

I. Terms and conditions for the submission of applications for access to Bulgartransgaz EAD gas transmission networks. Applications for long-term and short-term capacity for 2016.

Applications for access to Bulgartransgaz EAD gas transmission networks shall be submitted in accordance with the conditions set out in the provisions of the *Rules on the provision of access to the natural gas transmission and/or distribution networks and access to the natural gas storage facilities*, adopted with Decision no.П-1 of 14.03.2013 of SEWRC, amended and supplemented, State Gazette issue 59/04.08.2015 and in force as of 04.08.2015 (hereinafter referred to as the Rules).

1. Any persons wishing to gain access to Bulgartransgaz EAD gas transmission networks and enter into a Transport Contract shall submit an Application for Access to Bulgartransgaz EAD gas transmission networks in accordance with the terms set out in article 5, paragraph 1 of the Rules as follows:

- To book **annual capacity product** for gas year 2016 – the deadline for submission of applications is by 05:00 pm local time on **02 December 2015**;

- To book **quarterly capacity product** – the deadline for submission of applications is by 05:00 pm on the 1st day (of the months with 30 days) and on the 2nd day (of the months with 31 days) of the month preceding the gas quarter. If the 1st day, the 2nd day accordingly of the month, preceding the gas quarter is a non-working day, applications shall be accepted by 05:00 pm on the next working day.

- To book **monthly capacity product** – the deadline for submission of applications is by 05:00 pm on the 15th day (of the months with 30 days) and on the 16th day (of the months with 31 days) of the month preceding the month of the application. If the 15th day, the 16th day accordingly of the month, preceding the month of the application is a non-working day, applications shall be accepted by 05:00 pm on the next working day.

2. The Application for Access is a Standard Form and is published on Bulgartransgaz EAD website.

The Application shall be filled in by the applicant and signed by the person representing the applicant. The Application shall be submitted on paper and in electronic file (in pdf format). The Annex to the Application under paragraph 3.1 and 3.2 (below) – on paper and in electronic file (in excel format). In case of discrepancy between the electronic and paper document the paper will prevail.

3. The application shall include the following **documents and evidence** – on paper and in electronic file (in pdf format):

3.1 Extract from the commercial register in the country of the applicant certifying applicant's current legal status – as of the date of application submission. In the event that the applicant provides a copy of the document, it must be initialled on each page by the person representing the Participant's company in line with the extract from the commercial register;

3.2 Declaration in free text stating the lack of circumstances under Article 2, paragraph 2 of the Rules – in original, signed by the person representing the applicant, according to the extract from the commercial register;

3.3 The documents in accordance with Article 4, paragraph 4 of the Rules certifying the natural gas quantities secured by the applicant at the declared entry point/points, if they are available.

These may be:

- A copy of effective Contract for the Supply of the Nominated Natural Gas Quantities with a place of supply – the entry point/points as indicated in the Application, or
- A copy of the Transport Contract signed with neighbouring TSO or documentary evidence certifying the secured/booked transmission capacity through neighbouring TSO transmission network to the declared entry point/points with a duration and quantity of natural gas corresponding to the nominated, or

3.4 The information under 3.3 shall be submitted no later than the date of effective implementation of the nominations for transmission under a signed Transport Contract for the respective entry point/points.

4. Any information that the participant considers to be a trade secret may be deleted in the submitted copies. Such copies shall make clear:

- Name of the counter party under the contract;
- Term of the contract and natural gas quantity for supply/transmission corresponding to the Application.
- Documents shall also certify the supply timetable to the entry point/points of natural gas quantities for 2016 that must correspond in terms of quantity and deadline to natural gas quantities nominated for transmission starting at gas transmission network entry point/points.

5. The copy of the contract/contracts shall be initialled on each page by the person representing the applicant in line with the extract from the Commercial Register.

6. The Application and the annexes thereto shall be signed on each page by the person entitled to represent the applicant or any other person expressly authorized by him in which case a special power of attorney shall be submitted in original with a notarized signature.

7. Capacity for every point (by acceptance/handover metering line) shall be nominated in energy units (**MWh/d**) and volume units (**m³/d**) per day and shall be allocated on **daily basis** for the time periods in line with the capacity products set out in the Application for Access.

8. The capacity shall be nominated on daily basis taking into account the load coefficient in line with the following formula:

$Q_n/Q_{lf}/n=C_d$, where:

n is the number of days in the period for each capacity product;

Q_n is the total guaranteed amount* of natural gas for transmission for the period of every capacity product;

C_d is the booked daily capacity which shall be booked for the period for each capacity product to ensure the transmission of Q_n .

Q_{lf} - load factor of the respective network NGTN/GTNTT.

*The guaranteed amount for transmission applies under the condition where the client nominates for transmission a quantity equal to the total nominated capacity in the days having no capacity limits on behalf of the Operator.

NGTN - National gas transmission network;

GTNTT - Gas transmission network for transit transmission;

9. Applications for capacity shall be filled in Part 3.1 "Nominated transmission capacity at entry point/points" and Part 3.2 Nominated capacity for transmission at exit point/points of the **Application for Access** specifying the respective NGTN and GTNTT entry and exit point/s according to gas acceptance-handover metering points. The nominated capacity shall be filled in according to Annexes to item 3.1 and item 3.2 of the Application for Access in excel format for every capacity product. Where one application requests for more than one product, the Annexes under items 3.1 and 3.2 shall be submitted separately for each product and aggregately for all products. The indicated entry and exit points shall be mandatory of one and the same network – NGTN and GTNTT.

10. With every application for access, received after 02 December 2015, applying for additional quarterly/monthly capacity product for gas year 2016, a new Annex to part

3.1 and part 3.2 shall be filled in and one aggregated for the sum of all capacity products nominated to date (portfolio of products).

11. Upon receipt of an application with all necessary documents, the transmission system operator shall investigate the possibility and the terms and conditions for granting the applicant access to Bulgartransgaz EAD gas transmission network.

II. Review of applications for access and allocation procedure of available capacity.

12. Review of applications and contract conclusion for transmission shall be made in accordance with Articles 6 and 7, paragraph 1-3 of the Rules. Where capacity during the term of a valid contract for transport is allocated within the gas year, the contract for transport shall be supplemented through the respective amendment of the annexes with booked capacity on a daily basis according to gas acceptance/hand-over metering lines.

13. The mechanism for allocation of available capacity is in accordance with Section IV of the Rules and in accordance with Article 11, paragraph 2, item 1 thereof the available capacity for each entry and exit point and for the network as a whole shall be allocated proportionally.

14. In line with Article 12 of the Rules the Technical capacity is calculated separately for each of the gas transmission networks based on the Methodology for capacity calculation published on Bulgartransgaz EAD website.

15. In line with Article 13 of the Rules the available firm (uninterruptible) capacity for every entry and exit point of the respective transmission networks for a given period is the difference between the technical capacity of the respective entry and exit points and the firm (uninterruptible) capacity that has already been allocated (contracted) to network clients for the respective period.

16. In line with Article 14 of the Rules Bulgartransgaz EAD allocates interruptible capacity only when there is no opportunity to enable firm (uninterruptible) capacity or the firm capacity has already been allocated to the corresponding points (by gas acceptance and handover metering lines) as well as if part of the firm capacity must be transformed into short-term interruptible capacity due to technological and/or commercial reasons.

17. In line with Article 15 of the Rules following exhaustion of all available firm capacity for a given point or the network as a whole a lack of available firm capacity at the respective points or the network as a whole shall be announced and interruptible capacity at these points shall only be offered.

The interruptible capacity allocation mechanism applies separately from the one for firm (uninterruptible) capacity.

18. In line with Article 15 of the Rules interruptible capacity shall only be allocated after the complete allocation of firm (uninterruptible) capacity or if interruptible capacity for the respective points and a nomination of at least one potential user thereof is announced on the Operator's website.

19. The capacity allocation procedure for each entry and exit point (according to gas acceptance and handover metering lines) and for the network as a whole is, as follows:

19.1 Applications for Access shall be submitted within the time period referred to in Section III depending on the term of the nominated capacity product (annual/quarterly or monthly);

19.2 Applications for Access received within the time period referred to in Timetable for Applying under Section III depending on the term of the nominated capacity are considered to be received at one and the same time and shall be reviewed separately for each period and in line with the announced priority.

19.3 Available capacity shall be allocated separately for entry and exit points in the following order of priority:

- Firm annual capacity;
- Firm quarterly capacity;
- Firm monthly capacity;
- Interruptible capacity (preference given to longer period);

20. If it comes to an impossibility to meet the equal capacity applications in terms of priority in line with item 19.3 for the period of a given capacity product according to the Application for Access **a pro rata allocation principle** shall apply reducing proportionately the value of the allocated capacities compared to the nominated ones.

21. Nominations and allocation of capacity for entry-exit point GMS Chiren shall be regulated and carried out according to the Rules for access to Chiren Underground Gas Storage (adopted by Decision under item 4.1 under protocol no.120 of 28.03.2012 of Bulgartransgaz EAD Board of Directors, amended and supplemented with a Decision under protocol no.40 of 29.04.2014 of Bulgartransgaz EAD Management Board) published on Bulgartransgaz EAD website.

22. Interruptible capacity shall be booked in a separate Application for Access.

23. Virtual capacity shall be booked in a separate Application for Access.

24. The allocated virtual reverse flow capacity cannot exceed the amount of allocated capacity for transmission in the main direction at any moment.

25. Available capacity shall be allocated separately for short-and long-term (one-year) capacity products;

26. In the event that following the capacity allocation procedure available capacity for long-term services remain, it shall be transformed into a capacity for short-term services whereas the mechanism for capacity allocation referred to above shall again apply.

27. "Cubic meter" or "m³" with reference to natural gas shall mean natural gas quantity at 20°C (293.15 degrees Kelvin), absolute pressure of 101.325 kPa, in a volume of one cubic meter.

28. Bulgartransgaz EAD may refuse access to its gas transmission networks in accordance with Article 10 of these Rules.

29. The part of the technical capacity offered to users only for short-term capacity products (short-term firm capacity) amounts to 10% of the total capacity at each point with the exception of the exit points to customers in the country.

III. Timetable for applying. Illustrative portfolio of products.

30. The timetable for applying for 2016 for the different capacity products is as follows:

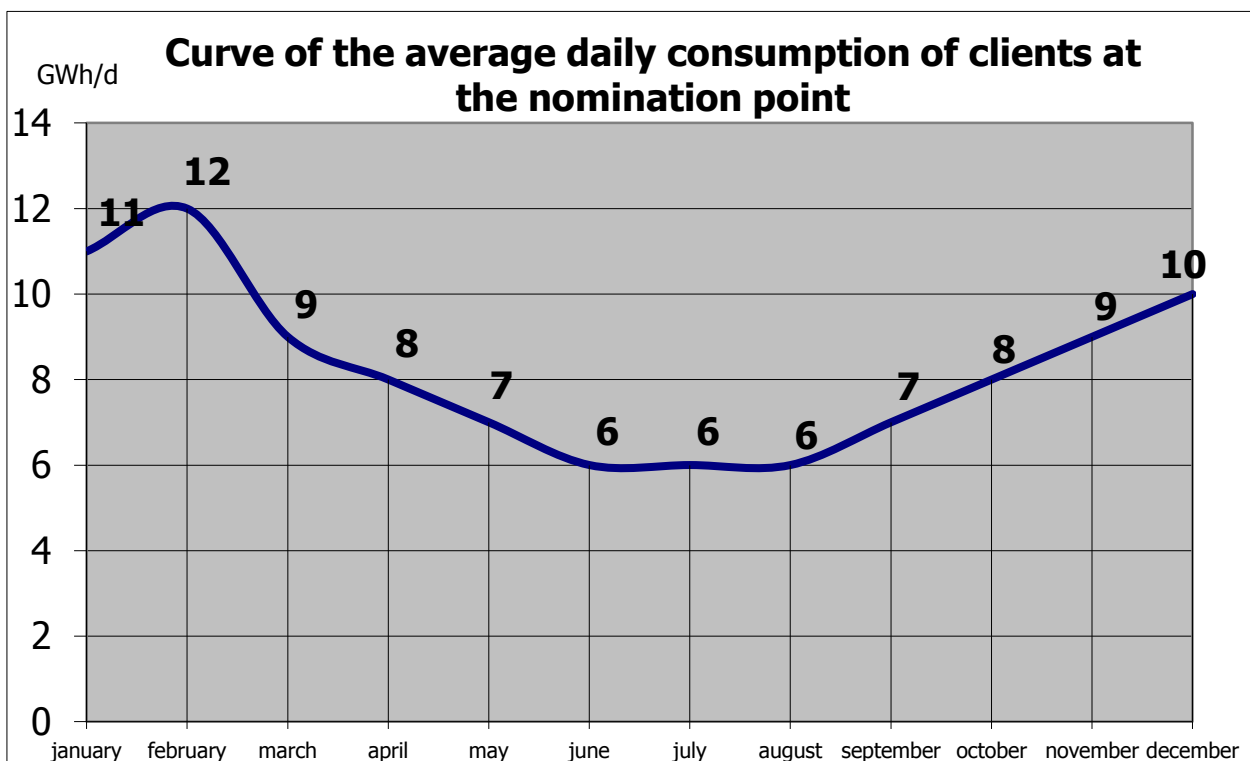
Products for 2016	
Nomination by date	Requested Capacity Product
2 December 2015	Annual, quarterly, monthly 2016
2 December 2015	I quarter
16 December 2015	January 2016
18 January 2016	February 2016
15 February 2016	March 2016
2 March 2016	II quarter
16 March 2016	April 2016
15 April 2016	May 2016
16 May 2016	June 2016
1 June 2016	III quarter
15 June 2016	July 2016
18 July 2016	August 2016
16 August 2016	September 2016
1 September 2016	IV quarter
15 September 2016	October 2016

17 October 2016	November 2016
15 November 2016	December 2016

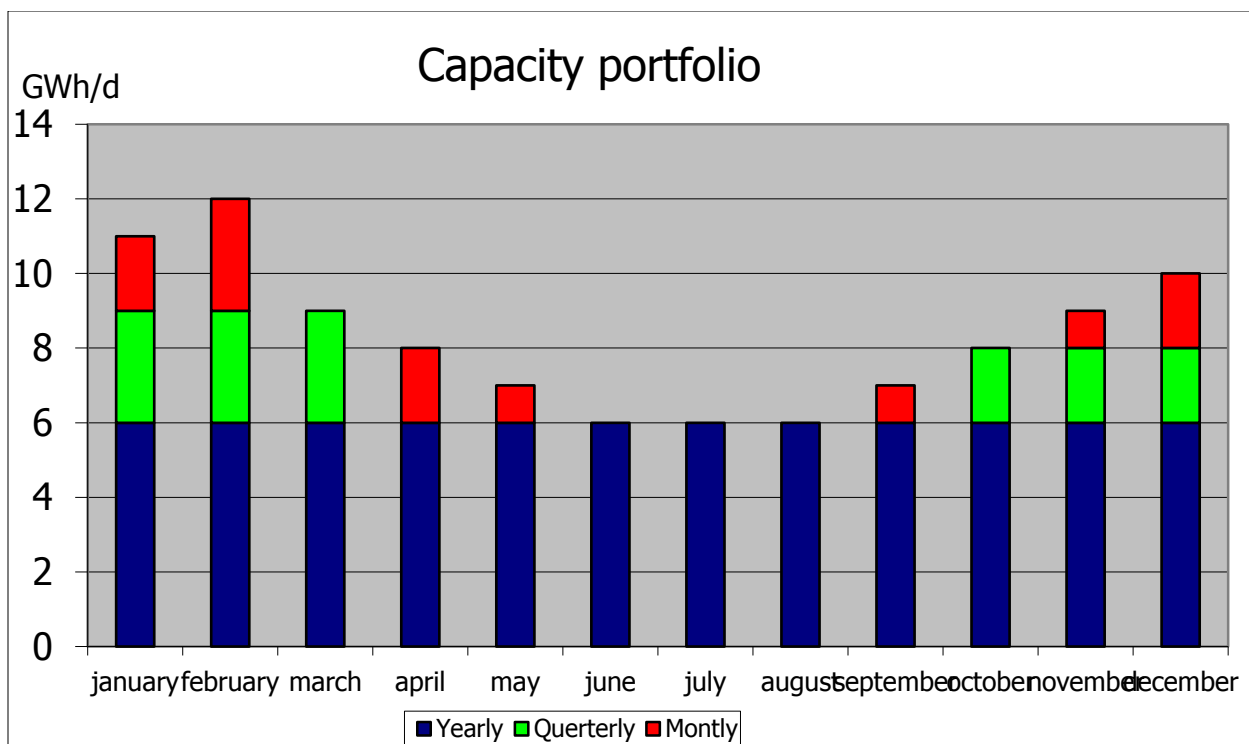
31. Following the implementation of the entry-exit tariff model, the price of access will be different for the different types of products and will be due for each entry and exit point, whereas the more long-term the product is, the lower the price of a unit of capacity will be on a daily basis for the period of the product.

An example of combining firm capacity products, through a portfolio within an existing Transport Contract with a view of optimizing the costs for capacity based on the estimated average daily consumption for a given exit point:

31.1. At a given exit point there are connected clients with uneven average daily consumption in months over the gas year, as follows:



31.2. To cover the uneven average daily consumption in months over the gas year different products must be combined, for instance:



31.3. The user may have the following portfolio of products in gas months, whereas the price of access will be due in line with the existing entry-exit tariffs (*in days of combining different products the price of access at a given point will equal the amount of prices of access of every type of product for the day in line with the booked capacity*):

Months	CAPACITY PRODUCT GWh/d			Consumption
	Yearly	Quarterly	Monthly	
January	6	3	2	11
February	6	3	3	12
March	6	3		9
April	6		2	8
May	6		1	7
June	6			6
July	6			6
August	6			6
September	6		1	7
October	6	2		8
November	6	2	1	9
December	6	2	2	10

IV. Data necessary when a restrictive regime/temporary limit of natural gas supply is set.

- 32.** When a restrictive regime/temporary limit of natural gas supply is set, for the possibility of operation of the non-household customers and the distribution system operators joined to the gas transmission network, the necessary data shall be submitted in line with the requirements of Ordinance no.10/9.06.2004 regarding the arrangements of implementing a restrictive regime, temporary disruption or restriction of the production and supply of electric energy, thermal energy and natural gas, and The Emergency Action Plan approved with an Order of the Minister of Energy.
- 33.** The data under item 32 shall be submit via the web application and the issued access certificates and password by Bulgartransgaz EAD, individual for each party and/or the person applying for access.
- 34.** Data shall be submitted directly by the joining party and/or the person applying for access that has a signed Supply Contract with the joining party.
- 35.** The data submission shall be done prior to the date of effective implementation of the nominations for transit under a signed Transport Contract.

V. Other

- 36.** Bulgartransgaz EAD reserves the right within the current gas year 2016 to amend the offered capacity products (type, deadline), as well as the terms and conditions for submission of applications for access (including the capacity allocation mechanisms) in view of implementation the requirements of Regulation (EU) 984/2013 on Capacity Allocation Mechanisms in Gas Transmission Systems.
- 37.** In case of amendments pursuant to item 36, the existing Transport Contracts shall be amended accordingly, including by their early termination.