gas for balancing purposes for Gas Day D based on the Balancing Services Agreement from Section 19.3 of this Network Code.
			4. PGP is the price at which the TSO purchases Gas for balancing purposes for Gas Day D based on the Balancing Services Agreement from Section 19.3 of this Network Code.
			5. When the User has a negative Final Daily Imbalance Amount, the TSO calculates the amount that the User owes to the TSO for that Gas Day for the daily imbalance amounts at PGP.
			6. When the User has a positive Final Daily Imbalance Amount, the TSO calculates the amount they owe to the User for that Gas Day for the daily imbalance amounts at SGP.
			7. The TSO performs a monthly calculation of the Daily Imbalance Fee equal to the sum of the Final Daily Imbalances in that period, separately showing the quantities and prices of Gas for the daily imbalance.
			8. Based on the monthly calculation, the TSO issues an invoice to the User for the Gas Days when the User had a Final Negative Daily Imbalance. For the days when the User had a Final Positive Daily Imbalance, the User issues an invoice to the TSO according to Chapter 10 of this Network Code.
		2. Calculation of the Balancing Neutrality Fee
			1. The TSO shall not be in profit or loss due to the payment or receipt of daily imbalance fees, balancing activity fees and other fees related to balancing activities.
			2. The Neutrality Fee is the fee paid by Users to the TSO if the TSO has incurred a loss based on the System Balancing Activity or paid by the TSO to Users if the TSO has incurred a profit based on the System Balancing Activity.
			3. The calculation of the Balancing Neutrality Fee includes:
* revenues and expenses arising from the purchase/sale of Gas under the Balancing Services Agreement;
* revenues and expenses arising from the User's imbalance; and
* the change in linepack resulting from balancing.
	+ - 1. The Balancing Neutrality Fee is calculated monthly, separately for each User who was in imbalance in Gas Month M-1 (except for Users who use the System exclusively for transit purposes) by applying the following formula:
1. $НН=\frac{(П-И+ПЛП)}{К}\*КК$
2. where:
3. NF - neutrality fee, expressed in RSD to two decimal places;
4. R - revenues from clause 19.6.3 of this Network Code expressed in RSD to two decimal places;
5. E - expenses from clause 19.6.3 of this Network Code expressed in RSD to two decimal places;
6. Q - total transported quantities of all Users who were in imbalance in Gas Month M-1 in kWh;
7. UQ - transported quantity for the User to whom the Neutrality Fee is calculated in Gas Month M-1 in kWh;
8. LPC - change in line pack in Gas Month M-1 in kWh based on balancing calculations at the average line pack price on the last day of the month; expressed in RSD to two decimal places.
	* + 1. The Neutrality Fee can be:
* positive (greater than zero; (R-E+LPC) is greater than 0) – in this case, the Balancing Neutrality Fee is paid to the User; or
* negative (less than zero; (R-E+LPC) is less than 0) – in this case, the Balancing Neutrality Fee is charged to the User.
	+ - 1. The TSO publishes the total amount of the Neutrality Fee for Gas Month M-1 no later than the end of Gas Month M.
			2. The TSO notifies each User via the Operational Platform of the amount of the Neutrality Fee charged to the User (if negative), or the amount the User charges to the TSO (if positive) as the Balancing Neutrality Fee for each Gas Month.
1. CHAPTER – CAPACITY RESTRICTION AND TERMINATION
	* 1. General Provisions
			1. The TSO is entitled to restrict or terminate the use of the Contracted Capacity in cases prescribed by the Law and regulations governing the conditions of delivery and supply of natural gas, which include, in particular, deviations from the prescribed Gas quality, pressure, temperature, Gas flow profile, renominations to multiple Users who have contracted Firm Capacity, Maintenance, upstream or downstream restrictions and capacity control based on congestion management procedures ("**Restriction/Interruption**").
			2. When the TSO restricts or terminates the User's Contracted Interruptible Capacity at the Entry and/or Exit, except in the case of rejection of the Nomination of the User whose Gas does not meet the prescribed quality in compliance with Section 6.3 of this Network Code, then, for each day when the restriction or interruption occurs, the amount of the Transmission Fee payable by the User for that day will be reduced in line with the regulation governing the network code on harmonized natural gas tariffs and the methodology governing the determination of the price of access to the transmission system. Such reduction is made for the difference between the Contracted Capacity and the quantity of capacity from the Notice of Capacity Restriction if the TSO sent the Notice of Capacity Restriction before the Nominations deadline or for the difference between the quantity of Gas from the Nomination and the quantity of capacity from the Notice of Capacity Restriction if the TSO sent the Notice of Capacity Restriction after the Nominations deadline during the day of non-performance of transmission in relation to the Contracted Capacity.
			3. When the TSO restricts or terminates the User's Contracted Firm Capacity at the Entry and/or Exit, except for reasons of Regular Maintenance or rejection of the User's Nomination in the case of Gas that does not meet the prescribed quality in accordance with Section 6.3 of this Network Code, the amount of the Transmission Fee payable by the User for that day shall be reduced in accordance with the methodology governing the determination of the price of access to the transmission system.
		2. Sequence of restriction/termination of the provision of the Gas Transmission Services
			1. In cases from clause 20.1.1 of this Network Code, the TSO restricts/terminates the provision of the Gas Transmission Services at each relevant Handover Point, in the following order:
* first, Intra-Day Interruptible Capacity, then Interruptible Daily Capacity, on a pro-rata basis to the extent necessary to allow the TSO to provide the Firm Capacity and Commercial Reverse Capacity;
* second, Firm Capacity, only if all Interruptible Capacity has been terminated, in line with clause 20.2.2 of this Network Code, to the extent necessary to allow the TSO to provide the Firm Capacity and Commercial Reverse Capacity with a longer duration (if applicable);
* third, Commercial Reverse Capacity, only if the restriction of capacity has caused that the Physical Flow is lesser than the Minimum Flow Rate at the relevant Handover Point.
	+ - 1. Firm Capacity from indent 2 of clause 20.2.1. of this Network Code and Commercial Reverse Capacity from indent 3 of clause 20.2.1. of this Network Code shall be restricted/suspended in the following order:
* first, Firm Daily Capacity and Commercial Reverse Daily Capacity, on a pro-rata basis to the extent necessary to allow the TSO to provide the Firm Capacity and Commercial Reverse Capacity with a longer duration;
* second, Firm Monthly Capacity and Commercial Reverse Monthly Capacity, on a pro-rata basis, to the extent necessary to allow the TSO to provide the Firm Capacity and Commercial Reverse Capacity with a longer duration;
* third, Firm Quarterly Capacity and Commercial Reverse Quarterly Capacity, on a pro-rata basis, to the extent necessary to allow the TSO to provide the Firm Capacity and Commercial Reverse Capacity with a longer duration;
* fourth, Firm Yearly Capacity and Commercial Reverse Yearly Capacity, on a pro-rata basis, to the extent necessary to allow the provision of the Gas Transmission Services
	+ - 1. Notwithstanding the sequence set out in this Section20.2, any User is entitled, upon receipt of the Notice of Capacity Restriction/Termination, to send the Nominations/Renominations with Nominated Quantities that are lower than the quantity the TSO is able to make available to such User. In such case, the TSO shall distribute between other relevant Users, on a pro-rata basis, the difference between the quantity the TSO is able to make available to such User and the Nominated Quantities of such User. If such User is entitled to the reduction of the Transmission Fee, they will be entitled for the whole difference between Contracted Capacity and quantity of Gas from Nomination if the TSO has sent the Notice of Capacity
			Restriction/Termination prior to the deadline for submission of Nominations, or between quantity of Gas from Nomination and quantity of Gas from Renomination if the TSO has sent the Notice of Capacity
			Restriction/Termination after the deadline for submission of Nominations.
		1. Notification
			1. The TSO is obliged to send a Notice of Gas Transmission Service Restriction/Termination to all affected Users as soon as they become aware of the event from clause 20.1.1 of this Network Code, and in any case they must use Reasonable Efforts (taking into account relevant circumstances) to give such notice at least forty five (45) minutes prior to occurrence of the restriction/suspension of Gas Transmission Service.
			2. The notice from clause 20.3.1 of this Network Code shall contain details of the event due to which restriction/termination of Gas Transmission Service is necessary, the quantity of capacity at the relevant Handover Point that the TSO is able to make available to affected Users during such event and estimation of the TSO on duration of restriction/termination.
			3. If the TSO has previously sent to the affected Users the Notice of Confirmed Quantity for a Gas Day to which any of the notices from this clause relate, the TSO is obliged to send to the affected Users a new Notice of Confirmed Quantity with revised Confirmed Quantities at relevant Handover Point.
		2. Temporary Disconnection from the System and Suspension of Delivery at the Request of the User
			1. The Adjacent Operator, Gas Producer and End Customer connected to the System may request from the TSO temporary disconnection from the System in order to carry out planned maintenance, reconstruction or development works on the Adjacent Facility.
			2. The request for temporary disconnection from the System shall be submitted to the TSO in writing, at least 4 (four) business days before the requested interruption date, and the TSO shall simultaneously notify the Users affected by such interruption.
			3. Temporary disconnection from the System is considered a non-standard service.
			4. The TSO is not responsible for possible damage and consequences that the Adjacent Operator, Gas Producer and End Customer connected to the System requesting temporary disconnection from the System may have due to the interruption of Gas Transmission Services based on the request from clause 20.4.2 of this Network Code.
			5. The User may, due to the failure to fulfil the contractual obligations of the end customer connected to the System, request from the TSO to suspend Gas delivery at the connection where the User is the only User, in accordance with the regulation governing the terms and conditions of delivery and supply of natural gas.
			6. At an Exit where two or more Users use the Gas Transmission Services, it is possible to suspend delivery to the end customer with the consent of all Users who have Contracted Capacity at that Exit.
			7. If the TSO reasonably suspects that the end customer has intentionally damaged the metering device and in other cases when they identify unauthorized consumption of Gas or that the end customer has connected their facility to the System without authorization or is otherwise using Gas without authorization, i.e., preventing accurate measurement of the delivered Gas, the TSO is obliged to disconnect such facility from the System.
			8. In the case referred to in clause 20.4.7 of this Network Code, the TSO has the right to assess the Gas consumption in accordance with this Network Code and charge the User for the quantity of Gas that has been used without authorization at the price determined in accordance with the regulation governing the terms and conditions of delivery and supply of natural gas.
1. CHAPTER - CONTROL IN THE EVENT OF SYSTEM DISRUPTION
	* 1. Introduction
			1. The TSO shall take measures in accordance with the regulations in the event of:
* disruptions in the System operation; and
* market disruptions.
	+ - 1. A System disruption is a short-term disruption of Gas supply due to breakdowns and other unforeseen situations that endanger the security of the System operation, as set out in the regulation governing the terms and conditions of delivery and supply of natural gas for a period of 48 hours.
			2. A market disruption is a disruption when the security of supply of end customers or the System operation is endangered due to insufficient supply on the Gas market or the occurrence of a general shortage of Gas.
		1. System operation disruption
			1. In the event of short-term disruptions in the System operation, the TSO shall decide on the implementation of measures determining the method of use of the remaining capacities depending on the location and duration of the disruption, by:
* redirecting the transmission of Gas to gas pipelines not affected by the disruption to ensure supply to end customers;
* making maximum use of Gas from the linepack;
* requiring end customers, who have such option, to replace Gas with another energy source;
* implementing the measures determined in the Gas delivery restriction plan if not all of the previously mentioned measures can be implemented or if, despite their implementation, delivery cannot be ensured due to the disruption to the System;
* 21.2.1.5. suspending the delivery of Gas.
	+ - 1. The TSO shall immediately notify the User and the Adjacent Operators and the Gas Storage Operator of the situation and the measures taken.
			2. Exceptionally, the TSO may, without prior notice, restrict or interrupt the delivery of Gas in the event of System malfunctions, breakdowns and overload and other unforeseen cases if the interruption does not last longer than 2 (two) hours. In the event of force majeure and other unforeseen cases, the TSO may suspend or interrupt the delivery for a period longer than 2 (two) hours, in which case, they shall notify the User, the Adjacent Operators and the Gas Storage Operator of the reasons and duration of the measures taken as soon as possible.
			3. The TSO may restrict/interrupt the Gas Transmission Services to an individual User if the User does not change the Nomination in accordance with the TSO's request, when the security of the System's operation is threatened.
			4. The TSO shall keep records of all restrictions and interruptions in the delivery of Gas resulting from disruptions in the System's operation and their duration.
			5. If the interruption of Gas supply due to a disruption lasts longer than 2 hours, the TSO shall notify the ministry responsible for energy affairs of the measures taken, the number of end customers whose Gas supply was interrupted and the duration of the interruption of supply, no later than 72 hours after the start of the disruption.
			6. The TSO shall include in the total number of days planned for regular maintenance and expansion of the System the duration of all interruptions and restrictions in Gas supply that occurred due to disruptions in the System operation, including unforeseen maintenance work on gas pipeline facilities.
		1. Market Disruption
			1. In the event that the security of supply to end customers is threatened due to a general shortage of Gas and other extraordinary circumstances that, due to insufficient supply on the Gas market, cause a drop in pressure in the System and endanger the operation of the System, the TSO shall take measures specified in the Gas supply restriction plan, by following the sequence of supply restrictions determined in accordance with the Government acts adopted in line with the Law.
			2. Should the User refuse to implement the Gas supply restriction plan, the TSO shall restrict or interrupt the Gas supply to the User.
			3. The TSO shall promptly inform the Users and the competent authorities of planned and expected disruptions and interruptions in the supply of Gas, except in cases where immediate measures are necessary for the safe and uninterrupted operation of part or all of the System.
1. CHAPTER - DATA PUBLICATION
	* 1. General Data Publication Provisions
			1. The TSO publishes on their website data regarding:
* technical information required by Users to access the System;
* information to be published for all Handover Points and the time schedule for publishing such information;
* information about the System and the time schedule for publishing such information;
* information published by the TSO in accordance with the regulation governing harmonized natural gas tariffs;
* information published by the TSO in accordance with this Network Code; and
* information on the costs, frequency and scope of balancing activities undertaken in the previous year, data relating to total Daily Imbalance Fees and total Balancing Neutrality Fees according to the same schedule as those fees are invoiced to Users at least once a month.
	+ - 1. The TSO shall publish the data from this Chapter so that all interested parties can access them on a non-discriminatory basis without paying a fee, without the obligation to register or sign up with the TSO and with an option to download the data in electronic format.
			2. If the provision of information requires extraordinary or excessive costs, such as feasibility studies, the TSO shall have the right to charge such costs to the User or the person requesting the provision of such information from the TSO if they can justify the costs.
			3. The TSO shall publish the data in Serbian and English.
		1. Technical information required by Users to access the System
			1. The TSO publishes the following information about the System and the services they provide in a format that allows for data download and quantitative analysis:
* a detailed description of the Standard Capacity Products offered;
* Reserve Prices for Standard Capacity Products;
* this Network Code, including:

the Gas Transmission Agreement;

Gas quality information including at least the gross calorific value and Wobbe index (the TSO publishes at least once every hour during the Gas Day the gross calorific value and Wobbe index for Gas entering the System at the Interconnection Points);

procedures in the event of delivery of Gas of inadequate quality;

information on the required pressures at the Handover Points;

procedures in the event of an Interruption, as well as the time, scope and sequence of Interruption;

* harmonized procedures applicable to the use of the System, including the definition of key terms;
* capacity allocation rules;
* congestion management rules and anti-accumulation and anti-reuse procedures;
* rules for secondary capacity trading;
* balancing rules and calculation of the Imbalance Fee;
* descriptions of the System and the Handover Points and the names of the Adjacent Operators or Adjacent Facilities;
* rules for connection to the System;
* information in the event of a System Operation Disruption;
* procedures agreed with the Adjacent Operator at the Interconnection Points, relevant for the access of Users to those transmission systems, relating to interoperability, nomination and matching procedures and other agreed procedures defining the rules for the allocation of quantities and balancing; and
* methodologies for calculating the Technical Capacity.
	+ - 1. The information from Section 22.2.1 of this Network Code shall be published for the following Handover Points:
* all Entries and Exits, except for Exits to which only one end customer is connected and Entries to which only one Gas Producer's production facilities are connected;
* Entries and Exits connecting balancing zones;
* Handover Points between the System and LNG terminals, gas hubs, natural gas storage facilities and production facilities, unless production facilities are exempted in accordance with indent 1 of this clause; and
* Handover Points connecting the System to the infrastructure for providing ancillary services.
	+ - 1. Information on individual end customers and production facilities referred to in indent 1 of this clause shall be published collectively for the balancing zone.
		1. Information published by the TSO for the Handover Points and the time schedule for publishing such information
			1. The TSO shall publish on their website the following information for the Handover Points referred to in clause 22.2.2 of this Network Code on a daily or hourly basis, where necessary:
* maximum Technical Capacity for flow in both directions;
* total contracted Firm and Interruptible capacity in both directions;
* Nominations and Renominations in both directions;
* Firm and Interruptible Available Capacity in both directions;
* actual Physical Flow of Gas;
* planned and actual Interruption;
* planned and unplanned interruptions of Firm Capacity and information on the re-establishment of Firm Capacity (in particular, System maintenance and the likely duration of any interruption due to maintenance). Planned interruptions shall be published at least 42 (forty-two) days in advance;
* the existence of requests for access to the System or offers for Firm Standard Capacity Products for a period of a month or longer, to which capacity has not been allocated, including the number and quantities of such requests for access to the System or offers;
* at which Interconnection Points and when are Firm Standard Capacity Products of a month or more contracted at an Auction Price higher than the Reserve Price;
* at which Handover Points and for which periods are Firm Standard Capacity Products of a month or more not offered for allocation in accordance with Chapter 11 of this Network Code;
* total capacity made available through the application of congestion management procedures from Chapter 13 of this Network Code.
	+ - 1. The information referred to in clause 22.3.1 , indents 1, 2 and 4 of this Network Code shall be published for a period of at least 24 (twenty-four) months in advance.
			2. The TSO shall publish historical data referred to in clause 22.3.1 , indents 1-7 of this Network Code for the last 5 (five) years.
			3. The TSO shall publish daily the measured values of the gross calorific value and the Wobbe index for all Handover Points referred to in clause 22.2.2 of this Network Code. The preliminary values referred to in this clause shall be published no later than 3 (three) business days after the relevant Gas Day. The final data shall be published within 3 (three) business days after the end of the relevant month.
			4. The TSO shall publish available, contracted and technical capacities on an annual basis for the next 10 (ten) years. The information shall be updated at least monthly.
			5. The TSO shall provide Users, End Customers and the Distribution System Operator with access to data on the Operational Platform about the metered volume flow of Gas, on a daily and hourly basis. The Users shall have access to metering data only at the Handover Points at which they have contracted Standard Capacity Products. End Customers and the Distribution System Operator shall have access to metering data only at the Handover Points at which they are connected to the System.
		1. Information published by the TSO about the System and the time schedule of its publication
			1. The TSO shall publish on a daily basis the total quantity of capacity offered and contracted through secondary capacity trading. The information shall contain the following data:
* Interconnection Point at which the capacity was sold;
* type of capacity, whether it is entry or exit, Firm or Interruptible;
* quantity and time period of capacity sold;
* type of sale, i.e., whether it is Release for Use or Assignment;
* total number of trades; and
* other information from clauses 22.3.1 to 22.3.5 of this Network Code known to the TSO.
	+ - 1. The TSO publishes the conditions under which they give consent to secondary capacity trading, i.e., the description of the Standard Capacity Products that can be sold on the secondary market, the time for the implementation of secondary capacity trading and the seller notification of the name of the seller and the buyer and the data regarding the capacity from clause 22.4.1. indent 1 of this Network Code.
			2. The TSO delivers to each User the Imbalance Quantities and the amount of the Imbalance Fee for each billing period.
			3. The TSO shall publish the quantity of Gas in the System at the beginning of each Gas Day and an estimate of the quantities of Gas at the end of the Gas Day. The estimated quantity of Gas at the end of the Gas Day shall be updated every hour during the Gas Day.
			4. At least 30 days before the annual auction for yearly capacities, the TSO shall provide a calculator for calculating the transmission costs based on the Reserve Prices to be used at the auctions, including the publication of multipliers and seasonal factors determined according to the methodology for determining the prices of access to the natural gas transmission system.
		1. Information published by the TSO in line with the regulation governing harmonized natural gas tariffs
			1. The TSO shall publish at least 30 days before the annual auction for yearly capacity an assessment of the probability of Interruption, including:
* a list of all types of offered Standard Capacity Products for interruptible capacity with the probabilities of Interruption and the applied discount level;
* an explanation of how the probability of Interruption was calculated for each type of Standard Capacity Product referred to in indent 1 of this clause;
* data from the previous period and/or expected data used to assess the probability of Interruption referred to in this clause.
	+ - 1. Before the start of each regulatory period, the TSO shall publish the data and information prescribed by the regulation governing the network code on harmonized natural gas tariffs on their website for the Handover Points.
		1. Information published by the TSO in line with this Network Code
			1. The TSO shall publish on their website the following information in line with this Network Code:
* the System scheme in compliance with clause 2.2 of this Network Code;
* the Ten-Year Plan in compliance with clause 4.1.11 of this Network Code;
* the Invitation to submit non-binding requests for the use of additional capacities according to clause 4.2.2 of this Network Code;
* Report on the assessment of market interest for additional capacities according to clause 4.2.3 of this Network Code;
* Additional capacities project and model access agreement according to clause 4.2.8 of this Network Code;
* Form of request for an opinion according to clause 5.1.2 of this Network Code;
* Form of request for an approval according to clause 5.1.6 of this Network Code;
* Requirements regarding the quality, chemical composition and other properties of Gas according to clause 6.2.1 of this Network Code;
* Maintenance Program according to clause 7.1.8 of this Network Code;
* System Sampling Schedule Program according to clause 8.9.1.7 of this Network Code;
* Gas Transmission Agreement Model according to clause 9.2.1 of this Network Code;
* Application Form for the Entry Into a Gas Transmission Agreement and Email Address for Submitting an Application for the Entry Into a Gas Transmission Agreement according to clause 9.2.4 of this Network Code;
* Indicative Text of the Bank Guarantee according to clause 10.2.5 of this Network Code;
* Bank Account for Deposit according to clause 10.2.6 of this Network Code;
* Tariffs for Contracting Standard Capacity Products according to clause 10.3.3 of this Network Code;
* Data on aggregated output from the System to the distribution system according to clause 11.8.3 of this Network Code;
* Set of standardized messages according to clause 14.1.2 of this Network Code;
* Instructions for the use of the Operational Platform according to clause 14.1.3 of this Network Code;
* E-mail addresses for communication according to clause 14.1.9 of this Network Code;
* Operational limits of the System according to clause 19.1.5 of this Network Code;
* Changes to the operational limits of the System according to clause 19.1.6 of this Network Code;
* Estimated total deviation according to clause 19.2.1 of this Network Code;
* Public invitation and result of the public invitation for the procurement of balancing services according to Section 19.3 of this Network Code;
* Application form for membership in the Commission according to clause 24.1.8 of this Network Code;
* List of persons registered for the Commission according to clause 24.1.10 of this Network Code;
* List of members of the first Commission according to clause 24.1.15 of this Network Code;
* Proposal for amendment of this Network Code according to clause 24.2.7 of this Network Code;
* Draft amendment of this Network Code according to clause 24.2.11 of this Network Code;
* The final proposal for amendments of this Network Code to which the AERS has given consent according to clause 24.2.15 of this Network Code;
* information on the initiation of public consultations, in cooperation with the Adjacent Operator, with Users in the event of amendments of the existing and entry into new Operating Regime Agreements with the proposal for an Operating Regime Agreement. The public consultations shall last at least two months and the TSO and the Adjacent Operator shall take into account the comments of the Users when entering into, or amending, the Operating Regime Agreement; and
* information contained in the Operating Regime Agreements that directly affect Users, including the rules on flow control, the principle of metering the quantities and quality of Gas, the rules for the Matching Process, the rules for the distribution of Gas quantities.
1. CHAPTER - DISPUTE RESOLUTION PROCEDURE
	* 1. Amicable dispute resolution and Expert designation
			1. If a dispute arises between the TSO and the User in the performance of the Gas Transmission Agreement, the TSO and the User shall endeavour to resolve the dispute amicably.
			2. The TSO and the User may agree to engage an authorized institution, an accredited laboratory, or a subject matter expert to resolve specific disputed issues from the Gas Transmission Agreement ("**Expert**").
			3. The TSO and the User shall agree to designate the Expert, their job description and the deadline within which the Expert is expected to propose a solution to the disputed issue. The TSO and the User shall provide the Expert with all information at their disposal and which they may obtain if requested by the Expert for dispute resolution purposes.
			4. The Expert acts as an independent expert, not as an arbitrator.
			5. The Expert shall provide the parties to the dispute with a decision on the disputed issue, including an explanation.
			6. If the TSO and the User confirm in writing that they agree with the Expert's proposal, a decision on the disputed issue shall be deemed to have been made and shall be final and binding upon these parties.
			7. If the TSO and/or the User do not accept the Expert's decision or if they have failed to agree on the person to be engaged as the Expert, the disputed issue shall be resolved according to clause 23.2.1 of this Network Code.
			8. The costs related to engaging the Expert, as well as all related taxes, fees and duties that arise in connection with resolving the disputed issue, shall be borne by the TSO and the User in the proportions determined by the Expert.
		2. Dispute Resolution by Court
			1. Any dispute initially referred to the Expert for resolution according to clause 23.1.2 of this Network Code, as well as other disputes arising during the performance of the Gas Transmission Agreement, shall be resolved before the competent court of Novi Sad.
2. CHAPTER - OTHER MATTERS
	* 1. Commission for Monitoring the Implementation of the Network Code
			1. In order to monitor the implementation of this Network Code and ensure transparency and non-discriminatory treatment of Users, the TSO shall establish the Commission for Monitoring the Implementation of the Gas Transmission System Network Code (the “**Commission**”) as an advisory body.
			2. The Commission shall monitor the implementation of this Network Code on the basis of the information received and the observed circumstances arising during their implementation, and shall consider initiatives for amending this Network Code, and inform the TSO of such initiatives according to clause 24.2.5 of this Network Code.
			3. The TSO shall provide the conditions for the work of the Commission.
			4. The Commission shall consist of a President and ten members, as follows:
* 3 representatives of the TSO, one of whom shall act as President of the Commission;
* 1 representative of the Gas Producer;
* 1 representative of the Natural Gas Storage Operator;
* 1 representative of the Adjacent Distribution System Operators;
* 1 representative of the Adjacent Operators from the territory of the Republic of Serbia;
* 3 representatives of the Users;
* 1 representative of the end customers whose facilities are connected to the System.
	+ - 1. A representative of the AERS shall also participate in the work of the Commission without the right to vote.
			2. The term of office of the Commission members shall be two years. The term of office of a member of the Commission shall terminate early at the request of the member, when the Gas Transmission Agreement of the member designated according to clause 9.5.1 of this Network Code terminates.
			3. In the event of early termination of the term of office, the term of office of the new member of the Commission shall last until the expiration of the term of office of the other members of the Commission.
			4. Each User has the right to submit an application for membership in the Commission. The application form is available on the TSO website.
			5. The application for membership shall be signed with an electronic signature and submitted by e-mail to the TSO e-mail address.
			6. The TSO publishes and regularly updates on their website a list of all persons registered for the Commission, their contact details and the date of application submission, as well as the date of the Commission sessions.
			7. A member of the Commission is determined among the registered persons, according to the lists of order created by the TSO based on:
* the largest quantity of Gas taken over and delivered to/from the System in the previous year for an energy entity that performs the activity of supply or public supply;
* the largest deliveries from the System to the system of the Adjacent AFO that is the Distribution System Operator;
* the largest deliveries from the System in the previous year for the end customer.
	+ - 1. Suppliers with no gas supply in the previous year, as well as new suppliers who have obtained an AERS license after the list of suppliers or public suppliers has been compiled, shall be recorded by the TSO on the list in the order corresponding to their license number from the register of issued AERS licenses.
			2. New end customers connected to the System shall be recorded by the TSO on the list of end customers according to the date of their first connection to the System.
			3. If the representative of the supplier, public supplier and Distribution System Operator is the same legal entity or related entities and is the first on the list of order, they shall be obliged to choose one category of Commission member to represent.
			4. The TSO is obliged to determine and publish the list of members of the first Commission based on data on transported quantities no later than one month before the regular session of the Commission.
			5. The President of the Commission shall preside over the sessions of the Commission and shall be responsible for convening the session, determining the composition of the Commission according to this Network Code, delivering materials to be considered at the sessions, publishing documents and acts relevant for the work of the Commission, as well as performing other activities according to the Rules of Procedure of the Commission.
			6. The work of the Commission shall be carried out in regular and extraordinary sessions. Regular sessions shall be held at least once a year.
			7. The quorum for holding a session is half of the total number of appointed members. Minutes shall be drawn up on the issues discussed at the sessions of the Commission, containing proposals and opinions voted for by the majority of members, and when one or more members oppose the adopted opinion or proposal, the President of the Commission shall enter their separate opinion, position or proposal in the minutes. The minutes of the Commission session shall be submitted to the AERS and published as established by the Commission's Rules of Procedure.
			8. Representatives of Users shall be obliged to speak in the interest of all, or the majority of, representatives of the group of Users they represent, as determined by agreement.
		1. Amendments to the Network Code
			1. This Network Code shall be amended in the event of:
* a change in the regulations;
* a proposal by the TSO;
* a proposal by a member of the Commission or
* at the proposal of the AERS.
	+ - 1. The TSO shall deliver to the Users a notice of amendment to the regulations ("**Notice of Amendment to the Regulations**") which shall impose an obligation to bring this Network Code and/or the effective Gas Transmission Agreement into line with the Amendment to the Regulations.
			2. The Notice of Amendment to the Regulations shall contain a proposal for amendments to this Network Code and/or effective Gas Transmission Agreement that reflect the Amendment to the Regulations, with deadlines for their adoption.
			3. Any User who does not agree with the proposal of the TSO may, according to this Network Code, submit comments and proposals for amendments to this Network Code and/or effective Gas Transmission Agreement within 15 (fifteen) days.
			4. When the TSO proposes amendments to this Network Code and/or effective Gas Transmission Agreements according to indent 2 of clause 24.2.1. of this Network Code, the TSO shall act according to clause 24.2.11 of this Network Code. When members of the Commission propose such amendments according to indent 3 of clause 24.2.1. of this Network Code, they shall submit a proposal for amendments to the TSO.
			5. The Proposal for Amendment shall contain:
* the name and address of the Applicant, their e-mail address and telephone number of the contact person;
* the text of the Proposal for Amendment with a detailed explanation of the technical, operational or commercial reasons for their amendment;
* an assessment of the consistency of the proposed amendments with the Governing Regulations applicable to the System;
* the date of entry into force and the date of commencement of application of the amended Network Code, taking into account the time required to amend the Network Code according to this Network Code, and in the event that the proposed amendments affect the operation of the System, the time required to change the operation of the System;
* available documents clarifying the information from this clause;
* the minutes of the Commission session if the Commission is the applicant.
	+ - 1. The Proposal for Amendment shall be submitted by e-mail, by registered mail or directly to the address of the TSO seat, and the Proposal for Amendment submitted to the TSO shall also be published on the TSO website.
			2. The TSO shall notify the Applicant within 30 (thirty) days after the date of receipt of the Proposal for Amendment, or additional information and explanations referred to in clause 24.2.10 of this Network Code:
* whether they accept to amend this Network Code according to the submitted Proposal for Amendment, in which case they shall provide an estimate of the time required for the adoption of the proposal according to this Network Code, or
* provide an explanation of the reasons for not accepting the Proposal for Amendment, in which case the proposal and the given explanation shall be forwarded to the AERS for notification purposes.
	+ - 1. When considering the Proposal for Amendment, the TSO shall assess:
* compliance of the proposed amendment with the Applicable Regulations;
* whether the Proposal for Amendment adversely affects the System operation;
* the effects of the Proposal for Amendment on the costs of providing Gas Transmission Services.
	+ - 1. Before the expiry of the deadline referred to in clause 24.2.8 of this Network Code, the TSO may request additional information and explanations from the Applicant.
			2. Based on the assessment of the Proposal for Amendment, the TSO shall determine the text of the draft amendment to the Network Code, and, as appropriate, the draft annex to the Gas Transmission Agreement (“**Draft Amendment**”), which they shall publish on their website for the purpose of conducting a public consultation.
			3. The TSO shall separately notify the AERS of the implementation of the public consultation.
			4. The public consultation shall last at least 30 (thirty) days, and all interested parties may submit their comments to the TSO within the above period.
			5. After the end of the public consultation, the TSO considers all comments from the participants in the public consultation, and according to the adopted comments, determines the final proposal for amendments to this Network Code and/or the proposal for an annex to the effective Gas Transmission Agreement ("**Proposal for Amendment**") and submits an act to the AERS adopting the Proposal for Amendments for approval, according to the Law.
			6. Upon obtaining the AERS consent, the TSO shall publish the act referred to in clause 24.2.14 of this Network Code on their website.
		1. Data Confidentiality
			1. The TSO, on the one part, and the energy entity, the Gas Producer or the end customer, on the other part, shall ensure the confidentiality of commercial, business and technical data submitted by both parties in the course of fulfilling their obligations under the law, other regulations, this Network Code, including data from the Gas Transmission Agreement, as well as other data available to them.
			2. Confidential commercial, business and technical data are considered to be data and information that are:
* determined by law, other regulation or official act based on law as business, or commercially confidential data;
* data in the case in which requests for access to the System are being decided, or an appeal against the decision of the TSO made in this case, under the conditions established by the law governing the general administrative procedure;
* data and entire documents that energy entities, the Gas Producer or the end customer, in the performance of obligations under the law, regulations and this Network Code, have specifically marked as confidential data by affixing a confidentiality mark.
	+ - 1. Summary data for Entry/Exit shall not be considered confidential nor shall general information on the System operation, including information on disruptions and other extraordinary circumstances and data on the System load, published by the TSO in a form that does not violate the confidentiality of the User's information.
			2. The TSO or the User may disclose confidential information only with the prior written consent of the other party. The written consent shall determine the purpose for which the information or data may be disclosed.
			3. The User may disclose confidential information without the prior consent of the TSO, only to the extent reasonably necessary for the entry into and implementation of the End Customer Supply Agreement.
			4. It shall not be considered a breach of confidentiality if a party discloses confidential data based on a request from a court or other state authority, the AERS, or a credit or other financial organization in order to obtain security instrument (collateral) according to this Network Code.
			5. The User and the TSO are obliged to maintain the confidentiality of confidential data for a period of 3 (three) years after the termination of the Gas Transmission Agreement.
			6. In order to ensure the technical prerequisites for the performance of obligations under the Gas Transmission Agreement, the TSO has the right to exchange the User's data considered confidential business data with Adjacent Operators according to this Network Code and the AFO Agreements.
1. CHAPTER – TRANSITIONAL AND FINAL PROVISIONS
	1. Natural Gas Transmission Services contracted before the entry into force of this Network Code shall continue to be performed in the contracted capacity and duration according to this Network Code.
	2. Secondary trading in contracted capacities from clause 25.1. shall be carried out through the Operational Platform according to this Network Code.
	3. The TSO shall invite Users to bring the agreements from clause 25.1 of this Network Code into line with this Network Code no later than 30 days after the date of entry into force of this Network Code.
	4. Upon entry into force of this Network Code, the TSO shall, according to this Network Code, publish and distribute at auctions the available transmission capacities at the Interconnection Points via the Capacity Booking Platform, as follows:
* Firm Yearly Capacity, Firm Monthly Capacity and Firm Daily Capacity, starting no later than the Gas Year commencing on October 1, 2026;
* Commercial Reverse Yearly, Commercial Reverse Monthly and Commercial Reverse Daily Capacity, starting no later than the Gas Year commencing on October 1, 2026;
* Firm Quarterly Capacity, starting no later than the Gas Year commencing on October 1, 2027;
* Commercial Reverse Quarterly Capacity, starting no later than the Gas Year commencing on October 1, 2027, and
* Interruptible Daily Capacity, starting no later than the Gas Year commencing on October 1, 2027.
	1. The TSO shall enable Users, no later than October 1, 2027, to submit bids for secondary capacity trading and requests for Capacity Surrender at Interconnection Points via the Capacity Booking Platform according to this Network Code.
	2. By the dates specified in clause 25.4 of this Network Code for the deadlines for the publication and implementation of auctions via the RBP Platform, the TSO shall, according to the provisions of this Network Code governing the conditions for access to and use of the transmission services at Other Points:
* publish, proportionally distribute and contract Firm Yearly Capacity, Firm Monthly Capacity and Firm Daily Capacity at all Interconnection Points via the Operational Platform; and
* provide conditions for secondary trading of contracted capacities at the Interconnection Points referred to in indent 1 of this clause via the Operational Platform.
	1. Upon entry into force of this Network Code, the TSO shall, according to this Network Code, publish and distribute proportionally available transmission capacities at Other Points via the Operational Platform, as follows:
* Firm Monthly Capacity and Firm Daily Capacity, starting from the Gas Year commencing on October 1, 2025;
* Firm Yearly Capacity, starting from the Gas Year commencing on October 1, 2025;
* Firm Quarterly Capacity, starting no later than the Gas Year commencing on October 1, 2027;
* Commercial Reverse Daily Capacity, starting no later than the Gas Year commencing on October 1, 2027, and
* Interruptible Daily Capacity, starting no later than the Gas Year commencing on October 1, 2027.
	1. The use of the set of standard solutions established for the purposes of communication via the Operational Platform referred to in clause 14.1.2 of this Network Code shall be postponed until October 1, 2027 at the latest.
	2. According to Section 15.8 of this Network Code, the TSO shall deliver the Final Report on the Allocation of Daily Gas Quantities to Users at Handover Points no later than October 1, 2025.
	3. The Distribution System Operator shall deliver to the TSO data on daily metered off-takes at Handover Points on the distribution system on Gas Day D per Users referred to in Section 15.6 of this Network Code, no later than October 1, 2027.
	4. The application of the provisions of this Network Code governing the obligation to submit the Initial Report from Section 15.7 of this Network Code shall be postponed until October 1, 2028 at the latest.
	5. The application of the provisions of this Network Code governing the obligation to provide information on the assessment of the User's off-take for Handover Points with no daily metering on the distribution system from Section 15.5 of this Network Code shall be postponed until October 1, 2028 at the latest.
	6. The provisions of this Network Code governing the application of the principle of neutrality from Section 19.6 of this Network Code shall apply from October 1, 2027 at the latest.
	7. The TSO shall endeavour to enter into agreements with the Adjacent TSOs, according to this Network Code, by 1 July 2026 at the latest, to jointly offer and allocate, as bundled capacity products, the transmission capacities determined to be available on both sides of the Interconnection Point.
	8. The TSO shall apply the balancing services referred to in Section 19.3 of this Network Code as a temporary measure approved by the AERS according to the regulation governing the network code on balancing the natural gas transmission system.
	9. The TSO shall establish the Commission referred to in Chapter 24 of this Network Code by October 1, 2025 at the latest.
	10. Upon receipt of the AERS consent, this Network Code shall enter into force on the eighth day after the date of publication on the TSO website.

**Novi Sad, January 28, 2025**

**No.: 01-02-2/44-1**

 ***PRESIDENT OF THE ASSEMBLY***

***“TRANSPORTGAS SRBIJA“ DOO NOVI SAD***

***Nikola Popović, duly signed***

**ANNEX 1**

**MODEL NATURAL GAS TRANSMISSION AGREEMENT**

**NATURAL GAS TRANSMISSION AGREEMEN****T**

**This Natural Gas Transmission Agreement (the “Agreement“) is entered into on the date of signing:**

BETWEEN:

1. **LIMITED LIABILITY COMPANY TRANSPORTGAS SRBIJA NOVI SAD**, registered under the laws of the Republic of Serbia, entered into the Register of Business Entities of the Business Registers Agency of the Republic of Serbia, registration number: 21129542, with its registered office at 5 Bulevar oslobođenja Str., 21000 Novi Sad, Republic of Serbia, represented by acting director Mr. Zoran Jovčić (the "TSO"); and
2. [please insert the full trade name of the User from the application for the entry into the Agreement and the extract from the Register], registered in line with the laws of [please insert the country of incorporation], entered in the Register [please insert the full name of the register], company identification number [●], with its registered office at [please insert the address of the registered office, city and country], represented by [please insert the name of the person(s) signing the Agreement and their capacity] ("User");

hereinafter referred to individually as the "Party", and collectively as the "Parties".

RECITALS

The Parties hereby mutually agree that:

1. the User submitted an Application dated [●] for the entry into an Agreement filed with the TSO under number [●] and that, assessing the fulfilment of the requirements of the law governing the field of energy (the Law) and clause 9.2 of the Natural Gas Transmission System Network Code adopted by the TSO, dated [●], no. [●] (the "Network Code"), the TSO has determined that the User meets all the prescribed requirements for entering into this Agreement;
2. By signing this Agreement, the User acknowledges that (1) they are aware of the content of the Network Code; (2) they accept to exercise the right under the Law, regulations adopted on the basis of the Law, the Network Code and this Agreement to access the System by subsequent contracting of Standard Capacity Products distributed at Interconnection Points via the Capacity Booking Platform, and at Other Points via the Operational Platform, i.e., which are obtained on the secondary capacity market; (3) they accept that offers and notifications on contracting of the Standard Capacity Product are delivered in electronic form via the Capacity Booking Platform or the Operational Platform, which shall become an integral part of this Agreement on the date of receipt, without the need for the TSO and the User to sign it; (4) they accept to use during the performance of this Agreement the Operational Platform for communication with the TSO in accordance with the Network Code; (5) no proposal for the initiation of bankruptcy proceedings has been submitted against them, i.e., no decision has been made to initiate liquidation proceedings, and there is no imminent insolvency in terms of the regulations governing bankruptcy;
3. the auctions of Standard Capacity Products and secondary trading of Contracted Capacities at Interconnection Points are held through the Capacity Booking Platform, which provides the following information services to the TSO and the User in line with the Network Code: 1) announcement of auctions by the TSO 2) submission of bids in electronic form by the User when they are ready to participate in auctions and/or bids for secondary capacity trading 3) delivery of a notification by the TSO on acceptance of User bids for contracting Standard Capacity Products at the auction and/or a notification on acceptance of trading on the secondary capacity market. In addition to these services, the TSO conducts capacity conversion and capacity surrender through the Capacity Booking Platform;
4. The distribution and contracting of Standard Capacity Products and secondary trading of Contracted Capacities at Other Points is carried out through the Operational Platform, which enables the User and the TSO to 1) submit bids in electronic form for the distribution and delivery of notices on contracting of Standard Capacity Products at Other Points, 2) submit bids and contract secondary trading of capacities, 3) trade in gas at the VTP, 4) submit Nominations and Renominations, and 5) provide mutual notification, in electronic form;
5. the contractual relationship between the Parties is governed by this Agreement and the Network Code, which further define the rights and obligations of all users and the TSO based on the Law. The rights and obligations of the Parties shall be applied and interpreted in accordance with the Law, by-laws adopted pursuant to the Law, and the Network Code.

whereby all the prescribed requirements for entering this Agreement have been met.

Taking into account everything set out in the Recitals, the Parties agree as follows:

1. TERMS
	1. Capitalized terms used in this Agreement, which are not defined in Article 1.2 of this Agreement, have the meaning set forth in the Network Code.
	2. Other capitalized terms used in this Agreement shall have the following meanings:

"Affected Party" has the meaning given to this expression in Article 9.1.1 of this Agreement;

"Confidential Information" has the meaning given to this expression in Article 12.1.1 of this Agreement;

"Force Majeure Event" has the meaning given to this expression in Article 9.2 of this Agreement;

"Force Majeure Notice" has the meaning given to this expression in Article 9.3 of this Agreement;

"Signing Date" means the date indicated next to the electronic signature of the TSO’s representative;

"Termination Notice" has the meaning given to this expression in Article 11.4 of this Agreement;

# SUBJECT MATTER OF THE AGREEMENT

## By the Transmission Agreement, the TSO undertakes to provide the User with Gas Transmission Services of a predetermined duration, method of performance and transmission direction, offered by the TSO in the available capacity allocated as Standard Capacity Products, which the User has the right to use on a "ship-or-pay" basis when they prove their readiness to:

### contract the requested Standard Capacity Product at the Interconnection Point at the Auction Price determined at auctions conducted by the Capacity Booking Platform in line with the Network Code, or

### contract the requested Standard Capacity Product at Other Points in the capacity allocated by the TSO through the Operational Platform in line with the Network Code, at the Price determined according to the capacity tariffs established in the applicable price act, adopted in accordance with the Law and the methodology governing the determination of the price of access to the natural gas transmission system; or

### contract the requested Standard Capacity Product on the secondary market by obtaining from another User subject to the fulfilment of the conditions set out in this Network Code.

## The TSO accepts the offer for contracting the requested Standard Capacity Product provided that the User has proven their willingness to pay for the allocated Standard Capacity Product in the capacity allocation procedure. The User proves their willingness to pay for the Standard Capacity Product by submitting the Payment Security Instruments before the start of the capacity allocation procedures, in the amount determined in accordance with the Network Code.

## The TSO shall notify the User of the acceptance of the offer by delivering a notification in electronic form, namely:

### notification of contracting capacity at the Interconnection Point via the Capacity Booking Platform, in line with the Network Code; or

### notification of contracting capacity at Other Points via the Operational Platform, in line with the Network Code.

## On the date of delivery of the notification referred to in Article 2.3 of this Agreement, it shall be deemed that the TSO and the User have contracted the Standard Capacity Product at the requested Interconnection Point/Other Points.

## The notification referred to in Article 2.3 of this Agreement, delivered in electronic form via the Capacity Booking Platform or the Operational Platform, shall be considered evidence of the contracted Standard Capacity Product (Contracted Capacity) which, on the date of delivery to the User, shall become an integral part of this Agreement.

## The User shall have the right to use the contracted Standard Capacity Product on a “ship-or-pay” basis under the conditions of this Agreement and the Network Code.

## During the term of this Agreement, the User has the right to contract Standard Capacity Products in the capacity allocation procedure or obtain them through a legal transaction from another User through secondary capacity trading, as well as the right to transfer thus contracted Standard Capacity Products to another User through secondary trading or hand them over to the TSO, under the conditions and in the manner established by the Network Code. Notifications of contracting capacity on the secondary market, capacity surrender and other notifications of the Contracted Capacity established by the Network Code, delivered to the User in electronic form via the Capacity Booking Platform or the Operational Platform, shall become an integral part of this Agreement.

# ENTRY INTO FORCE AND TERM OF VALIDITY

## Commencement and Term

### This Agreement is entered into for an indefinite period.

### The provision of Gas Transmission Services lasts from the Transmission Commencement Date to the Transmission Completion Date specified in each Notice of Contracting the Standard Capacity Product or each Notice of Secondary Capacity Trading.

### The termination date shall be the date on which one of the following occurs:

#### the date on which the TSO confirms to the User via electronic means the acceptance of the Notice of Termination of this Agreement, provided that the User has no Contracted Capacity or outstanding debts to the TSO;

#### the date specified in a Termination Notice given in accordance with Article 11.4 of this Agreement;

#### the date on which an event occurs due to which, by force of law, the User is unable to exercise the rights and obligations under this Agreement in accordance with the regulations, such as the opening of bankruptcy proceedings, the initiation of liquidation proceedings, the termination of the license for performing energy activities if the User is an energy entity.

# RIGHTS AND OBLIGATIONS OF THE PARTIES

## Rights and obligations of the Parties in the capacity allocation and secondary capacity trading procedure

### Any User who intends to contract a Standard Capacity Product is obliged to submit a Payment Security Instrument to the TSO in accordance with the Network Code, after which the User has the right to:

#### participate in the allocation of capacity in accordance with the Network Code, and contract Standard Capacity Products thereon; and

#### obtain from another User the Contracted Capacity through secondary capacity trading in accordance with the Network Code,

## Rights and obligations of the Parties regarding Gas Transmission

### After contracting a Standard Capacity Product in the capacity allocation procedure, i.e., by obtaining Contracted Capacity based on secondary capacity trading:

#### The User has the right:

##### to use the Gas Transmission Services in the Contracted Capacity every hour of each Gas Day in the period starting on the Transmission Start Date and ending on the Transmission End Date, in accordance with the sent Nominations, i.e., Renominations and in a quantity equal to the Confirmed Quantities at the Entry for the relevant Gas Day (i.e., part of the Gas Day), and the TSO has the obligation to:

###### off-take Gas for transmission at the Entry in an amount not exceeding the sum of the Contracted Capacities of all Standard Capacity Products contracted by the User for that Gas Day; and

###### deliver Gas and make it available at the Exit in an amount not exceeding the sum of the Contracted Capacities of all Standard Capacity Products contracted for that Gas Day.

##### to surrender their Contracted Capacity in accordance with the Network Code;

##### to acquires and dispose of Contracted Capacity through secondary capacity trading;

##### to submit Notices of Trade regardless of whether they have any Contracted Capacity or not, within the deadlines and under the conditions prescribed in the Network Code.

#### The User is obliged to:

##### deliver at the Entry Gas whose quality meets the prescribed quality requirements in accordance with the regulation governing the terms and conditions of delivery and supply of natural gas and the Network Code, and in accordance with the submitted Nominations, i.e., Renominations and in a quantity equal to the Confirmed Quantities at the Entry for the same Gas Day (or part of the Gas Day).

##### off-take the Gas delivered by the TSO at the Exit in accordance with the submitted Nominations, i.e., Renominations accepted by the TSO in accordance with the Network Code.

##### strive to ensure balanced delivery and off-take of Natural Gas quantities at the Entry or Exit within the same Gas Day when they use the Gas Transmission Service.

##### pay based on the invoice:

###### the Transmission Fee for all Contracted Capacities contracted as Standard Capacity Products at each Handover Point with the "ship-or-pay" clause and the fee in case of exceeding the contracted capacity, calculated in accordance with the methodology governing the determination of the price of access to the natural gas transmission system. The Transmission Fee is determined in the amount calculated at the price applicable at the time of providing the contracted Transmission Service invoiced by the TSO or at the price of the Contracted Capacity obtained from another User through secondary capacity trading, and is paid regardless of whether the Contracted Capacity is used;

###### the Daily Imbalance Fee calculated in accordance with the Network Code in the event of a negative User Imbalance;

###### the Neutrality Fee, if negative;

###### the uncovered Auction Premium in the event that the Surrendered Capacity was contracted by the TSO with a third party at an auction at the request of the User;

###### the penalty for inadequate Gas quality at the Entry, if any.

#### The TSO has the right to charge the User fees for all contracted Gas Transmission Services in accordance with this Agreement and the Network Code, in the amount stated in the invoices and corresponding to the fees from Article 4.2.1.2 (i) of this Agreement and additional obligations from Article 4.2.1.2 from sub-items (ii) to sub-items (v) of the Agreement that arise during transmission in line with the Network Code and the methodology governing the determination of the price of access to the natural gas transmission system.

#### The TSO undertakes to, on each Gas Day during the period starting on the Transmission Commencement Date and ending on the Transmission End Date applicable to the relevant Standard Capacity Product, enable the User to deliver Gas for transmission up to the scope of the Contracted Capacity contracted by the User at the Handover Point, and provide the User with Gas Transmission Services, whereby the TSO is obliged to:

###### regularly maintain the System and, in the event of any damage, restore the System to its original condition, in order to ensure uninterrupted transmission of Gas at the Contracted Capacity for the User during the period starting on the Transmission Commencement Date and ending on the Transmission End Date;

###### off-take from the User at the Entry Gas in the quantity confirmed to the User by accepting the Nomination, or Renomination, which quantity may not exceed the amount of the Contracted Capacity, determined in the amount of all Standard Capacity Products contracted by the User at such Entry, or the quantity confirmed by the TSO to the User by accepting their Nomination or Renomination at Other Points at which the System is connected to the system of the Adjacent Operator when the AERS act on joint prices of access to transmission systems viewed as a whole is applied;

###### simultaneously deliver Gas to the User at the Exit a) as a generic good, of the same energy content and quality of Gas in accordance with the Network Code or pay a penalty for inadequate quality of Gas delivered at the Exit, if any, and b) in the quantity confirmed to the User by accepting the Nomination or Renomination of the User, which quantity may not exceed the amount of the Contracted Capacity, determined in the amount of all Standard Capacity Products contracted by the User at such Exit or the quantity confirmed by the TSO to the User by accepting their Nomination or Renomination at Other Points at which the System is connected to the system of the Adjacent Operator when the AERS act on joint prices of access to transmission systems viewed as a whole is applied;

###### pay the Daily Imbalance Fee calculated in accordance with the Network Code in the event of a positive Imbalance of the User;

###### pay the Neutrality Fee if positive; and

###### pay the penalty for inadequate Gas quality at the Exit, if any.

#### The TSO shall endeavour, in accordance with the Network Code and applicable regulations, to minimize restrictions and interruptions in the provision of Gas Transmission Services in order to fulfil their obligations under this Agreement as soon as reasonably possible, immediately after the cessation of the reasons that led to the restrictions or interruptions.

### In the event that the User has disposed of their Contracted Capacity on the secondary market and/or by the Surrender of Contracted Capacity to the TSO, this Agreement shall be deemed amended with respect to the amount of Contracted Capacity, so that it is increased or decreased in whole or in part by the amount of capacity that the User has purchased or sold to another User through secondary capacity trading and/or by the amount of Re-contracted Capacity in accordance with the Network Code, and/or by the amount of capacity that the TSO has withdrawn based on the application of congestion management mechanisms in line with the Law and the Network Code.

### The Parties shall also have other rights and obligations set forth in the Network Code, this Agreement, the Law, regulations issued pursuant to the Law, as well as other regulations.

# TRANSMISSION FEE AND OTHER FEES

## Transmission Fee

### For each and any contracted Capacity Product and each contracted Handover Point, the User shall pay to the TSO the Transmission Fee for the Gas Transmission Services on a "ship-or-pay" basis.

## Calculation of the Transmission Fee

### The Transmission Fee due in respect of each and any Capacity Product each Handover Point shall be calculated as the product of the Price for the Standard Capacity Product and Handover Point and the amount of Contracted Capacity at that Handover Point.

### The Transmission Fee shall be expressed in dinars or euros, rounded to two (2) decimal places.

## Reduction of the Transmission Fee

### The TSO is obliged to reduce the Transmission Fee in accordance with the methodology governing the determination of the price for access to the natural gas transmission system and the Network Code, in the event that a Restriction/Interruption of the Contracted Interruptible or Firm Capacities occurs at the Entry or Exit.

### The TSO shall disclose the reduction of the Transmission Fee to the User in the invoices issued for the billing period in which the Restriction/Interruption of the Contracted Capacity occurred.

## Other fees payable by the User

### The User shall pay the TSO an imbalance fee, a neutrality fee, the uncovered amount of the Auction Premium, a penalty for inadequate Gas quality at the Entry, as well as statutory default interest in the event of late payment of obligations under issued invoices.

### The fees and obligations referred to in Article 5.4.1 of this Agreement are calculated in accordance with the Network Code and are stated in the invoices.

### In the event that VAT or other public revenue is calculated on the fees stated in the invoices, in accordance with the regulations of the Republic of Serbia, the User shall pay the fee with the calculated applicable VAT, or other public revenue, according to the issued invoice.

### The invoices referred to in Article 5.4.2 of this Agreement shall be issued by the TSO once a month, as follows:

#### the invoice for the Gas Transmission Services and the invoice for the penalty calculated for the delivery of Gas of inadequate quality at the Entry no later than 5 (five) business days in the current month for the previous Gas Month;

#### the invoice for Daily Imbalance Quantities no later than 3 (three) business days after the receipt of the last notification of the Final Quantities of Daily Imbalance in accordance with the Network Code; and

#### the invoice for the Neutrality Fee no later than 30 (thirty) days after the end of the Gas Month for which the Neutrality Fee is calculated in accordance with the Network Code;

#### the invoice for the uncovered amount of the Auction Premium within 3 (three) business days after the day when the Surrendered Capacity is re-contracted in accordance with the Network Code.

### The User issues invoices to the TSO for the Daily Imbalance Quantities when positive, the Neutrality Fee when positive and the penalty for Gas of inadequate quality at the Exit, no later than 5 (five) business days after the date of receipt by the TSO of the notification of the Imbalance, Neutrality Fee and Gas of inadequate quality at the Exit, delivered to the User in accordance with the Network Code.

### The deadline for objections to invoices from clauses 5.4.4 and 5.4.5 is 3 (three) days after the date of receipt of the invoice.

### The deadline for payment of invoices from clauses 5.4.4 and 5.4.5 is 8 (eight) days after the date of receipt of the invoice, in terms of the regulations governing electronic invoicing or receipt of invoices via email.

# PAYMENT SECURITY INSTRUMENT

## The User proves their willingness to participate in the capacity allocation procedures when they submit to the TSO the Payment Security Instrument in accordance with the Network Code.

## By submitting a valid Payment Security Instrument, the User acquires the right to participate in capacity allocation and contract Standard Capacity Products and/or to obtain Contracted Capacity from another User through secondary capacity trading in accordance with the Network Code.

## Bank Guarantee, when submitted by the User as a Payment Security Instrument, must refer to the name and number of this Agreement and its effective date.

## When the User pays a cash deposit, the TSO shall provide the User with payment instructions in accordance with the Network Code.

## Any User intending to contract Standard Capacity Products only at Interconnection Points or only at Other Points must deliver at least one Payment Security Instrument to the TSO.

## Any User intending to contract Standard Capacity Products both at Interconnection Points and at Other Points shall be obliged to submit to the TSO at least one Payment Security Instrument for Interconnection Points and one for Other Points.

## The TSO has the right to use the submitted Payment Security Instrument for any due obligations of the User in accordance with the Network Code.

# TITLE TO GAS AND RISK OF LOSS

## The User has the relevant title to Gas for all Gas delivered at the Entry and retains the title to Gas in respect of all delivered quantities of Gas transported by the TSO in accordance with this Agreement for the entire time that such Gas is in the System.

## The obligation to keep and the risk of loss of Gas delivered by the User for transmission to the TSO shall pass from the User to the TSO at the Entry, and the obligation and risk shall pass from the TSO to the User at the Exit.

## By signing this Agreement, the User agrees that, when their Gas is delivered to the System, such Gas shall be mixed with other Gas in the System, and as such shall be transported through the System and made available to the User for off-take at the Exit (as generic goods).

# LIABILITY FOR DAMAGE

## The Party shall be liable to the other Party for actual damage caused by a breach of its obligations under this Agreement. The Party shall not be liable to the other Party for lost profits resulting from a breach of its obligations under this Agreement.

## The Party suffering damage shall make reasonable efforts to minimize such damage or prevent its occurrence.

## The User shall be liable for actual damage incurred by the TSO in the event of delivery of Gas that does not meet the prescribed quality into the System. If the TSO has charged the User penalties for Gas that does not meet the prescribed quality in accordance with Article 4.2.1.2. (d) (v), they shall be entitled to compensation for actual damage in the amount of the difference between the actual damage and the charged penalties.

## The TSO is liable for actual damage incurred by the User in the event of delivery of Gas that does not meet the prescribed quality at the Exit. If the User has charged the TSO penalties for Gas that does not meet the prescribed quality in accordance with Article 4.2.1.4. (iii), they are entitled to compensation for actual damage in the amount of the difference between the actual damage and the charged penalties.

## The User is responsible for providing, at own expense, the equipment and telecommunications means necessary for the use of the Operational Platform. In the event of unauthorized access and/or use of such equipment, the User is obliged to compensate the TSO for actual damage resulting from unauthorized access and/or use of the equipment.

## Termination of this Agreement in accordance with Article 11 of this Agreement by one of the Parties shall not affect the right of that Party to claim compensation for actual damage suffered due to a breach of this Agreement from the other Party (except in the case when the TSO compensates for actual damage by reducing the Transmission Fee in accordance with the Network Code and Article 5.3 of this Agreement).

# FORCE MAJEURE

## Relief from Liability

### A Party ("Affected Party") shall not be liable for any failure or delay in performing any of its obligations under or pursuant to the Network Code and this Agreement, to the extent that the failure or delay results from a Force Majeure Event or the effects of a Force Majeure Event.

### If the TSO is the Affected Party and its ability to take over Gas at the Entry, or transport Gas at the Exit is only partially affected by a Force Majeure Event, the TSO shall allocate capacity pro-rata among all Users.

### The Affected Party shall, acting with the care of a good professional, take reasonable steps to mitigate the negative effects of any Force Majeure Event, and perform its obligations under the Network Code or this Agreement to the greatest extent possible, while the Party that is not the Affected Party shall make reasonable efforts to mitigate the damage that may arise for it as a result of the Force Majeure Event.

## Definition of Force Majeure Event

### A Force Majeure Event means any event or circumstance beyond the control of the Affected Party having acted in accordance with the standard of a prudent professional, but only if and to the extent that:

#### it is not the direct or indirect result of the breach by the Affected Party of any of its obligations under the Network Code or this Agreement;

#### it could not have been prevented, avoided or overcome by the Affected Party despite the exercise of reasonable diligence of a prudent professional; and

#### it prevents or delays the Affected Party from performing any of its obligations under the Network Code or this Agreement.

### A Force Majeure Event includes, subject to Articles 9.2.1 and 9.2.3 of this Agreement:

#### acts of war, whether declared or not, invasion, armed conflict, act of foreign enemy or blockade, acts of rebellion, riot, civil commotion, acts of terrorism or sabotage, international sanctions, expropriation act or compulsory confiscation, nationalization or seizure or government acts of similar nature which has an impact on the exercise of rights and fulfilment of obligations of the Parties under the Network Code or this Agreement;

#### natural disasters, epidemic or pandemic, extreme weather conditions, storms, floods, lightning strikes, fire, earthquake, landslide, ultrasonic shock waves or nuclear contamination, epidemic or similar.

### A Force Majeure Event does not include:

#### any event or circumstance which renders a Party unable to pay amounts due under the Network Code or this Agreement, including the inability to perform obligations due to currency devaluation and the inability of a Party to make a profit or achieve a satisfactory rate of return from its operations;

#### the breakdown or failure of any equipment caused by normal wear and tear or caused by the failure of the Affected Party to maintain such equipment or maintain a suitable stock of spare parts or operate the System according to the standard of a prudent professional;

#### inability of the User to make Gas available or cause Gas to be made available at the Entry and to take or procure that Gas be taken over at the Exit in accordance with its obligations under the Network Code and this Agreement, as a result of Force Majeure affecting the Adjacent Facility.

## Duty of the Affected Party to Provide Force Majeure Notice

### The Affected Party shall give the other Party a notice ("Force Majeure Notice"), as prescribed by the Network Code, as soon as reasonably practicable after the Affected Party first had knowledge of the effect of such Force Majeure Event, containing the following information:

#### the date of commencement of the Force Majeure Event;

#### the nature and expected duration of the Force Majeure Event, insofar as the same can reasonably be assessed;

#### the expected extent of the Affected Party's inability to perform its obligations under the Network Code or this Agreement; and

#### the actions to be taken in order to mitigate the effects of a Force Majeure Event (if possible).

### After giving the initial Force Majeure Notice, the Affected Party shall from time to time, and upon the reasonable request of the other Party, provide to the other Party details of:

#### the status of the Force Majeure Event; and

#### the steps being taken by the Affected Party to overcome the Force Majeure Event or minimize its effects and to resume the performance of its relevant obligations under the under the Network Code or this Agreement.

### The Affected Party is obliged to notify the other Party as provided in the Network Code when the Force Majeure Event ends or its effects are reduced to an extent that allows it to resume the performance of its relevant obligations under the under the Network Code or this Agreement.

# AMENDMENTS TO THE AGREEMENT

## The Parties represent and agree to amend and/or supplement this Agreement, or to enter into a new one, if necessary to align it with the adopted amendments and/or supplements to the Network Code.

## In the event that the Network Code is amended and/or supplemented, and such amendment does not simultaneously require the alignment of this Agreement, the Parties undertake to apply all adopted amendments and/or supplements to the Network Code in the performance of this Agreement.

# TERMINATION OF GAS TRANSMISSION SERVICES AND AGREEMENT TERMINATION

## The right of the TSO to terminate the provision of Gas Transmission Services

### The TSO may terminate the provision of Gas Transmission Services if:

#### the invoice issued to the User is not paid on time;

#### The User who is obliged under the Network Code to submit a new Payment Security Instrument to the TSO fails to do so within the deadline specified in the Network Code.

### If the User fails to pay the invoices on time, the TSO shall deliver a reminder that in the event of failure to pay the invoice within 5 (five) days after the date of delivery of the reminder, the amount of the unpaid invoice will be collected by activating the Payment Security Instrument, and the provision of Gas Transmission Services to the User who is obliged under the Network Code to submit a new Payment Security Instrument, shall be terminated on the date of expiry of the deadline for submission of the new Payment Security Instrument. If the TSO is unable to activate the Payment Security Instrument for any reason, they shall immediately notify the User, inviting them to submit a new valid Payment Security Instrument within 5 (five) business days, with a reminder that the provision of Gas Transmission Services will be terminated if the Payment Security Instrument is not submitted within the additional period.

### The TSO shall submit to the User a notice of termination of the provision of Gas Transmission Services on the day following the expiry of the deadline for submitting a new Payment Security Instrument to the TSO referred to in Article 11.1.2 of this Agreement, from which date the provision of Gas Transmission Services to the User shall be terminated.

### The TSO shall continue to provide Gas Transmission Services after the User has settled all of due obligations and replaced the Payment Security Instrument.

### The TSO may also terminate the provision of Gas Transmission Services in the event of disruptions in the System operation and disruptions in the natural gas market in accordance with the Network Code.

## The right of the TSO to terminate the Agreement

### The TSO may terminate the Agreement if:

#### The User fails to pay all due invoices or submit the Payment Security Instrument in accordance with the Network Code, even within sixty (60) days after the date of termination of the provision of Gas Transmission Services, or,

#### The User continuously fails to perform other obligations under this Agreement and/or the Network Code, save for the event or circumstance that led to the default is eliminated by the User within sixty (60) business days after the TSO has warned the User about the breach of the obligations undertaken.

## The right of the User to terminate the Agreement

### The User may terminate the Agreement if:

#### The TSO is unable to provide Gas Transmission Services in the amount of at least 50% of the Contracted Capacity and the duration of the Standard Capacity Product due to Capacity Restriction; or

#### The TSO continuously fails to perform their obligations under this Agreement and/or the Network Code, save for the event or circumstance that led to the default is eliminated by the TSO within sixty (60) business days after the User has warned the TSO about the default.

## Termination Procedure

### Any Party wishing to terminate this Agreement shall deliver to the other Party a written notice specifying the circumstances for which it requests termination of this Agreement ("Notice of Termination").

### The other Party shall have a subsequent period of thirty (30) days after the date of receipt of the Notice of Termination to remedy the breach, in which case this Agreement shall not be terminated.

### In the event that the other Party fails to remedy the breach by the expiry of the period referred to in Article 11.4.2 of this Agreement, this Agreement shall be terminated on the date of expiry of the period referred to in Article 11.4.2 of this Agreement.

### In the event of termination of this Agreement by the TSO for the reasons set out in Article 11.2.1.1 of this Agreement, the Agreement shall be deemed terminated upon the expiry of the period referred to in Article 11.2.1.1 of this Agreement.

# CONFIDENTIALITY

## Confidential information

### The Parties undertake to:

#### mutually protect the confidentiality of the commercial and business data of the other Party that they obtain in the process of entering into, executing and after the termination of this Agreement ("Confidential Information");

#### take all measures to ensure that their managers, employees, agents and representatives keep all Confidential Information confidential and handle it in accordance with the regulations governing the protection of business confidentiality; and

#### use Confidential Information only for the purposes of performing their obligations under the Network Code and this Agreement.

## Permitted disclosures

### The Parties shall not consider the obligation to protect the confidentiality of Confidential Information within the meaning of Article 12.1 of this Agreement to be violated:

#### if the TSO discloses it as aggregated user data in accordance with the Network Code;

#### if the TSO provides it to public authorities in accordance with applicable regulations;

#### if the party to which the data relates or a third party has published or otherwise made it publicly available;

#### for which the Party has obtained the written consent of the other Party to disclose it to a third party; or

#### for which the Receiving Party can prove by reference to written evidence that it was already known to it before receiving it from the Disclosing Party.

# SURVIVAL

## In the event of termination of this Agreement, the Parties confirm that they agree that this Article 13 and Articles 1, 4.2.1.3, 8, 12 and 15 of this Agreement shall continue to apply until the obligations of the Parties that remain unfulfilled on the date of termination of this Agreement are fulfilled.

# GOVERNING LAW AND DISPUTE RESOLUTION

## Governing law

The provisions of the law governing contract and torts, the Energy Law and other regulations of the Republic of Serbia shall apply directly to all matters not regulated by this Agreement, excluding the application of provisions on conflict of laws.

## Dispute resolution

### If a dispute arises in the performance of this Agreement, the Parties will endeavour to resolve the dispute amicably.

### In order to resolve the dispute, the Parties may engage a third party for the purpose of amicable resolution of the dispute in accordance with the Network Code.

### If the dispute is not resolved amicably, the Parties agree that the dispute shall be resolved by the competent court of Novi Sad.

# MISCELLANEOUS

## Communication and notifications

### All communication for the purposes of executing this Agreement between the Parties shall be carried out in accordance with the Network Code.

### The Parties shall designate authorized persons for notification purposes and, in accordance with the Network Code, shall promptly notify the other Party of all changes they plan to make and that occur and are relevant for the smooth communication of the Parties in the performance of this Agreement, including all changes they intend to make and that they make that are defined by the Network Code as status changes, changes in registered business data of the User and changes in other data relevant for keeping records of the User.

## Counterparts

* 1. This Agreement is entered into electronically with a qualified signature of the authorized persons of the Parties in the procedure prescribed by the Network Code, whereby the User and the TSO shall each keep one original electronic document within the meaning of the law governing electronic documents.

|  |  |  |  |
| --- | --- | --- | --- |
| SIGNED on behalf of the **LIMITED LIABILITY COMPANY TRANSPORTGAS SRBIJA NOVI SAD** by Zoran Jovčić |  | Signature |  |
|  |  |  |  |
|  |  | Name (in capital letters) | ZORAN JOVČIĆ |
|  |  |  | Acting Director, duly signed |
| SIGNED on behalf of [·]by [·] | ))) | Signature |  |
|  |  |  |  |
|  |  | Name (in capital letters) | [·] |
|  |  |  | [·] |