

- Ruling Chamber 7 -

Reference: BK7-10-001

24.02.2011

**Determination in the matter of capacity management and auction proceedings in the gas sector**

**Annex 1: Gas standard capacity contract**

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## **Section [1] Definitions**

The following definitions apply in this contract. Terms used in the singular also have plural meaning.

- **Day ahead capacity:** capacity bookable the day before supply as daily capacity.
- **Bundled capacity:** exit capacity and the corresponding entry capacity that a shipper can book together in a single procedure.
- **Bundled nomination:** a single nomination for a bundled booking point.
- **Bundled booking point:** consolidation of a bookable exit point and a bookable entry point between two domestic or one domestic and one foreign market area into a single point at which shippers can book bundled capacity.
- **Rest of the day capacity:** capacity bookable on the day of supply for the rest of that day.
- **Within day capacity:** capacity bookable on the day of supply for a particular part of that day.

## **Section [2] Bundled booking points, capacity products**

1. The market area interconnection points and the cross-border interconnection points joining transmission networks with one another will be consolidated for each flow

direction to form a single booking point. With regard to cross-border interconnection points exemptions may be allowed as set out in provisions 2 and 3 of Determination BK7-10-001.

2. Shippers can book bundled capacity at bundled booking points on a firm or an interruptible basis. Booking enables shippers to handle the flows over a bundled booking point as a result of bundled nomination. This arrangement applies to new contracts. Old contracts (contracts concluded on or before 31 July 2011) remain unaffected unless shippers holding exit and corresponding entry capacity contracts request modification of these contracts. Where there is still an old contract on the one booking side, non-bundled capacity may only be sold on the other booking side until expiry of the contract at the latest.
3. At bundled and non-bundled booking points the transmission system operators can also offer bundled and non-bundled capacity with particular capacity requirements or restrictions of use.
4. Annual capacity products begin either always on 1 January or always on 1 October of a given year. Quarterly products begin on 1 January, 1 April, 1 July or 1 October of a given year. Monthly products begin on the first day of the month.

### **Section [3] Preconditions for use of booked capacity**

1. A precondition for use of bundled capacity is entering, in the particular balancing groups, the bundled booking point as the exit point in the donor market area and as the entry point in the recipient market area.
2. The shipper designates a balancing group manager to be responsible for bundled nomination at a bundled booking point and informs the transmission system operators accordingly.
3. A precondition for use of capacity is the prior conclusion of a balancing group contract or, in the case of bundled capacity, the prior conclusion of balancing group contracts and the prior fulfilment of the technical requirements (most notably the communication test) for use of the capacity.
4. Shippers must enter the bundled or non-bundled booking point at which they have acquired bundled or non-bundled day ahead capacity without delay, not later than 18:00 hours on the day before supply, in the balancing groups. To this end, as part of day ahead booking, they must inform the transmission system operators of the balancing group codes. Entry within the prescribed period likewise requires a communication test to

have been successfully carried out beforehand between the transmission system operator and the designated balancing group manager in accordance with the transmission system operators' access conditions and one-off presentation of authorisation as referred to in section [5] subsection 2.

5. A bundled booking point can be entered in more than one balancing group. Shippers wanting the bundled capacity they have booked at this point to be split between different balancing groups/sub-balancing accounts must inform the transmission system operators concerned of the split per bundled booking point. Subsections 2 to 3 apply accordingly. Subsection 5 sentences 1 and 2 do not apply in respect of day ahead capacity.
6. Use of booked capacity must be in compliance with any capacity constraints and restrictions of use.
7. The possibility of entering rest of the day or within day capacities will be given.

#### **Section [4] Capacity return**

1. Shippers can return booked firm capacity in full or in part, related to the booking period and volume, to the transmission system operators concerned via the joint booking platform at any time until 14:00 hours on the day before supply. Any subsequent primary use or secondary selling of the returned capacities by the shippers is ruled out, except as provided in subsection 8.
2. Bundled firm capacity can be returned in bundled form only.
3. Confirmation of capacity returned is given via the joint booking platform with a timestamp for the shipper. This confirmation does not release the shipper from its obligation to pay.
4. Return is possible for any day or days in the future and for any proportion of the originally booked capacity.
5. The transmission system operators sell returned capacities as primary capacity under the applicable rules. They can combine returned capacities and any primary capacity that is still available to offer products of longer duration. Returned capacity will be sold after other primary capacity available for the period in question.
6. If the transmission system operator sells some or all of the returned capacity, the shipper will be released accordingly from its obligation to pay. The extent of release from the obligation to pay depends on the proceeds obtained; however, the maximum extent of release will depend on the regulated network tariff for the period of primary selling and the volume of resold capacity. If the capacity returned by the shipper was obtained at

auction, the obligation to pay the auction markup on the regulated tariff remains unaffected.

7. If several shippers return capacities for a particular day, the capacities will, in the case of oversupply, be resold by the transmission system operators in the order in which they were returned (timestamp).
8. Returned capacity that could not be resold will be made available again to the shipper daily, for the following day, after completion of day ahead selling but not later than 20:00 hours, for use in the balancing group in which it was entered prior to return.
9. The transmission system operator gives the shipper a credit note for the tariff referred to in subsection 6. The credit is paid monthly and set off against any outstanding transportation charges.

#### **Section [5] Nomination and renomination**

1. Responsible for nomination and renomination is the balancing group manager designated by the shipper for this purpose.
2. The balancing group manager nominates the volumes of gas for transportation under the arrangements for the use of firm capacity at a particular booking point until 14:00 hours of the day before supply. This initial nomination is accepted if it is received by the transmission system operator by 14:00 hours. In other cases, zero will be considered the nominated volume unless the contracting parties have agreed otherwise. In respect of bundled nomination, the nominating balancing group manager must have been authorised accordingly, in writing, by the other balancing group manager whose balancing group is affected by the nomination, in relation to the transmission system operators concerned. Authorisation need be given once only.
3. The nominating balancing group manager can replace its initial nomination with a renomination made with a two-hour lead time, at least, to the full hour. Renomination is permitted if it does not exceed 90% of the total capacity booked by the shipper at the booking point and is not less than 10% of the booked capacity. With initial nominations of at least 80% of the booked capacity, half of the non-nominated volume can be used for renomination upwards. With initial nominations of, at most, 20% of the booked capacity, half of the nominated volume can be used for renomination downwards. Permissible renomination will be rounded up commercially to whole kilowatt-hours per hour.
4. Nominations will be assigned first to firm capacity and then to interruptible capacity.

5. Renominations for firm capacity that exceed the volume permitted under subsection 3 will not be accepted for more than the total volume of booked capacity. The part of the nomination that exceeds the volume permitted will be treated as a nomination for interruptible capacity and interrupted first.
6. Renominations for firm capacity below the volume permitted under subsection 3 will be accepted. Should an interruption in the reverse flow direction become necessary, the renomination will be raised to the minimum permissible renomination level.
7. The restriction on renomination does not apply to shippers with firm bookings for less than 10% of the annual technical capacity offered at the booking point.
8. If more than one shipper enters a booking point in the same balancing group, a sub-balancing account can be set up by the balancing group manager for each shipper in this particular balancing group. In this case the nomination of gas volumes will be made by the balancing group manager for each shipper separately in its sub-balancing account. In this case the renomination limits referred to in subsections 3 and 7 apply to the shipper's total capacity entered in the sub-balancing accounts for the particular booking point. In the absence of sub-balancing accounts, the total capacity at the booking point in a balancing group serves as the basis for applying the renomination restriction.
9. Nominations must be made separately for each flow direction. Nomination of bundled capacity is made by means of a bundled nomination.
10. Day ahead capacity can be nominated until 20:00 hours. Renomination of day ahead capacity is not possible. No day ahead capacity is included in determining the renomination volume permitted as set out in subsection 3.

[Further general provisions]