

ENTSOG Template

Contract of Main terms and conditions for the offer of bundled capacity products in accordance with article 20 of Commission Regulation (EU) 2017/459 establishing a network code on capacity allocation mechanism in gas transmission systems (“CAM NC”)

CONTENT

1. INTRODUCTION	3
2. IDENTIFICATION OF PARTIES.....	5
3. OBJECT	6
4. DEFINITIONS.....	7
5. MAIN RIGHTS AND OBLIGATIONS	9
6. CAPACITY ALLOCATION RULES.....	10
7. CAPACITY ALLOCATION OTHER RULES.....	12
8. NOMINATIONS	18
9. MAINTENANCE.....	24
10. CONFIDENTIALITY	25
11. ENTRY INTO FORCE.....	26

1. INTRODUCTION

The present Template is developed by ENTSOG in compliance with art. 20.2 of the Regulation (EU) 2017/459 (“CAM NC”) and is based on the [Report on transport contracts main terms and conditions differences](#), as published by ENTSOG on its website on the 6th January 2018. Pursuant to said article, this Template only covers contractual clauses of the TSOs Transport Contract for the ***offer of firm bundled capacity***.

This Template includes the main terms and conditions of the Transport Contracts of TSOs for the offer of bundled capacity which are “*not affected by fundamental differences in principles of national law and jurisprudence*”, as foreseen by the CAM NC.

According to art. 20.4 of the CAM NC, once final and published by ENTSOG on its website, this Template may be applied by the TSOs to “*newly contracted bundled capacity products and upon the approval of the relevant national regulatory authority*”. For the avoidance of any doubt, the application of this Template by the TSOs consequently remains optional. Moreover, this Template does not aim at replacing the current Transport Contracts of the TSOs but rather may be integrated or reflected in those contracts, subject to (i) any adaptation or modification that the TSOs and the Network Users may deem opportune or necessary and (ii) the approval of the relevant NRA(s) and market consultation, as the case may be. This means that for booking firm bundled capacity the Network Users shall enter into the Transport Contracts provided by each of the respective adjacent TSOs, while this Template is not meant to be signed additionally. The content of each individual clause of this Template shall not be considered as exhaustive or restrictive but is of purely indicative nature and subject to changes. The parts in *Italics* used in some clauses aim at providing some clarification and shall not be considered as an integral part of the clauses.

This Template shall be established without prejudice to national laws and regulations, including relevant national network codes and regulations adopted by NRAs or public

authorities' decisions, it being understood that the latter shall prevail over the provisions of this Template in case of any discrepancy.

2. IDENTIFICATION OF PARTIES

This clause aims at the identification of the contracting Parties. The following proposal is addressed to TSOs proposing a written version of the contract and it does not prevent TSOs to set up a registration process for the identification of the Parties by any other means or not at all.

THIS AGREEMENT is made

Between

[TSO name] having its registered office at **[address, street, No, postal code, city and country]**, incorporated under the laws of the **[country]** and with VAT number **[VAT number]** / [registered under the number **[registration number]**], represented for the purposes hereof by a duly authorized representative,

(Hereinafter referred to as the “**TSO**” or “**[TSO name]**”)

And

[Network User name], having its registered office at **[address, street, No, postal code, city and country]**, incorporated under the laws of the **[country]** and with the VAT number **[VAT number]** / registered under the number **[registration number]**, represented for the purposes hereof by a duly authorised representative,

(Hereinafter referred to as the “**Network User**” or “**[Network User name]**”)

Hereafter referred to individually as the “**Party**” and collectively as the “**Parties**”

3. OBJECT

This clause only refers to the object of the Template proposed by ENTSOG and covers the clauses included in it.

- This Template sets out the main rights and obligations of the Parties in relation to booking, allocation and nomination of firm bundled capacities
- The preliminary conditions for booking of firm bundled capacities are registration as Network User at the relevant Booking Platform according to the Booking Platform's General Terms and Conditions and acceptance by the TSO as a Network User. Acceptance of the Network User may be subject to conditions set by the TSO such as fulfilment of requirements in terms of creditworthiness by the Network User or other conditions provided for in the national legislation.

4. DEFINITIONS

For the purposes of this Template the definitions in art. 2 Directive 2009/73/EC of 13 July 2009 “concerning common rules for the internal market in natural gas” (“Directive”), art. 2 of Regulation (EC) No 715/2009 of 13 July 2009 on “conditions for access to the natural gas transmission networks” (“Regulation”) and the definitions of the network codes developed in accordance with art. 6 of Regulation (EC) No 715/2009 shall apply as follows:

Additional Capacity	as defined in	p. 2.2.1.3 Annex I Regulation
Allocation	as defined in	art. 3.15 Regulation (EC) 312/2014 (“BAL NC”)
Auction	in accordance with	art. 8 & 16 CAM NC
Auction Calendar	as defined in	art. 3.15 CAM NC
Booking Platform	in accordance with	art. 37 CAM NC
Bundled Capacity	as defined in	art. 3.12 CAM NC
Capacity Conversion Model	in accordance with	art. 21.3 CAM NC
Capacity Surrender	in accordance with	p. 2.2.4 Annex I Regulation
Clearing Price	as defined in	art. 18.11. CAM NC
Firm Capacity	as defined in	art. 2.1.16 Regulation
Firm-Day-Ahead Use-it-or-lose-it	in accordance with	p. 2.2.3 Annex I Regulation
Gas Day	as defined in	art. 3.16 CAM NC
Interconnection Point	as defined in	art. 3.2 CAM NC
Long-term use-it-or-lose-it	in accordance with	p. 2.2.5 Annex I Regulation
Matching	as defined in	art. 2(d) Regulation (EC) 2015/703 (“INT NC”)
Network User	as defined in	art. 2.1.11 Regulation; art. 37.2.d CAM NC; art. 2.5 BAL NC
Nomination	as defined in	art. 2.1.7. Regulation
Oversubscription	in accordance with	art. 2.2.2 Annex I Regulation
Reallocation	in accordance with	art. 2.2.4 Annex I Regulation

Re-nomination	as defined in art. 2.1.8 Regulation
Re-nomination Cycle	as defined in art. 3.16 BAL NC
Secondary Market	as defined in art. 2.1.6 Regulation
Secondary Trade	in accordance with art. 2.1.6 Regulation
Single Nomination	in accordance with art. 19.7 CAM NC
Standard Capacity Products	as defined in art. 3.4 CAM NC
Timestamp Principle	in accordance with EC Guidance on best practices for congestion management procedures in natural gas transmission networks from 11.07.2014
Transmission	as defined in art. 2.3 Directive; art. 2.1.1 Regulation
Transport Contract	as defined in art. 2.1.2 Regulation

5. MAIN RIGHTS AND OBLIGATIONS

The provisions of the Transport Contract referring to rights and obligations of the TSO and the Network User related to the offer of firm bundled capacity shall at least reflect the following principles:

Rights/Obligations of the TSO

- Obligation to operate the transmission network in a safe and efficient manner and offer access to it in a transparent and non-discriminatory manner according to applicable law and regulation.
- Intake at the entry point and deliver at the exit point of the nominated natural gas quantity.
- Right and obligation to plan and carry out the necessary maintenance of the network in order to ensure a safe network operation.
- Responsibility for fulfilling the gas quality specifications at the exit point of the transmission system subject to the country and the TSO's network specific conditions of any sort (statutory and contractual conditions, operational constraints, etc.)

Rights/Obligations of the Network User

- Use the network according to applicable law and regulation and according to the Transport Contract.
- Balancing obligations (if applicable)
- Nominations and Re-nominations
- Payment obligations
- Responsibility for fulfilling the gas quality specifications at the entry point of the transmission system

6. CAPACITY ALLOCATION RULES

Section 1

Standard Capacity Products

- The Network User may book bundled capacity products offered by the TSO at Interconnection Points on a yearly, quarterly, monthly, daily and/or within-day basis (Standard Capacity Products).
- A yearly capacity product is the capacity offered by a TSO in the same amount for all gas days of one gas year starting on the first (1st) of October.
- A quarterly capacity product is the capacity offered by a TSO in the same amount for all gas days in a particular quarter starting from the first (1st) of October, from the first (1st) of January, from the first (1st) of April or from the first (1st) of July respectively.
- A monthly capacity product is the capacity offered by a TSO in the same amount for all gas days in a calendar month (starting on the first day of each month).
- A daily capacity product is the capacity offered on day ahead basis by a TSO in the same amount for a whole gas day.
- A within-day capacity product is the capacity offered by a TSO in the same amount from a start time within a particular gas day until the end of the same gas day.

Section 2

Start and end time of the capacity products

- The start time of yearly, quarterly, monthly and daily capacity product as defined in art. 9 of CAM NC is the beginning of the first gas day of this Standard Capacity Product.
- The end time of yearly, quarterly, monthly and daily capacity product as defined in art. 9 of CAM NC is the end of the last gas day of this Standard Capacity Product.
- The start time of Within-day capacity product as defined in art. 9 of CAM NC is the beginning of the hour the capacity has been auctioned for.

- The end time of Within-day capacity product as defined in art. 9 of CAM NC is the end of the particular gas day.

Section 3 Booking Platform(s)

- Standard Capacity Products shall be booked only in auctions via a Booking Platform. The TSO shall publish, on its website, information about the Booking Platform(s) used for the capacity allocation at Interconnection Points. Auctions are held according to the conditions laid down by the relevant Booking Platform and in accordance with the CAM NC.

Section 4 Auction dates

- The exact dates of the capacity auctions are specified in the ENTSOG auction calendar as defined in art. 3 of CAM NC being published on the ENTSOG website.

Section 5 Publication of the allocation results of the auctions

- To each respective Network User who placed a successful bid in the relevant auctions the capacity covered by its bid shall be allocated by the TSO as defined in art. 17 and 18 of CAM NC.
- Each Network User who participated in the auction process, shall be informed about the capacity he booked in the respective auction and the applicable capacity charge. The booking results are also published in an aggregated form, together with the Clearing Price.
- The TSO shall solely be responsible for allocating its own marketed capacity.

7. CAPACITY ALLOCATION OTHER RULES

This clause sets rules on Oversubscription, Capacity Surrender, Assignment and the Capacity Conversion Model, where Assignment means transfer of all rights and obligations under the capacity contract with the transfer concerning the whole or part of the capacity contracted.

Section 1

Order of capacity to be sold

- The order of the capacity being offered by a TSO applying Oversubscription should be the following:
 - a. Available Firm Capacity
 - b. Capacity Surrender
 - c. Long-term use-it-or-lose-it
 - d. Oversubscribed capacity

- The order of the capacity being offered by a TSO applying Firm-Day-Ahead Use-it-or-lose-it should be the following:
 - a. Available Firm Capacity
 - b. Order of different additional capacity as set by individual NRA's decisions

Section 2

Capacity products subject to Capacity Surrender

- Capacity products subject to Capacity Surrender shall be at least:
 - a. Yearly capacity products
 - b. Quarterly capacity products
 - c. Monthly capacity products

Section 3

Capacity Surrender lead times

- Subject to the applicable regulations and the provisions of the Transport Contract, the TSO shall accept the Capacity Surrender by a Network User of contracted, firm yearly, quarterly or monthly entry or exit capacity at Interconnection Points.
- The Network User shall notify the TSO about the Capacity Surrender at the latest seven business days before the publication of offered capacity products, in which surrendered capacity shall be included, for the respective next auction at a Booking Platform. TSOs may apply shorter lead times if their internal process allows this.

Section 4

Notification requirements for Capacity Surrender

- The Network User shall notify a TSO about capacity to be surrendered via a communication channel established by the TSO. Based on the TSO's decision this could be done via one or more of the following communication channels, while TSOs aim for a harmonised communication channel for surrendering bundled capacities:
 - a. Booking Platform
 - b. TSO electronic information system
 - c. email using defined form
 - d. paper form – as a fall-back solution or for a limited transitional period

Section 5

Allocation rules for Capacity Surrender

- In case surrendered capacity from several Network Users is offered in the same capacity auction the TSO should reallocate the surrendered capacity, to the extent there is demand for it, in the timely order that the capacity has been surrendered to the TSO (Timestamp Principle).

Section 6

Rights and obligations in case of Capacity Surrender

- The Network User shall:
 - a. refrain from any action hindering capacity re-marketing (e.g. enter into any other kind of trading with the firm entry or exit capacity concerned)
 - b. keep payment obligation for the amount of the surrendered capacity, which has not been successfully re-marketed by the TSO;
 - c. keep other rights and obligations in respect of the amount of the surrendered capacity, which has not been successfully re-marketed by the TSO
- The TSO shall notify the Network User about the amount of capacity which has not been successfully re-marketed by the TSO and which is further at the Network User's disposal.

Section 7

Capacity products subject to Oversubscription and Buy-Back¹

- The capacity product as a subject to the Oversubscription measure, if applicable, may be:
 - a. Yearly capacity products
 - b. Quarterly capacity products
 - c. Monthly capacity products
 - d. Daily capacity products
 - e. Within-day capacity products
- Where necessary to maintain system integrity, the TSO applies a market-based buy-back scheme in which Network Users can offer Firm Capacity to the TSO, or reduce the usage of Firm Capacity.

¹ In case the TSO applies this procedure

- Oversubscribed capacity should be considered as firm capacity, and should not be distinguished in any way from other firm capacities.

Section 8

Lead time for Assignment of capacity on secondary market

- The Network User shall request for the TSO(s)'s approval of an Assignment of the contracted capacity (in whole or in part) no later than ten business days before the planned assignment date.
- In case of Assignment of Daily capacity, the Network User has to request for the TSO(s)'s approval at the latest three business days before the start time of the capacity, if the service is offered.
- TSOs may apply shorter lead times if their internal process allows this.
- The applications for approval to the above-mentioned Assignments shall be made in written or electronic form according to the TSO(s)'s requirements.

Section 9

Lead time for confirmation by the TSO of Assignment of capacity

- Without prejudice to Section 8 point 2, the TSO(s) should give its/their approval if all necessary TSO-specific conditions are met (e.g. the creditworthiness check). The TSO(s) shall make all reasonable efforts to give its/their approval within five business days after all necessary TSO-specific conditions are fulfilled.

Section 10

Assignment of contract's rights and obligations of the involved Network Users towards the TSO

- Subject to exceptions under national regulation, all rights and obligations are transferred to the receiving Network User. All settlements for the capacity services

shall be done between the concerned TSO(s) and the new Network User as of the moment of the effective assignment of the capacity rights. Where part of the capacity is assigned, sentence 1 and 2 apply to the extent capacity is assigned.

Section 11

Transfer of Use (where offered by the TSO)

- The Network User may make a transfer of use of booked capacity to third party by using either the Booking Platform or any other means, under the conditions set up by the TSO including any approval procedure. The Network User shall remain bound by the obligations stemming from the Transport Contract, in particular the payment obligations.

Section 12

Secondary trading rules regarding bundled capacity

- The Network User shall maintain bundled capacity as bundled on the secondary market. Bundled capacity shall only be resold as bundled.
- The Network User can offer a part of a standard capacity product on the secondary market. This part should be also in form of a standard capacity product.
- Network Users are not allowed to create financial instruments in the meaning of Annex I, Section C of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments in connection with capacity contracts sold on the secondary market via a Booking Platform.

Section 13

Capacity conversion service

- The TSO shall offer to the Network User, holding mismatched unbundled capacity at one side of an Interconnection Point and having successfully acquired bundled capacity

in an auction at the same Interconnection Point, a service to convert such unbundled capacity into bundled capacity.

- This service shall be based on ENTSOG's capacity conversion model developed according to art. 21.3 of CAM NC as published on ENTSOG's website, which describes mainly but not limited to the process, the conversion scenarios and the applicable charges.

8. NOMINATIONS

Section 1

Basic Nomination information

- Nominations and Re-nominations provided by a Network Users to the TSO with regard to Interconnection Points shall contain at least the following information:
 - Interconnection Point identification;
 - direction of the gas flow;
 - Network User identification or, if applicable, its balancing portfolio identification;
 - Network User's counterparty identification or, if applicable, its balancing portfolio identification;
 - start time (and end time if needed) of the gas flow for Nomination or Re-nomination
 - gas day D;
 - the gas quantity requested to be transported

Section 2

Deadline for the Network User to communicate an initial Nomination

- A Network User shall be entitled to submit a Nomination to the TSO for gas day D no later than until the Nomination deadline on gas day D-1.
- The Nomination deadline shall be 13:00 UTC (winter time) or 12:00 UTC (daylight saving) on gas day D-1.

Section 3

Parameters to be checked by the TSO

- Before computing the hourly confirmed quantities to the Network Users, the TSO shall check the validity of the following parameters:
 - whether the Nominations comply with requirements as to their content (see Section 1 of this clause);
 - whether the Nomination has been sent by or on behalf of the authorised user;
 - whether the daily Nomination or Re-nomination does not result in a negative implied Nomination flow rate;
 - whether the Nomination exceeds the Network User's allocated capacity and Transport Contract limits.

Section 4

Deadline for the TSO to confirm the initial Nominated quantity

- The TSO shall send the message regarding the confirmed quantities to the respective Network User no later than until the confirmation deadline on gas day D-1.
- The confirmation deadline shall be 15:00 UTC (winter time) or 14:00 UTC (daylight saving) on gas day D-1.

Section 5

Single Nomination of bundled capacity

- A Single Nomination and Re-nominations procedure for bundled capacity products shall be established by the TSO in cooperation with the adjacent TSO in accordance with CAM NC and BAL NC.

Section 6

First Re-nomination cycle

- A Network User shall be entitled to submit Re-nominations within the Re-nomination period; which starts immediately after the confirmation deadline and ends no earlier than three hours before the end of gas day D. The TSO shall start a Re-nomination cycle at the start of every hour within the Re-nomination period.

Section 7

Re-nomination used by the TSO

- The last Re-nomination received by the TSO from a Network User before the Re-nomination deadline for the next cycle shall be taken into account by the TSO in the Re-nomination cycle.

Section 8

Confirmation by the TSO

- The TSO shall send the message regarding the confirmed quantities to the respective Network Users within two hours from the start of each Re-nomination cycle. The start time of the effective gas flow change shall be two hours from the start of the Re-nomination cycle, unless:
 - a later time is requested by the Network User; or
 - an earlier time is requested by the Network User and allowed by the TSO.

Section 9

Data exchange

- Nomination by the Network User needs to be sent using Edig@s-XML or an equivalent data format ensuring an identical degree of interoperability and via an AS4 protocol according to the specifications of Regulation (EC) 2015/703, INT NC.
- TSOs may provide additional possibilities for data exchange, including any additional information concerning Nominations, in line with the requirements defined in the INT NC (e.g. interactive data exchange)

Section 10

Default Nomination rule

- In the absence of a valid Nomination sent by the Network User before the Nomination deadline, the TSO shall apply the default Nomination rule agreed between the adjacent TSOs at the relevant Interconnection Point. The default Nomination rule in force at an Interconnection Point shall be made available to the Network Users of the TSOs.

Section 11

Rejection possibilities

- The TSO may reject:
 - a Nomination or Re-nomination no later than two hours after the Nomination deadline or the beginning of the Re-nomination cycle in the following cases:
 - it does not comply with the requirements as to its content (see Section 1 of this clause); or
 - it is submitted by an entity other than a Network User or an entity that does not act on behalf of a Network User; or

- the acceptance of the daily Nomination or Re-nomination would result in a negative implied Nomination flow rate; or
- it exceeds the Network User's allocated capacity, except for Re-nominations exceeding Network User's allocating capacity in certain cases as described in the Network Code on gas balancing of transmission networks (BAL NC).
- a Re-nomination no later than two hours after the beginning of the Re-nomination cycle in the following additional cases:
 - it exceeds the Network User's allocated capacity for the remaining hours, unless this Re-nomination is submitted in order to request interruptible capacity, where offered by the TSO; or
 - the acceptance of the hourly Re-nomination would result in an expected gas flow change before the end of the Re-nomination cycle.
- The TSO shall not reject a Network User's Nomination and Re-nomination on the sole ground that this Network User's intended inputs are not equal to its intended off-takes.

Section 14

Rejections deadline

- The deadline for a rejection of a Nomination or a Re-nomination is within two hours after the start of the Re-nomination cycle.

Section 15

Amendment possibilities of (re-)nominations

- In accordance with BAL NC, the TSO may in principle amend the gas quantity requested under a Nomination and Re-nomination only in the following cases:

- in accordance with the specific terms and conditions applicable to interruptible capacity; or
- in accordance with the specific terms and conditions applicable to congestion management rules; or
- in exceptional events and emergency situations when there is an evident danger to system security and stability.

9. MAINTENANCE

- In case of maintenance works the TSO strive to limit the impact of the maintenance works on Network User's rights from Transport Contracts.
- The TSO shall publish at least once per year a schedule of maintenance work that might affect network users' rights from transport contracts and corresponding operational information with adequate advance notice.
- Furthermore, the TSO shall inform the Network Users on non-discriminatory basis in case of unplanned maintenance or in case of any changes to the schedule of the maintenance work in due time.

10. CONFIDENTIALITY

- The TSO shall safeguard the confidentiality of commercially sensitive information obtained in the course of carrying out its activities in compliance with the applicable laws and regulations.
- Parties shall treat and keep all information obtained by one Party from the other as confidential. Parties shall not disclose any such confidential information to any third party without the prior written consent of the other Party, except where needed for the proper performance of the contract to [TSOs to specify the list of third parties – non-limitative examples: employees, agents, contractors, etc.] The above confidentiality obligations shall not apply in the following (non- exhaustive list of) circumstances:
 - the information is requested by law or a public authority (including but not limited to a regulatory authority, a tribunal); or
 - the information is already in the public domain; or
 - the information is already available to the receiving Party from another source without breaching of the present clause.
- The confidentiality obligations under the second bullet point are binding upon the Parties for the entire duration of the Transport Contract and shall survive for a period from [1 to 5 – to be defined by the TSO] years after its termination or expiry.

11. ENTRY INTO FORCE

- The Transport Contract shall enter into force on the date agreed by both Parties or on the date that the capacity has been finally allocated to the Network User, as applicable.