

# Common Regulations for the Use of Natural Gas Transmission System

Public consultation on amendments

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## 1. General provisions

- 1.1. This Regulation establishes the rights, obligations and information exchange procedure between the natural gas (hereinafter gas) transmission system operators of Estonia (Elering AS) and Latvia (AS Conexus Baltic Grid) (hereinafter referred to as TSO or jointly as TSOs) and the network users (hereinafter referred to as the network user) in relation to the use of the gas transmission systems (referred to as the transmission system), capacity booking, nominations and allocation within the common balancing zone comprising Estonia and Latvia.
- 1.2. This Regulation applies:
  - 1.2.1. to both transmission systems within the territories of Estonia and Latvia;
  - 1.2.2. to all network users who have entered into a legally binding balancing agreement and transmission service agreement with any TSO within the common balancing zone;
  - 1.2.3. in a non-discriminatory manner to any type of gas that can be technically and safely injected into and transported through the transmission systems of the common balancing zone in accordance with the relevant national technical rules and safety standards applicable, provided that such gas meets the applicable gas quality requirements.
- 1.3. The entry points and exit points regulated under this Regulation, where the gas can be injected into or off-taken from the common balancing zone, are as follows:
  - 1.3.1. entry/exit point Luhamaa (Russia-Estonia);
  - 1.3.2. entry/exit point Balticconnector (Estonia-Finland);
  - 1.3.3. entry/exit point Kiemenai (Lithuania-Latvia);
  - 1.3.4. entry/exit point Inčukalna underground gas storage facility (Latvia);
  - 1.3.5. exit point to Estonian domestic consumption;
  - 1.3.6. exit point to Latvian domestic consumption;
  - 1.3.7. entry point from Estonian production;
  - 1.3.8. entry point from Latvian production;
  - 1.3.9. entry point from Pakrineeme liquefied natural gas (hereinafter LNG) facility only during the validity of the LNG facility connection agreement or TSO-LNG facility cooperation agreement as LNG terminal or one-time cargo.
- 1.4. The applicant and the network user shall, when contacting the TSO in the situations outlined in this Regulation, provide information and documents to the TSO in either English or the national language of the country where the TSO has its registered office. The information and documents specified in this Regulation, when transmitted electronically, shall be signed with a secure electronic signature, unless otherwise agreed between the TSO and the applicant and the network user.
- 1.5. The transmission service agreement and any modifications therein shall align with the provision of this Regulation.
- 1.6. The terminology used in this Regulation holds the same meaning as set in European Union legislation unless otherwise specified in paragraph 2 of this Regulation.

## 2. Definitions

- 2.1. **Additional capacity** means the firm capacity of the entry or exit point made available in the event of congestion management or the submission of nomination capacity in excess of the network user's booked capacity.
- 2.2. **Applicant** means a legal person who submits an application to the TSO to acquire the rights to use the transmission system of the common balancing zone.
- 2.3. **Capacity booking platform** means an online platform for the auctioning of capacity.
- 2.4. **Bundled capacity** means a firm capacity product offered on a firm basis, which consists of the corresponding entry and exit capacity at both sides of an interconnection point.

- 2.5. **Business day** means any day from Monday to Friday that is not a public holiday in any of the countries in the common balancing zone as well as a working day transferred in accordance with the law of the respective country in the common balancing zone.
- 2.6. **Capacity booking** application means a request that a network user submits to the TSO regarding the booking of capacity using the standard communication protocol.
- 2.7. **Central counterparty** (hereinafter the CCP) means a legal person that (a) interposes itself between the counterparties to the contracts traded on a trading platform, becoming the buyer to every seller and the seller to every buyer; and (b) organizes the transfer of net positions resulting from capacity allocation.
- 2.8. **Clearing transactions** means a transaction between a CCP and a Counterparty as a result of matching at a trading platform.
- 2.9. **Common balancing zone** means the common Estonian and Latvian balancing zone in which an imbalance position for each network user is determined and where this Regulation applies.
- 2.10. **Common IT Platform** means the IT platform for operational planning and information exchange with contracted parties within the Estonian-Latvian common balancing zone accessible at <https://platform.conexus.lv/>.
- 2.11. **Connection agreement** means the agreement between the connected party and the TSO concerning the connected party's connection to the transmission system.
- 2.12. **Counterparty** within the meaning of this Regulation means a natural or legal person making use of an adjacent gas transmission entry-exit system, gas storage facility or LNG facility, supplying gas to the network user at the entry or exit points of the transmission system, or the network user delivering gas to said person.
- 2.13. **Capacity booking** means the procedure of booking transmission capacity online using the standard communication protocol.
- 2.14. **Domestic consumption** is calculated by summing the gas off-taken from the exit point to the distribution system and the gas off-taken from the exit point to the consumer directly connected to the transmission system.
- 2.15. **Energy identification code** (hereinafter the EIC) means the identification code assigned to market participants in accordance with the Energy Identification Coding scheme.
- 2.16. **Entry capacity** means the available transmission system capacity at a given entry point.
- 2.17. **Entry point** means a physical location or virtual point where gas is physically delivered or commercially injected into the transmission system, or the distribution system connected to the transmission system.
- 2.18. **Exit capacity** means the available transmission system capacity at a given exit point.
- 2.19. **Exit point** means a physical location where the gas transmission ends and gas is injected into the adjacent transmission system, into the distribution system or directly into the consumption site that is connected to the transmission system. If the distribution system is connected to the transmission system at multiple physical points, all of these points are considered a single exit point.
- 2.20. **First-Come-First-Served principle** (hereinafter FCFS principle) means the capacity allocation method when capacity is allocated primarily to the network users who have applied for capacity booking at the earliest.
- 2.21. **Fixed delivery agreement** means the type of gas sale-purchase agreement, where gas is supplied in accordance with a delivery schedule arranged in advance.
- 2.22. **Flexible delivery agreement** means the type of gas sale-purchase agreement that allows gas to be supplied in accordance with the network user's demand, with the flexibility to adjust the delivery schedule.
- 2.23. **Gas day** means a period from 05:00 to 05:00 UTC the following day in winter time and from 04:00 to 04:00 UTC the following day when daylight saving is applied.

- 2.24. **Gas month** means a period beginning on the first day, at 05:00 UTC, of each calendar month and ending on the first day, at 05:00 UTC, of the next calendar month (from 04:00 to 04:00 UTC when daylight saving is applied).
- 2.25. **Gas quarter** means the period from 05:00 UTC on 1 January to 05:00 UTC on 1 April (Q2); the period from 05:00 UTC on 1 April to 05:00 UTC on 1 July (Q3); the period from 05:00 UTC on 1 July to 05:00 UTC on 1 October (Q4); and the period from 05:00 UTC on 1 October to 05:00 UTC on 1 January (Q1) in the winter time (from 04:00 to 04:00 UTC when daylight saving is applied).
- 2.26. **Gas year** means a period beginning on 1 October at 05:00 UTC of each year and ending on 1 October at 05:00 UTC of the following year in the winter time (from 04:00 to 04:00 UTC when daylight saving is applied).
- 2.27. **Imbalance means** a situation where allocations to the transmission system by a network user differ from off-takes from the transmission system by that network user during the gas day.
- 2.28. **Interruption means** the limitation of the network user's rights to use the transmission system, i.e. the limitation of the right to transmit gas using booked firm or interruptible capacity.
- 2.29. **LNG facility** means a terminal that is used for the liquefaction of natural gas or the importation, offloading and re-gasification of LNG, including ancillary services and temporary storage necessary for the re-gasification process and subsequent delivery to the transmission system, excluding any part of LNG terminals used for storage.
- 2.30. **LNG terminal** is an LNG facility operated by an LNG system operator offering services to third parties.
- 2.31. **Network user**, as defined in this Regulation, means a person who has concluded a transmission service agreement and uses the transmission system service in the common balancing zone.
- 2.32. **Production**, as defined in this Regulation, refers to the gas that is injected into a transmission system or a distribution system connected to the transmission system from a production facility, directly connected or delivered to a physical entry point from a production facility by means of road transport.
- 2.33. **Pro-rata** means the principle of allocation of capacity when the available transmission capacity is allocated in proportion to the capacity booked by the network users.
- 2.34. **Re-nomination** means the subsequent reporting of a corrected nomination.
- 2.35. **Reporting period** means the time period of one month.
- 2.36. **Third country**, as defined in this Regulation, means the Russian Federation.
- 2.37. **Transit**, as defined in this Regulation, means the transmission of gas originating in a third country and designated for a third country through the territory of the common balancing zone and other adjacent balancing zones.
- 2.38. **Transmission service agreement** means the agreement concluded between the TSO and the network user, which entitles the network user to use the transmission systems of the common balancing zone and ensures the performance of the transmission service to the network user within the common balancing zone.
- 2.39. **Long-Term Use It Or Lose It** (hereinafter UIOLI) means the procedure for the reallocation of transmission system capacity systematically booked but not used in the case of the request of other network users for the firm capacity.
- 2.40. **Virtual reverse flow** means the virtual, commercial flow netted off from the physical forward flow, meaning the former can be allocated in the opposite direction when forward flow capacity has been nominated.

### 3. Conditions for the conclusion of the transmission service agreement

- 3.1. To obtain the right to use the transmission systems of the common balancing zone, the applicant must submit an electronic application for the conclusion of a transmission service agreement to the TSO with whom the balancing agreement has been concluded. The application shall be submitted in accordance with the provided application form, which can be found on the TSO's

website. In addition to the application, the applicant is required to provide the following data and documents:

- 3.1.1. contact details of the representative(s) authorized to assume obligations on behalf of the applicant (including full name, title, phone number, e-mail address) and documents proving the right of the representative(s) to act on behalf of the applicant;
- 3.1.2. if the application is submitted by an authorised representative of the applicant, proof of representation shall be provided;
- 3.1.3. a document demonstrating that the applicant has registered its commercial activity in accordance with the laws and regulations of the relevant country;
- 3.1.4. a document certifying that no insolvency procedure has been announced for the applicant, that the economic activity of the applicant is not suspended and that the applicant is not undergoing liquidation. This document must be issued not later than one month prior to the day of submitting the application.
- 3.2. After the submission of the application, if there are any changes in the data or documents provided in the application, the applicant shall notify the TSO of such changes within three business days.
- 3.3. The TSO shall evaluate the application and documents provided within ten business days from the date of receipt thereof. The TSO may request that the applicant submit the missing documents and additional information, if necessary.
- 3.4. If the TSO requests additional information or documents, the applicant shall submit them within ten business days from the date of the request. If the applicant fails to submit the requested additional information or documents within the deadline, the application shall be considered withdrawn.
- 3.5. Once the applicant has submitted all the requested documents and additional information mentioned in sub-paragraphs 3.1 and 3.2 of the Regulation, the TSO shall, within five business days of receiving the documents and additional information, prepare the transmission service agreement. The TSO will then send the agreement to the applicant electronically or in written form by post for signing.
- 3.6. The applicant is required to return the signed transmission service agreement to the TSO electronically, or in two copies if the agreement is signed in written form, within ten business days from the date of dispatch of the transmission service agreement. Failure to return the signed transmission service agreement to the TSO within 15 business days from the date of dispatch will result in the applicant being considered to have withdrawn their application.
- 3.7. Upon receiving the signed transmission service agreement, the TSO shall sign the agreement within three business days and send one copy of the agreement back to the applicant.
- 3.8. The TSO shall send a motivated written refusal to conclude the transmission service agreement electronically or by post to the address indicated in the application within the time period established under the laws of the country where the TSO has its registered office.
- 3.9. Upon signing the transmission service agreement, the network user agrees to adhere to the terms of use of the Common IT platform as published on the TSO's website.
- 3.10. Upon the conclusion and throughout the validity of the transmission service agreement, in order to access transmission services, the network user is requested to provide appropriate collateral to ensure the fulfilment of their obligations under the agreement in accordance with the Annex of this Regulation.

#### **4. General conditions for access to the transmission services**

- 4.1. A network user, who injects gas into or off-takes from the transmission system of the common balancing zone, must book the corresponding entry or exit capacity at the entry points or exit points for using transmission services.
- 4.2. Transmission services are accessible to the network user:
  - 4.2.1. via the website of the Common IT Platform; or

- 4.2.2. through direct connection to the Common IT Platform via the AS4 data exchange protocol in accordance with the conditions for access.
- 4.3. The details and principles of information exchange between the network user and the TSO on the Common IT Platform are set out in the information exchange guidelines, which are published on the TSO's website and the Common IT Platform.
- 4.4. The format of information exchange between the TSO and the network user follows the EDIG@S standard.
- 4.5. In order to access the Common IT Platform, the network user shall have concluded a transmission service agreement with the TSO and secured the fulfilment of contractual obligations in accordance with the Annex to the Regulation.
- 4.6. The capacity products are expressed and allocated in units of energy per unit of time (kWh/hour).
- 4.7. In order to access transmission services at an entry point where bundled capacity is offered, the network user shall also have a valid agreement for the use of transmission services with the adjacent transmission system operator.
- 4.8. In order to access transmission services at an entry point from Estonian or Latvian production or at an exit point to Estonian or Latvian domestic consumption, the network user shall have a respective producer entry point or a consumer exit point attributed to the network user's portfolio.
- 4.9. An entry point from Estonian or Latvian production or an exit point to Estonian or Latvian domestic consumption of a consumer directly connected to the transmission system can be assigned to a network user's portfolio at the beginning of a calendar month.
- 4.10. In order to assign an exit point to Latvian domestic consumption of a consumer directly connected to the transmission system or entry point from Latvian production to the network user's portfolio, the network user shall confirm the delivery request from the directly connected consumer to the transmission system of the exit point to Latvian domestic consumption or producer of an entry point from Latvian production at least ten business days before the start of the month in which the network user intends to begin the injection of the gas from an entry point from Latvian production or to off-take the gas at the exit point to Latvian domestic consumption of a consumer directly connected to the transmission system.
- 4.11. The removal of an assignment of an entry point from Latvian production or from an exit point to Latvian domestic consumption of a consumer directly connected to the transmission system to the network user portfolio can be done by submitting a cancellation statement by the network user, consumer or producer, as applicable, at least ten business days before the start of the month starting from which the network user shall stop the injection at an entry point from Latvian production or off-take at an exit point to Latvian domestic consumption of a consumer directly connected to the transmission system.

## **5. Capacity allocation**

- 5.1. The capacity allocation mechanism specified in this Regulation applies to all entry points and all exit points with the exception of:
  - 5.1.1. the entry/exit point of Inčukalns underground gas storage facility, as governed by the legal acts of Latvia applicable to the provision of third-party access services concerning storage facilities;
  - 5.1.2. the exit point to Estonian domestic consumption;
  - 5.1.3. the exit point to Latvian domestic consumption.
- 5.2. At the entry/exit point of Balticconnector, the capacity is allocated by implicit capacity allocation rules in accordance with sub-paragraph 5.7 and using virtual reverse flow in accordance with sub-paragraph 6.5 of this Regulation.
- 5.3. At entry/exit Luhamaa, the entry and exit capacity shall be allocated as transit in accordance with sub-paragraph 5.10 of this Regulation.
- 5.4. At the entry/exit point Kiemenai:
  - 5.4.1. capacity is offered as bundled capacity;

- 5.4.2. for daily and within-day capacity products, the capacity is allocated based on implicit capacity allocation rules in accordance with sub-paragraph 5.7.2 of this Regulation
  - 5.4.3. for yearly, quarterly, monthly, daily and within-day products starting from October 1<sup>st</sup>, 2025, the capacity is allocated on the capacity booking platform operated by a third party in accordance with sub-paragraph 5.11 of this Regulation for quarterly, monthly products ending before 1<sup>st</sup> of October 2025, the capacity is allocated by pro rata principle in accordance with sub-paragraph 5.9. of this Regulation;
  - 5.4.4. for daily and within day products ending before 1<sup>st</sup> of October 2025, capacity is allocated by FCFS principle in accordance with sub-paragraph 5.8. of this regulation;
  - 5.4.5. for within-day interruptible capacity products, the capacity is allocated by over-nomination procedure;
  - 5.4.6. the congestion management rules in accordance with paragraph 6 of this Regulation apply;
  - 5.4.7. if there is more available firm capacity on the Latvian side of the Kiemenai entry/exit point than on the Lithuanian side, the Lithuanian TSO can offer a relevant interruptible capacity product in accordance with the contract between the two TSOs. In such cases, the TSO may offer the extra capacity as an unbundled product to network users, using the FCFS principle for capacity allocation;
  - 5.4.8. if all available capacity, excluding capacity intended for implicit capacity allocation, is already booked at the Kiemenai entry/exit point, the TSOs must offer interruptible capacity to network users. The amount of interruptible capacity offered should be at least equal to the booked capacity that is not nominated, and this offering should be done on a daily and within-day basis.
- 5.5. At entry points from Pakrineeme LNG facility:
- 5.5.1. the capacity is allocated exclusively to the LNG facility operator after the verification of the connection agreement application by the Estonian TSO, or during the validity period of the connection contract, or the validity period of the TSO-LNG facility cooperation agreement. The Pakrineeme connection agreement can be concluded with Estonian TSO based on the FCFS principle as outlined in Estonian TSO terms and conditions for connecting to the gas transmission network at Elering AS;
  - 5.5.2. when offering and allocating capacity at an entry point from Pakrineeme, the impact of flows arising from announced annual services schedules of regional LNG terminals (including Inkoo LNG, Hamina LNG, Pakrineeme LNG, and Klaipeda LNG entry points) shall be considered in the order that the annual service schedules were published;
  - 5.5.3. if the LNG facility operates as an LNG terminal, the terminal operator must provide third-party access services in accordance with EU Regulation 2024/1789 and the rules for capacity allocation to third-parties shall be defined in the LNG terminal rules as approved by the national regulator;
  - 5.5.4. if the LNG facility has a verified connection agreement application or, a connection agreement for a one-time cargo injection into the transmission system with Estonian TSO:
    - 5.5.4.1. the network user shall submit capacity booking applications for the standard capacity products listed in sub-paragraph 5.8.1. These applications must cover the period required for the cargo injection into the transmission system, not exceeding the duration of the connection agreement, in accordance with sub-paragraph 4.2 of this Regulation;
    - 5.5.4.2. upon receiving the capacity booking request, the TSO shall notify the network user of the receipt of the request and provide the status of the received capacity booking request within one hour, in accordance with sub-paragraph 4.2 of this Regulation;
    - 5.5.4.3. if the firm capacity requested by the network user exceeds the available capacity and the network user has not indicated a minimum acceptable quantity, the TSO shall reject the capacity booking application and immediately notify the network user in accordance with sub-paragraph 4.2 of this Regulation. If the minimum acceptable quantity indicated by the network user is higher than the available capacity, the TSO shall reject the capacity booking application and immediately notify the network user in accordance with sub-paragraph 4.2

of this Regulation. If the minimum acceptable quantity indicated by the network user is less than or equal to the available capacity, the TSO shall allocate the available capacity;

- 5.5.4.4. the TSO shall make the capacity allocated available to the network user not later than the next calendar day.
- 5.6. At the entry points from Estonia and Latvia, production capacity is allocated in the measured amount.
- 5.7. Implicit capacity allocation
  - 5.7.1. Implicit capacity allocation at the entry/exit points Kiemenai and Balticconnector
    - 5.7.1.1. The capacity for network users shall be allocated by implicit capacity allocation based on the confirmed quantity that has undergone the TSO's processing of nominations and the matching process in accordance with paragraph 8 of this Regulation.
    - 5.7.1.2. The capacity for network users shall be allocated by implicit capacity allocation based on the trading activities conducted at the trading platform(s) using a daily quota. The capacity allocation will be determined according to the trades concluded, as described in sub-paragraph 5.7.2 of this Regulation.
  - 5.7.2. Implicit capacity allocation rules via trading platform
    - 5.7.2.1. The TSOs shall offer a part of the capacity via the trading platform(s) that have entered into an implicit capacity allocation service agreement with the TSOs.
    - 5.7.2.2. The implicit capacity allocation method shall be applicable to at least the daily standard capacity product. If the TSO receives a request from a network user to provide other capacity products, the TSO shall offer such capacity products in cooperation with the relevant service provider and within a reasonable implementation timeframe.
    - 5.7.2.3. The TSO shall publish on its website the information regarding the trading platform(s) that offers implicit capacity allocation and the amount of capacity available for trading on the trading platform(s).
    - 5.7.2.4. The amount of capacity given for implicit capacity allocation via the trading platform(s) is determined based on historical data and the principle of minimizing capacity shortage, whether for implicit capacity allocation via a trading platform or for implicit capacity allocation via confirmed quantity. If, on the previous day, all capacity given to trading platform(s) was fully allocated, the trading platform(s) may request a five per cent increase in the given capacity. Conversely, if on the previous day, all capacity available for allocation via confirmed quantity and all capacity given to trading platform(s) was not fully allocated, the amount of capacity given to the trading platform(s) is reduced by five per cent.
    - 5.7.2.5. The TSO shall treat all trading platforms offering implicit capacity allocation equally.
    - 5.7.2.6. The amount of capacity given to each trading platform for implicit capacity allocation is determined through an agreement between the TSO and the trading platform operator. Any change in the amount of capacity given is communicated through the TSO's respective website at least three days prior to the change.
    - 5.7.2.7. The trading platform is required to return the residual amount of capacity given for allocation by the deadline agreed between the trading platform and the TSO. For capacity at the Kiemenai entry/exit point given for implicit capacity allocation for gas day D, no part shall be returned until the end of gas day D.
    - 5.7.2.8. The TSO is responsible for coordinating all the offered capacity values given to the trading platform for implicit capacity allocation, ensuring maximum utilization of the capacity amount, by the deadline agreed between the trading platform and the TSO.
- 5.8. Capacity allocation using the FCFS principle
  - 5.8.1. Standard short-term capacity products for firm capacity and interruptible capacity (except bundled capacity) at entry/exit points where capacity allocation using the FCFS principle is applied:



- 5.8.1.1. the long-term capacity product: the yearly standard capacity product, which is offered in the same amount for all gas days of one gas year starting on 1 October, except Kiemenai entry/exit point;
- 5.8.1.2. the short-term capacity products:
  - 5.8.1.2.1. quarterly standard capacity product: this capacity product is offered in the same amount for all gas days within a specific quarter. Quarter starts on 1 October, 1 January, 1 April or 1 July, respectively, except Kiemenai entry/exit point;
  - 5.8.1.2.2. monthly standard capacity product: this capacity product is offered in the same amount for all gas days within a calendar month, starting from the first day of each month, except Kiemenai entry/exit point;
  - 5.8.1.2.3. the daily standard capacity product: this capacity product is offered on a daily basis in the same amount for the entire gas day;
  - 5.8.1.2.4. the within-day standard capacity product: this capacity product is offered in the same amount from a specific start time within a particular gas day until the end of the same gas day.
- 5.8.2. Long-term capacity product allocation using FCFS principle:
  - 5.8.2.1. The network user shall submit the capacity booking application for a long-term standard capacity product three months before the beginning of the gas year. The application must be submitted by 13:00 UTC (or 12:00 UTC if daylight saving is applicable) on the day before respective gas year, in accordance with sub-paragraph 4.2 of this Regulation.
  - 5.8.2.2. The TSO shall inform the network user of the allocated firm capacity no later than the next working day after the deadline for submission of the capacity booking application. This notification should be sent by 12:30 UTC (or 11:30 UTC if daylight saving is applicable) to the network user in accordance with sub-paragraph 4.2 of this Regulation.
- 5.8.3. On short-term capacity product allocation using the FCFS principle, the network user shall submit short-term capacity booking applications within the following periods:
  - 5.8.3.1. for the daily standard capacity product, starting 14 gas days before the gas month, including the respective gas day, until 13:00 UTC on gas day D-1;
  - 5.8.3.2. for the within-day standard capacity product, not earlier than the confirmation deadline of nomination at 15:00 UTC (or 14:00 UTC if daylight saving is applicable) on gas day D-1 and not later than three hours before the end of the gas day;
  - 5.8.3.3. for the daily interruptible capacity product, starting from 07:00 UTC (or 08:00 UTC if daylight saving is applicable) on gas day D-1 until 13:00 UTC on gas day D-1;
  - 5.8.3.4. for the within-day interruptible capacity product, starting from 15:00 UTC (or 14:00 UTC if daylight saving is applicable) on gas day D-1 until three hours before the end of gas day.
- 5.8.4. Upon receiving the capacity booking request, the TSO shall notify the network user of the receipt of the request and provide the status of the received capacity booking request within one hour in accordance with sub-paragraph 4.2 of this Regulation.
- 5.8.5. If the firm capacity requested by the network user exceeds the available capacity and the network user has not indicated a minimum acceptable quantity, the TSO shall reject the capacity booking application and immediately notify the network user in accordance with sub-paragraph 4.2 of this Regulation. If the minimum acceptable quantity indicated by the network user is higher than the available capacity, the TSO shall reject the capacity booking application and immediately notify the network user in accordance with sub-paragraph 4.2 of this Regulation. If the minimum acceptable quantity indicated by the network user is less than or equal to the available capacity, the TSO shall allocate the available capacity.
- 5.8.6. The TSO shall make the capacity allocated available to the network user not later than the next calendar day.
- 5.8.7. When notifying the network user of the allocated short-term capacity at a specific entry point and exit point, the TSOs shall publish the total capacity allocated in a transparent and effective manner.

#### 5.8.8. Special conditions for interruptible capacity

- 5.8.8.1. The TSO shall be entitled to offer interruptible capacity at the entry points and the exit points of the common balancing zone with a duration of more than one day if the corresponding firm monthly, quarterly or yearly capacity products have been sold out or have not been offered. The TSO shall be entitled to offer interruptible daily capacity at the entry or exit points if the firm capacity for the following gas day has been sold out or has not been offered.
  - 5.8.8.2. The TSO shall publish information about interruptible capacity in accordance with sub-paragraph 4.2 of this Regulation.
  - 5.8.8.3. If the TSO deems it necessary to interrupt the provision of interruptible capacity to the network users in order to accommodate the provision of firm capacity, the interruption will be implemented by first interrupting the capacity for the network users who were the last to book interruptible capacity.
  - 5.8.8.4. The TSO shall notify network users of the capacity interruption for the allocated interruptible capacity at least 90 minutes in advance in the matching timeframe. This notification is done by providing an interruption notice to the network user in accordance with sub-paragraph 4.2 of this Regulation.
  - 5.8.8.5. The TSO has the right to modify the gas quantity requested under a nomination or re-nomination for interruptible capacity in order to manage contractual congestion.
  - 5.8.8.6. In the case of the unavailability of the booked capacity due to the planned or unplanned unavailability of technical capacity at the Kiemenai entry/exit point, capacity shall be restricted proportionally among network users in the following order: first, interruptible capacity of the shortest period; followed by interruptible capacity of a longer period. If the capacity demand still exceeds the supply, all firm capacity shall be restricted proportionally among network users with disregard for capacity period.
- 5.9. Capacity allocation using pro-rata principle at Kiemenai entry and exit point for capacity products till October 1<sup>st</sup>, 2025
- 5.9.1. The network user shall submit capacity booking applications in accordance with sub-paragraph 4.2 of this Regulation within the following periods:
    - 5.9.1.1. for the quarterly bundled capacity standard products:
      - 5.9.1.1.1. starting 45 gas days before the third gas quarter until 35 gas days day before the third gas quarter for the remaining gas quarters in the respective gas year;
      - 5.9.1.1.2. starting 45 gas days before the fourth gas quarter until 35 gas days day before the fourth gas quarter for the fourth gas quarter in the respective gas year.
    - 5.9.1.2. for the monthly bundled capacity standard product:
      - 5.9.1.2.1. starting 30 gas days before the gas quarter including the gas month until 20 gas days before the beginning of the respective gas quarter for the gas months in the second, third and fourth gas quarter of the respective gas year;
      - 5.9.1.2.2. starting 30 gas days before the second gas month of the gas quarter including the gas month until 20 gas days before the second gas month of the respective gas quarter;
      - 5.9.1.2.3. starting 30 gas days before the third gas month of the gas quarter including the gas month until 20 gas days before the third gas month of the respective gas quarter.
  - 5.9.2. After receiving the capacity booking application, the TSO shall notify the network user of receiving the capacity booking request within one hour of received request in accordance with sub-paragraph 4.2 of this Regulation.
  - 5.9.3. TSO shall notify the network user of receiving the capacity booking request not later than by the next working day which follows the deadline of the submission of the capacity booking application at 12:30 UTC (or 11:30 UTC if daylight saving is applicable), and provide the status of the received request in accordance with sub-paragraph 4.2 of this Regulation.

- 5.9.4. The capacity allocation using the pro-rata principle shall be carried out by assessing the last capacity booking application submitted by the network user before the deadline for the submission of the capacity booking application for the relevant capacity product.
  - 5.9.5. A network user can submit capacity booking application for the available capacity of the respective capacity product. If the capacity requested by the network user exceeds the available capacity of the respective capacity product, the capacity requested by the network user is considered equal to the available capacity.
  - 5.9.6. If the capacity requested by network users' capacity booking applications for the respective capacity product does not exceed the available capacity, all requested capacity is allocated to network users according to their capacity booking applications.
  - 5.9.7. If the capacity requested by network users' capacity booking applications for the respective capacity product exceeds the available capacity, capacity for each network user is allocated using the pro-rata principle.
- 5.10. Capacity allocation for the transit at entry/exit point Luhamaa
- 5.10.1. The TSO shall allocate entry capacity for the transit as a daily capacity product in accordance with the transit notification submitted by the third country TSO, provided that the corresponding exit capacity of the common balancing zone is booked by the network user requesting transit.
  - 5.10.2. The third country TSO shall submit a transit notification to the TSO in writing, confirmed by the network user requesting transit, at least two weeks before the actual commencement of the transit. The transit notification shall include the following information:
    - 5.10.2.1. the transit entry point;
    - 5.10.2.2. the transit exit point;
    - 5.10.2.3. the time period during which the transit must be provided;
    - 5.10.2.4. the required transit capacity per day within the time period when transit must be provided (kWh/day);
    - 5.10.2.5. the EIC code of the network user requesting transit.
  - 5.10.3. The TSO shall, not later than three working days after the submission of the transit notification, inform the network user of the allocated firm capacity and make the capacity available for the network user in accordance with sub-paragraph 4.2 of this Regulation.
  - 5.10.4. Transit exit allocations can be modified by the TSO in the case of a mismatch between transit entry allocations and exit nominations.
  - 5.10.5. The capacity allocation request for transit can be rejected in order to minimize the impact on other network users and ensure the security of supply.
- 5.11. Capacity allocation procedure at Kiemenai entry/exit point using the third-party capacity booking platform:
- 5.11.1. Eligibility to participate in a capacity allocation auction shall be granted to a network user who has entered into a contract with the party operating the capacity booking platform.
  - 5.11.2. Prior to the capacity allocation auction, the following information shall be published on the capacity booking platform website:
    - 5.11.2.1. the capacity available at Kiemenai entry/exit point to be allocated on the capacity booking platform;
    - 5.11.2.2. the amount of capacity to be allocated on the capacity booking platform by capacity products;
    - 5.11.2.3. the date of the capacity allocation auction;
    - 5.11.2.4. the value of small or large price step – ascending clock auctions;
    - 5.11.2.5. the lowest price – uniform-price auction.
  - 5.11.3. The TSO shall publish the information referred to in paragraph 5.11.2 of the Regulation not later than:

- 5.11.3.1. 20 calendar days before the start of the auction for the allocation of products for the year;
- 5.11.3.2. 14 calendar days before the start of the quarterly product allocation auction;
- 5.11.3.3. 7 calendar days before the start of the monthly product allocation auction;
- 5.11.3.4. at the start of the daily product allocation auction;
- 5.11.3.5. at the end of the daily product allocation auction and each time before the start of the auctions for the allocation of the within-day capacity products.
- 5.11.4. For interruptible capacity products, the TSO shall publish on its website the proposed interruptible capacity products before the start of the capacity allocation auction.
- 5.11.5. Capacity allocation as auction shall take place on the dates specified in the auction calendar and in accordance with the regulation of the capacity booking platform.
- 5.11.6. The auctioning of annual, quarterly and monthly products shall be carried out using ascending clock auctions. Daily and within-day allocation shall be auctioned using a uniform-price auction.

## **6. Management of contractual congestion**

- 6.1. In order to optimize the utilization of firm capacity and enable network users to book only the necessary capacity, the TSO shall implement the following congestion management measures at Kiemenai entry and exit points:
  - 6.1.1. surrender of contracted capacity;
  - 6.1.2. long-term UIOLI mechanism;
  - 6.1.3. over-subscription and buy-back scheme.
- 6.2. Surrender of contracted capacity
  - 6.2.1. The network user may submit a capacity surrender application for the firm capacity that has been booked. This application must be submitted to the TSO after the capacity allocation is confirmed but not later than 08:00 UTC (or 07:00 UTC if daylight saving is applicable) on gas day D-1 in accordance with sub-paragraph 4.2 of this Regulation.
  - 6.2.2. The interruptible capacity cannot be surrendered.
  - 6.2.3. A capacity surrender request is considered a surrender for either part of or the entire duration of the booked capacity. This means that partial surrender of a capacity product period is also possible. The capacity surrender request shall be in full gas days.
  - 6.2.4. The TSO shall accept the surrender of firm capacity that has been booked by the network user. This acceptance applies to all firm capacity products, except within-day capacity products. The surrendered capacity from the network user portfolio is then re-allocated in order of capacity product length, starting with shorter capacity products and progressing to longer capacity products.
  - 6.2.5. The TSO shall re-allocate a part or all of the capacity offered only if there is a contractual congestion on the relevant entry or exit point.
  - 6.2.6. The TSO, having received the network user's capacity surrender application, shall publish information on the quantity of available capacity in the relevant entry or exit point on the Common IT Platform.
  - 6.2.7. The TSO shall re-allocate the surrendered capacity if another network user wishes to book the firm capacity at the specific entry or exit point. The surrendered capacity shall be re-allocated after the available capacity determined before the surrender of capacity has been allocated.
  - 6.2.8. If the TSO receives a surrender application from several network users, the TSO should re-allocate the surrendered capacity to the extent that there is demand for it in the order of receipt of capacity surrender applications.
  - 6.2.9. The TSO shall notify the network user who surrendered the capacity on the reallocation of the surrendered capacity in accordance with sub-paragraph 4.2 of this Regulation.

- 6.2.10. The rights and obligations arising from the transmission service agreement shall be retained by the network user until such time and extent that any part of the capacity surrendered is reallocated by TSO.
  - 6.2.11. If the TSO re-allocates the surrendered capacity in part or in full, the network user receiving the surrendered capacity shall be liable to pay for the re-allocated surrendered capacity based on the applicable capacity product tariff at the time of capacity product booking by the network user surrendering the capacity. The payment obligation shall only apply to the extent of the surrendered capacity, starting from the shortest period capacity product.
  - 6.2.12. Upon re-allocation of the surrendered capacity, the network user surrendering the capacity shall be released from the payment obligation for the amount of the reallocated surrendered capacity, starting from the shortest period capacity product.
  - 6.2.13. The TSO shall re-allocate the surrendered capacity as available capacity following the capacity allocation principles outlined in paragraph 5 of this Regulation. The network user shall refrain from taking any action that may hinder the remarketing of the capacity.
- 6.3. Long-Term UIOLI mechanism
- 6.3.1. The TSO reserves the right to enforce the transfer of yearly booked capacity on a UIOLI basis if at least one of the following circumstances applies:
    - 6.3.1.1. The network user consistently uses less than 80% of its contracted capacity, on average, during both the periods from 1 April until 30 September and from 1 October until 31 March, provided that the effective agreement duration is more than one year. Furthermore, if the network user fails to provide proper justification to the TSO for this underutilization;
    - 6.3.1.2. The network user at a given entry or exit point systematically nominates more than 80% of the booked capacity product and re-nominates it downwards below 80%.
  - 6.3.2. If the TSO determines that the circumstances specified in sub-paragraph 6.3.1 of this Regulation are applicable, the TSO shall notify the respective network user about the underutilised capacity in accordance with sub-paragraph 4.2 of this Regulation.
  - 6.3.3. Upon receiving the notification from the TSO regarding the underutilisation, the relevant network user shall, within ten calendar days, either sell the underutilised capacity on the secondary market or surrender the capacity back to the TSO.
  - 6.3.4. The network user shall retain its rights and obligations under the transmission service agreement until the capacity is re-allocated by the TSO. Furthermore, these rights and obligations shall apply to the extent that the capacity has not been re-allocated by the TSO.
  - 6.3.5. If the network user fails to comply with the provisions stated in sub-paragraph 6.3.3 of this Regulation, the network user loses the right to use the unused part of the booked capacity.
- 6.4. Oversubscription and buy-back scheme
- 6.4.1. Upon receiving a network user's capacity booking application, and in cases of contractual congestion, the TSO shall assess the statistical data of the booked and used capacity at a specific entry or exit point during the previous period. If it is determined that not all technical capacity at that point has been historically utilized, taking into account various possible scenarios of the unused capacity during the specific period, the TSO shall offer additional capacity to the market, i.e. capacity exceeding technical capacity.
  - 6.4.2. When offering additional capacity, the TSO shall take into account the associated potential risks and the likelihood of repurchase of capacity in the market.
  - 6.4.3. The network user shall submit an additional capacity booking application for gas day D not later than 08:00 UTC (or 07:00 UTC if daylight saving is applicable) on gas day D-1. The TSO shall calculate the additional capacity not later than 10:00 UTC (or 09:00 UTC if daylight saving is applicable) on gas day D-1. The TSO shall inform network users about the availability of additional capacity via the Common IT Platform. If gas day D-1 falls on an official holiday or a weekend day, the network user shall submit the additional capacity booking application on the last working day preceding gas day D-1. The TSO shall calculate the additional capacity and inform network users accordingly.

- 6.4.4. If all network users intend to use 100% of the capacity booked and the TSO is unable to accommodate the demands of the network users, the TSO shall initiate the capacity buy-back procedure, aiming to repurchase the excess capacity booked that has been booked beyond the available technical capacity from the network users in the secondary market.
- 6.4.5. The TSO is obliged to notify the network users about the quantity and price of buy-back capacity that will be redeemed for a capacity product. This notification must be provided not later than 10:00 UTC (or 09:00 UTC if daylight saving is applicable) on gas day D in accordance with sub-paragraph 4.2 of this Regulation.
- 6.4.6. The price of the buy-back capacity must not exceed the price set for the within-day capacity on the gas day when the buy-back procedure is applied, multiplied by coefficient 3.
- 6.4.7. Network users who have booked firm capacity products for the gas day for which the buy-back procedure is applied may offer capacity to TSO for the capacity buy-back procedure.
- 6.4.8. A network user participating in the capacity buy-back procedure shall submit an offer to sell back capacity to the TSO not later than 12:00 UTC (or 11:00 UTC if daylight saving is applicable) on gas day D in accordance with sub-paragraph 4.2 of this Regulation. When submitting the offer, the network user is requested to specify the quantity and price of the capacity being offered for buy-back.
- 6.4.9. The TSO shall have the right to uphold the offer for capacity buy-back submitted by the network user either in full or in part.
- 6.4.10. The TSO shall buy-back capacity based on the principle of the lowest price, i.e. the TSO will first repurchase the capacity with the lowest price offered by the network users.
- 6.4.11. The TSO is requested to notify the network user of its decision to consent to the buy-back of capacity and provide information about the buy-back amount not later than 14:00 UTC (or 13:00 UTC if daylight saving is applicable) of gas day D in accordance with sub-paragraph 4.2 of this Regulation.
- 6.4.12. Upon receiving the information from the TSO regarding the capacity to be bought back, the network user is required to submit a (re)nomination. This (re)nomination shall reflect a reduction in the gas volume to be transported by the amount equivalent to the capacity that has been sold back.
- 6.4.13. If, after the capacity buy-back procedure, the TSO is unable to fulfil all the approved nominations for gas day D, the TSO shall restrict the application of firm standard capacity products. The restriction will be applied in the following order: first, the application of the shortest standard capacity products, starting with within-day capacity, will be restricted; then, for firm standard capacity products of the same duration, the restriction will be proportionate to the amount of nomination submitted for gas day D.
- 6.5. Virtual reverse flow at entry/exit point Balticconnector
  - 6.5.1. In order to increase available capacity, the TSO at entry/exit point Balticconnector, in addition to technical capacity, offers virtual capacity based on virtual reverse flow.
  - 6.5.2. The amount of virtual capacity offered in nomination and re-nomination cycles in each direction is equal to the total amount of confirmed nominations in the opposite direction (excluding confirmed nominations by the trading platform).

## **7. Secondary capacity trading**

- 7.1. A network user who has booked firm capacity products may bilaterally agree with another network user to transfer the right to use the firm capacity either in its entirety or a portion thereof. Secondary capacity trading is limited to the transfer of rights to use capacity at a specific entry/exit point for a specific time period. The transfer of the capacity product does not include the transfer of any obligations associated with the booked capacity, such as the obligation to make payment to the TSO for the booked capacity. These obligations shall remain with the network user intending to transfer the booked capacity product. By transferring the right to use the capacity product or any part of it, the network user loses the right to surrender the transferred capacity.
- 7.2. For the purposes of congestion management, capacity obtained through secondary capacity trading is treated as a daily capacity product. When allocated capacity has been transferred

through secondary capacity trading, it is allocated from the transferring network user's portfolio, starting with shorter-duration capacity products and then progressing to longer-duration capacity products.

- 7.3. Network users are prohibited from creating financial instruments in relation to capacity products that are sold on the secondary market.
- 7.4. The network user who transfers a booked capacity product and the network user who acquires such capacity product shall notify the TSO of the transferred capacity via the Common IT Platform. The notification should be submitted to the TSO not later than 09:00 UTC (or 08:00 UTC if daylight saving is applicable) on a gas day D-1 and should include the following information:
  - 7.4.1. the entry point or exit point;
  - 7.4.2. the type of capacity product, as specified in sub-paragraphs 5.8.2 and 5.8.3 of this Regulation;
  - 7.4.3. the quantity of the transferred capacity (kWh/h);
  - 7.4.4. the start and end date of the period of use for the transferred capacity product in full gas days;
  - 7.4.5. the identification of both parties involved.
- 7.5. The TSO shall confirm the transfer of a booked capacity product within one hour of receiving the information from both parties involved in the transaction in accordance with sub-paragraph 4.2 of this Regulation.
- 7.6. With the TSO's confirmation of the transfer, the network user who acquired the capacity product has obtained the right to use the transferred capacity.
- 7.7. The TSO may refuse to confirm a transfer of a booked capacity product if:
  - 7.7.1. information about the transfer of the capacity product is received from only one network user (one transaction party);
  - 7.7.2. the information submitted by the network users does not match or is incomplete;
  - 7.7.3. the quantity of the capacity product to be transferred by the network user exceeds the unused capacity of the network user transferring the capacity product.
- 7.8. The network user shall have the right to change the concluded and confirmed secondary capacity trade in the secondary capacity market by providing an updated transfer advice document to the TSO in accordance with sub-paragraph 4.2 of this Regulation.
- 7.9. In order to cancel TSO-confirmed transactions, the network user shall inform the TSO not later than 10:00 UTC (or 09:00 if daylight saving is applicable) on gas day D-1.
- 7.10. The transaction shall be deemed changed only if both network users who have previously reported on the conclusion of the transaction have informed the TSO about the update of the transfer of the capacity rights. If information about the transaction change is received only from one network user, the transaction shall be deemed not changed and the TSO shall immediately inform the counterparties thereof in accordance with sub-paragraph 4.2 of this Regulation.
- 7.11. The network user shall transfer bundled capacity to another network user only as bundled capacity.

## **8. Nomination and re-nomination**

- 8.1. The network user wishing to inject or off-take a specific quantity of gas at the entry or exit points listed in sub-paragraph 1.3 shall submit a nomination or re-nomination to the relevant TSO in accordance with sub-paragraphs 4.2 and 8.6 of this Regulation under the following conditions:
  - 8.1.1. if the quantity in nomination is bigger than the capacity product booked by the network user for the relevant gas day at all entry and exit points where capacity booking is applied, the TSO shall reject the nomination and immediately notify the network user in accordance with sub-paragraph 4.2 of this Regulation;
  - 8.1.2. for entry from Inčukalns underground gas storage and exit to Inčukalns underground gas storage, nomination and re-nominations shall be:

- 8.1.2.1. in conformity with the prevailing legal acts governing access to Inčukalns underground gas storage;
- 8.1.2.2. submitted no later than 30 minutes before the end of the gas day.
- 8.1.3. for entry point Pakrineeme, the LNG facility operator shall submit single-sided nominations (or re-nominations) on behalf of the network user. In order to do so, the network user must authorize the LNG facility operator to submit single-sided nominations (or re-nominations) on its behalf in accordance with the LNG Terminal third-party access rules in line with Regulation 2024/1789;
- 8.1.4. for entry point and exit point Balticconnector, a nomination is considered as an application for implicit capacity allocation, and capacity is allocated based on the confirmed quantity;
- 8.1.5. for entry and exit point Luhamaa, a nomination for gas day D is equal to the quantity of gas per day specified in the transit notification in accordance with sub-paragraph 5.10.2 of this Regulation.
- 8.1.6. for entry and exit point Kiemenai:
  - 8.1.6.1. in the re-nomination timeframe in accordance with sub-paragraph 8.6 of this Regulation, the quantity exceeding booked capacity (over-nomination) for gas day D shall be considered as an interruptible capacity booking application for an additional interruptible within-day capacity product. The capacity requested via over-nomination for gas day D should be requested in flat profile for remaining hours for gas day;
  - 8.1.6.2. if there is no available within-day interruptible capacity for the relevant gas day, the TSO shall reject the re-nomination and shall not grant additional capacity to the network user.
- 8.2. If entry and exit allocations based on the results of matching at a trading platform as single-sided nominated by a CCP shall be handled as clearing transactions that are valid and matched and unalterable by the network user. The CCP is responsible for submitting corresponding entry and exit single-sided nominations to both TSOs. If the CCP is not able to send matching entry and exit nominations, the lower value of the entry or exit nomination shall be taken into consideration. All clearing transactions prior to and for one hour after notification described in sub paragraph 16.8 of the trading platform operator or the CCP shall be valid.
- 8.3. A network user may correct the nomination by submitting a re-nomination to the TSO in accordance with sub-paragraph 8.6 of this Regulation.
- 8.4. If a network user does not submit a nomination for gas day D, the TSO shall assume that the network user's nomination is zero.
- 8.5. The last (re)nominated or last confirmed gas quantity, whichever is the latest, is taken into account by the TSO in all the matching processes for that specific gas day.
- 8.6. Content of nomination and re-nomination
  - 8.6.1. When submitting a nomination or re-nomination to the TSO, the network user shall provide, as a minimum, the following information in accordance with sub-paragraph 4.2 of this Regulation:
    - 8.6.1.1. the EIC of the entry/exit point;
    - 8.6.1.2. the direction of gas flow (inflow or outflow);
    - 8.6.1.3. the EIC of the network user;
    - 8.6.1.4. the EIC of the counterparty related to the network user;
    - 8.6.1.5. the start and end time of the gas flow for which the nomination or re-nomination is submitted;
    - 8.6.1.6. the requested gas quantity in kWh/h to be transported during each hour of the gas day;
    - 8.6.1.7. gas day D to which the nomination is applicable.
- 8.7. Conditions for submission and confirmation of nomination and re-nomination
  - 8.7.1. A network user must submit the nomination for gas day D not later than 13:00 UTC winter time and 12:00 UTC daylight saving time on gas day D-1.



- 8.7.2. A network user may submit a re-nomination during the re-nomination period, which begins immediately after the nomination confirmation deadline and ends three hours before the end of gas day D. The re-nomination cycle starts at the beginning of every hour within the re-nomination period. Re-nominations received between 13:00 UTC and 15:00 UTC (winter time) and 12:00 UTC and 14:00 UTC (daylight saving time) on gas day D-1 shall be processed by the TSO as part of the first re-nomination cycle.
- 8.7.3. In order to ensure the optimal physical operation of the transmission system, the TSO at specific entry-exit points may apply the limitation of changes in re-nomination to past hours. During the re-nomination period, a network user can only update nominations for the hours that have not yet entered the matching process, following the matching timeline specified in sub-paragraph 8.9 of this Regulation. The TSO shall publish information on the entry points and exit points to which this sub-paragraph applies on its website.
- 8.7.4. If a network user has submitted a nomination for gas day D within the deadline specified in sub-paragraph 8.7.1 of this Regulation, the TSO shall notify the network user of the confirmed gas quantity for gas day D not later than 15:00 UTC winter time and 14:00 UTC daylight saving time on gas day D-1 in accordance with sub-paragraph 4.2 of this Regulation, stating:
  - 8.7.4.1. the confirmation status of the nomination;
  - 8.7.4.2. whether the gas quantity stated in the nomination has been reduced or rejected in accordance with sub-paragraph 8.8 of this Regulation;
  - 8.7.4.3. whether the gas quantity stated in the nomination has been reduced due to the gas quantity matching procedure at the request of the TSO or the adjacent TSO.
- 8.7.5. During the re-nomination period, a network user has the right to adjust the confirmed hourly quantity for gas day D, provided that it has not entered the matching procedure, according to the following guidelines:
  - 8.7.5.1. the network user may adjust the confirmed gas quantity of gas day D starting from 15:00 UTC during winter time and 14:00 UTC during daylight saving time on gas day D-1 until 03:00 UTC during winter time and 02:00 UTC during daylight saving time on gas day D-1;
  - 8.7.5.2. the network user may also adjust the confirmed gas quantity for the remaining hours that have not entered the matching procedure for gas day D, starting from 03:00 UTC during winter time and 02:00 UTC during daylight saving time on gas day D-1 until 02:00 UTC during winter time and 01:00 UTC during daylight saving time on gas day D;
  - 8.7.5.3. when submitting a re-nomination for the gas day, the network user can modify the daily gas quantity by specifying a separate gas quantity for each remaining hour of the gas day in question.
- 8.7.6. Upon receiving a re-nomination, the TSO will notify the network user within two hours from the start of the subsequent re-nomination cycle in accordance with sub-paragraph 4.2 of this Regulation, indicating:
  - 8.7.6.1. whether the submitted re-nomination has been confirmed;
  - 8.7.6.2. whether the gas quantity has been reduced or rejected as a result of the matching procedure.
- 8.7.7. When determining whether a nomination has been submitted on time, the TSO will consider only the time of receiving the nomination and not the time of sending it.
- 8.7.8. The TSO has the authority to halt or extend the re-nomination submission cycle. In such cases, the TSO will notify the relevant network users about the situation in accordance with sub-paragraph 4.2 of this Regulation.
- 8.8. Reduction and rejection of nomination and re-nomination
  - 8.8.1. The TSO has the authority to reduce the nominated or re-nominated gas volume in proportion to the confirmed quantity due to technical accidents in the transmission system, non-compliance with the gas quality and other reasons specified in section 12 of this Regulation.
  - 8.8.2. The TSO may reject a nomination or re-nomination, notifying the network user of receiving the nominations if one of the following conditions is met:

- 8.8.2.1. the content of the nomination or re-nomination does not meet the requirements specified in sub-paragraph 8.6 of this Regulation;
  - 8.8.2.2. the nomination or re-nomination is submitted by a person who is not authorised to do so under the transmission service agreement.
  - 8.8.3. The TSO is authorized to reject or reduce the nomination or re-nomination, notifying the network user during the matching confirmation process in accordance with sub-paragraph 4.2 of this Regulation if any of the following conditions occur:
    - 8.8.3.1. the nomination or re-nomination exceeds the quantity of capacity products allocated to the network user while considering the ramping flow change limitations. This means that the hourly flat capacity is not sufficient to allow a technical change in gas flow;
    - 8.8.3.2. accepting the re-nomination would require changing the confirmed nominations or re-nomination for the hours of the gas day that have already passed;
    - 8.8.3.3. the nomination has not been provided in accordance with the conditions specified in this Regulation;
    - 8.8.3.4. in the event of an exceptional or emergency situation where there is an evident danger to the security and stability of the gas system.
    - 8.8.3.5. in the event that the Balticconnector entry point or exit point becomes physically congested, the re-nominations going downwards (in full, partially (pro rata), or at all) to the opposite direction may be reduced or rejected if this capacity has already been booked as virtual capacity based on virtual reverse flow.
  - 8.8.4. If the TSO rejects a nomination, the TSO shall use the last confirmed nomination or re-nomination submitted by the network user if such a nomination or re-nomination exists.
- 8.9. Nomination matching
- 8.9.1. The TSO is responsible for conducting a regular matching procedure and verifying, in coordination with the adjacent TSO, whether the hourly gas volumes planned for entry or exit at a specific point of the system, as indicated in the network user nomination, comply with the hourly gas volumes planned for entry or exit as related to the network user's nominations.
  - 8.9.2. If the provided hourly gas volumes indicated in the nominations do not match, the adjacent TSOs shall apply the matching principles agreed upon in the cooperation arrangements for the relevant interconnection point.
  - 8.9.3. The matching rule for the Inčukalna underground gas storage facility shall be the lesser rule.
  - 8.9.4. After the gas flow quantity has been matched with the adjacent TSO's storage system operator or the LNG facility system operator or the lesser rule has been applied, the nomination shall be considered confirmed and the TSO shall send a notification to the network user as specified in sub-paragraph 8.7.4. Upon confirmation of the nomination, the TSO shall inform the adjacent TSO or the storage system operator.
  - 8.9.5. Nominations made for entry points shall not include gas originating in a third country, except in the case of transit as described in sub-paragraph 5.10.

## 9. Allocation

### 9.1. General provisions

- 9.1.1. The TSO shall allocate a gas quantity to a network user for each hour of gas day D at each entry point and exit point.
- 9.1.2. The network user's allocation at entry points or exit points Kiemenai and Balticconnector shall be equal to the last confirmed quantity for that gas day D after matching the gas quantity with the adjacent TSO at the physical interconnection point.
- 9.1.3. A network user's allocation at an entry or exit point with the underground gas storage facility and the Pakrineeme LNG facility is determined as follows:

- 9.1.3.1. preliminary allocation shall be equal to the last confirmed quantity of gas indicated in the nomination or re-nomination for gas day D after matching the gas quantity with the storage system operator or Pakrineeme LNG facility operator;
- 9.1.3.2. final allocation shall be equal to the last confirmed quantity for that gas day D after matching the gas quantity with the storage system operator or Pakrineeme LNG facility operator.
- 9.1.4. The network user's allocation at an entry or exit point in Luhamaa for transit in line with sub-paragraph 5.10:
  - 9.1.4.1. shall be equal to the last confirmed quantity of gas indicated in the nomination or re-nomination;
  - 9.1.4.2. in the case of a difference in the (re)nominated flow and the measured quantity, the difference shall be shared proportionally with all network users;
  - 9.1.4.3. final allocation shall be completed not later than eight calendar days after the end of the reporting period (month).
- 9.1.5. The network user's allocation to an exit point to Estonian domestic consumption and an exit point to Latvian domestic consumption shall be determined as follows:
  - 9.1.5.1. regarding non-daily metered off-takes:
    - 9.1.5.1.1. to determine the daily gas volume delivered, daily gas consumption data provided by the forecasting party shall be used;
    - 9.1.5.1.2. not later than the eighth calendar day after the reporting period, the gas quantity shall be adjusted based on the actual quantity accounted for during the reporting period, where the distribution system operator provides such data.
  - 9.1.5.2. regarding daily metered off-takes:
    - 9.1.5.2.1. at an exit point where the consumer is directly connected to the transmission system, the allocation shall be determined based on the measured quantity;
    - 9.1.5.2.2. at an exit point where gas is delivered to the distribution system, the allocation to the network user shall be equal to the measured quantity. The measured quantity shall be determined by the TSO based on information received from the distribution system operator. The TSO shall provide information to the network user about the allocated quantity on gas day D+1.
- 9.1.6. At an entry point from Estonian and Latvian production, the allocation shall be determined based on the measured quantity. Only one network user per calendar month shall be allowed to inject gas at an entry point of Latvian production from one specific production facility.
- 9.2. Exchange of information about allocated gas volume
  - 9.2.1. The TSO is responsible for providing the network user with daily and monthly data regarding the allocated gas volume.
  - 9.2.2. The TSO shall notify the network user about the allocation at the specific entry points and exit points on gas day D. This notification shall be sent in accordance with sub-paragraph 4.2 of this Regulation not later than 13:00 UTC during winter time or 12:00 UTC during daylight saving on gas day D+1.
  - 9.2.3. The TSO shall notify the network user of the final monthly allocation. This notification shall be sent in accordance with sub-paragraph 4.2 of this Regulation not later than 08:00 UTC during winter time or 07:00 UTC during daylight saving time on the eighth calendar day after the reporting period. The notification shall include information about allocated gas volume as well as the daily and monthly gas volume values and gross calorific value, which will be used for payment purposes.

## 10. Reconciliation

- 10.1. Gas metering data may be re-adjusted during the year in accordance with the data provided by the distribution system operator or by the TSO's adjusted data. Updated data from the distribution system operator shall be provided together with the data for the previous reporting period.

- 10.2. The difference between the preliminary metered quantity and the re-adjusted metered quantity of gas for the particular entry or exit point will determine the reconciliation quantity for that month.
- 10.3. The reconciled gas quantity is taken into account in the invoicing procedures laid down in paragraph 13 of this Regulation.

## **11. Operations and gas entry provisions**

### **11.1. Gas quality**

- 11.1.1. The components and quality parameters of the gas at the entry point of the particular common balancing zone country shall correspond to the requirements set out in the applicable national legislation.
- 11.1.2. The measurement of gas quality shall be performed at all entry and exit points.
- 11.1.3. If the gas delivered to the entry point does not meet the gas quality requirements, the TSO shall have the right to refuse to accept and transmit the gas.
- 11.1.4. If the gas delivered to the exit point does not meet the gas quality requirements, the network user shall have the right to refuse to accept such gas by providing the information about the measurement deviation from the required parameters as set out in national legislation.

### **11.2. Accounting of gas quantity**

- 11.2.1. The TSO, in cooperation with the adjacent system operators, shall ensure the accounting of the transmitted gas at the entry points and exit points and the gas metering locations. They shall record the quantity, pressure and temperature of the transmitted gas on a regular basis with the frequency requested by the respective legislation.
- 11.2.2. The TSO shall use energy units (kWh) in the gas accounts and reports.

### **11.3. Maintenance**

- 11.3.1. The TSO shall publish on its website the information about the planned schedule of works to be performed on the transmission system. This includes the maintenance and repair works (hereinafter the works) planned for the period starting from 1 October of the current year and ending on 31 December of the subsequent year, which may restrict or interrupt the capacity of the transmission system.
- 11.3.2. The TSO shall publish the information about the planned works, during which gas transmission will be restricted or interrupted, not later than 42 calendar days before the start of the works. The TSO shall also publish information about unplanned works, during which gas transmission will be restricted or interrupted in line with Regulation (EU) [2024/1106](#) of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) [1227/2011](#) and Regulation (EU) [2019/942](#) as regards improving the Union's protection against market manipulation on the wholesale energy market (REMIT).

## **12. Suspension or interruption of the transmission system services**

- 12.1. The TSO has the right to take actions that might lead to the interruption of the capacity in the event of emergency incidents that are not classified as force majeure events. In such cases, the TSO shall make reasonable effort and take the necessary action to ensure that the continuity of the service is restored without undue delay, aiming to minimize the impact on network users.
- 12.2. The TSO may interrupt the injection of gas in the transmission system or the off-take from the transmission network in the following cases:
  - 12.2.1. the gas supply system connected directly to the transmission system poses a risk to human life, health or property;
  - 12.2.2. the pressure of the gas input flow does not meet the requirements outlined in the cooperation agreement between gas system operators or the connection agreement between the TSO and the party connected to the transmission system;
  - 12.2.3. an accident has occurred in the transmission system or there is an emergency situation as specified in the national law or Regulation (EU) 2017/1938 of the European Parliament and of

the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) 994/2010;

- 12.2.4. an energy crisis has been declared in the country as specified in national law;
  - 12.2.5. the transmission system, distribution system, LNG facility or underground gas storage facility has been damaged, which may result in transmission system accidents;
  - 12.2.6. the transmission system, gas distribution system, underground gas storage facility or LNG facility has deviated from normal operation or has been damaged, and the adjacent transmission system operator, distribution system operator, storage system operator or LNG system operator has requested to immediately discontinue the transmission of gas to or from the relevant system;
  - 12.2.7. the injection of gas at the entry points specified in sub-paragraph 1.3 of this Regulation is interrupted due to reasons beyond the control of the TSO;
  - 12.2.8. the functioning and safety of the transmission system is at risk due to an imbalance caused by the network user;
  - 12.2.9. unplanned works are necessary in order to resolve or prevent an emergency situation in the transmission system or underground gas storage facility or LNG facility;
  - 12.2.10. the quality indicators of the gas injected into the transmission system do not comply with the gas quality requirements;
  - 12.2.11. the network user fails to pay for the gas transmission service on time and in accordance with the terms specified in this Regulation or fails to provide or increase the collateral as required by the Annex to the Regulation.
- 12.3. If the capacity of the entry point or exit point is interrupted, the TSO shall publish information about it on its website and inform the network user within 24 hours of the interruption.
  - 12.4. In the event of a planned or unplanned interruption of the entry or exit point capacity, the TSO shall not be held liable for any damage or be obliged to compensate for any losses incurred by the network user, provided that the TSO has notified the network user.
  - 12.5. In the event of a capacity interruption, if the TSO interrupts the provision of firm capacity, the fee for transmission services is reduced by the amount of capacity not provided by the TSO.

### **13. Invoicing and payments**

- 13.1. Network users shall pay for the transmission system services, including the booking of capacity at entry and exit points, in accordance with the deadlines and procedures outlined in this Regulation. The payment must be made based on the applicable tariffs established in accordance with the procedure outlined in the TSO's national law and the premium applicable as the result of capacity allocation at Kiemenai entry/exit point.
- 13.2. The TSO reserves the right, as defined by its national law, to unilaterally apply the tariffs for the transmission service.
- 13.3. Network users are invoiced for capacity products based on the tariffs applicable at the time when the transmission system services are provided by the TSO, unless otherwise explicitly stated in the tariff-setting decision under the national law of each TSO and the premium specified in the notification of allocation of capacity at Kiemenai entry/exit point. The tariff-setting procedure is determined by the national law of the respective TSO.
- 13.4. This Regulation shall not cover the fee for the provision of transmission services for gas exiting to Estonian domestic consumption. Instead, the 'Standardized Terms of Domestic Gas Transmission Service at Elering AS' shall apply. No tariff will be applied to an entry point from Estonian production if the gas is injected into the Estonian distribution system.
- 13.5. Based on the data provided by the distribution system operator or gas metering data at the delivery locations directly connected to the transmission system, and in accordance with the transmitted gas records, the TSO shall prepare a report on the quantity of gas transmitted for each reporting period. This report, along with an invoice, shall be submitted to the network user following the procedure specified in sub-paragraph 9.2.

- 13.6. The TSO shall issue an invoice to the network user for the transmission services provided during the reporting period not later than on the 12<sup>th</sup> calendar day following the reporting period. The invoice shall include details of the allocated capacity products and the corresponding amount for the reporting period, specified in kWh.
- 13.7. The TSO shall send the invoice to the network user in accordance with sub-paragraph 4.2 of this Regulation. The invoice shall be valid without a signature and may be replaced with authorization or signed with a secure electronic signature. The date of receipt of the invoice shall be the day it is placed into the Common IT Platform.
- 13.8. All payments shall be made in euro to the TSO's account specified in the transmission service agreement.
- 13.9. The network user shall pay for the transmission system service, which was provided during the previous calendar month, until the payment date specified in the invoice, which shall not be less than ten calendar days from the issuing date of the invoice. If the due date falls on a Saturday, Sunday or national holiday of the country where the TSO has its registered office, the final deadline for invoice payment shall be the following business day.
- 13.10. All payments shall be considered made on the date when the corresponding amounts have been credited to the bank account specified in the invoice. Regardless of what is indicated in the payment order, any payments received shall be deemed to cover payment obligations in the following order: (1) interest on late payment, (2) outstanding payments for previous reporting periods, and (3) current payments.
- 13.11. If the network user fails to pay for the transmission system service provided in the calendar month by the deadline specified in sub-paragraph 13.9, the TSO shall calculate late payment interest at a rate of 0.05% of the amount not paid in a timely manner for each day of delay. Late payment interest shall be calculated once per month and indicated, along with other information, in the invoice for the transmission system services provided in the previous month.
- 13.12. The maximum amount of contractual penalties and default interest in the country where the TSO has its registered office shall apply.

#### **14. Creditworthiness, credit management and collaterals**

Upon concluding the transmission service agreement, the network user shall provide suitable, appropriate collateral for the fulfilment of the network user's obligations under the transmission service agreement in accordance with the Annex to this Regulation.

#### **15. Dispute settlement and applicable law**

- 15.1. Any disputes and disagreements (referred to as the Dispute in this paragraph) arising in relation to the implementation of the transmission service agreement or this Regulation, as well as the application of its provisions, shall be settled through mutual negotiations in accordance with this Regulation and the applicable legal acts. If a Dispute arises, the party raising it shall submit a written notice to the other party, which should include a description of the Dispute, a suggested solution and the authorized persons responsible for conducting negotiations regarding the Dispute on behalf of the party.
- 15.2. If a TSO and a network user are unable to resolve a Dispute through negotiations within 30 business days of its occurrence (unless the authorized representatives of the parties have agreed on a different deadline) in accordance with the procedure and cases described in the national law of the TSO, the Dispute shall be escalated to the relevant national regulatory authority for out-of-court resolution or may be directly referred to the court in the country where the TSO has its registered office.
- 15.3. The transmission service agreement and this Regulation shall be governed by, construed and interpreted in accordance with the national law of the country where the TSO has its registered office.
- 15.4. The terms set forth in this Regulation do not exclude the parties' right to file a claim for damages in a civil court.

## **16. Amendment and termination of the transmission service agreement**

- 16.1. The transmission service agreement may be amended with the written consent of both the TSO and the network user as long as the amendments do not contradict this Regulation.
- 16.2. This Regulation may be amended, if necessary, following public consultation and coordinated approval by the national regulatory authorities of the common balancing zone. Once an amendment becomes effective, it shall automatically apply to the transmission service agreement.
- 16.3. The TSO reserves the unilateral right to amend the transmission service agreement in situations stipulated by law. These amendments will take immediate effect when necessary to comply with applicable laws, regulations and legally binding orders from national or international courts or authorities, including but not limited to administrative rulings and related notifications issued by the national regulatory authorities, or to comply with generally approved technical standards. The amended form of the transmission service agreement must not violate any applicable legal acts. The TSO is obliged to provide written notification to the network user of any amendments to the transmission service agreement without undue delay, prior to the amendments taking effect.
- 16.4. The transmission service agreement may be terminated by mutual written agreement between the parties.
- 16.5. The party complying with the terms of the transmission service agreement may unilaterally terminate the transmission service agreement by providing a written notice to the other party if the latter party commits a material or persistent breach of its obligations under the transmission service agreement and said breach has not been remedied within 30 calendar days after the receipt of a written notice giving full particulars of the breach and requiring the party to remedy it.
- 16.6. The material breach of the transmission service agreement shall include the following circumstances:
  - 16.6.1. failure of the network user to make timely payment for the received transmission services;
  - 16.6.2. failure of the network user to provide adequate collateral for the fulfilment of contractual obligations, as specified in accordance with the Annex to the Regulation.
- 16.7. In the event that the party is declared bankrupt, becomes insolvent, suspends its payments or undergoes compulsory or voluntary liquidation, the other party is entitled to terminate the transmission service agreement without prior notice.
- 16.8. Upon termination of the transmission service agreement, the TSO is required to promptly notify the trading platform operator, the CCP and the distribution system operator responsible for the distribution systems through which gas was transported under the terminated transmission service agreement.
- 16.9. The termination of the transmission service agreement does not release the parties from their obligations that arose during the validity period of the transmission service agreement.

## **17. Liability and compensation for damage**

- 17.1. The rights and obligations of the parties are laid down in this Regulation and the prevailing legal acts.
- 17.2. The network user and the TSO are liable for the appropriate performance of the requirements outlined in this Regulation and the obligations undertaken within the scope of the transmission service agreement. The liability of the network user and the TSO may be limited or exempted only on the grounds established in the legal acts of the country where the TSO has its registered office.
- 17.3. The TSO shall be liable only for the fulfilment of the obligations provided for in the legal acts, Regulation and transmission service agreement in accordance with the procedure specified in the legal acts, Regulation and transmission service agreement.
- 17.4. The party failing to perform in accordance with the transmission service agreement (or) this Regulation shall be liable to compensate only for direct loss and loss of a direct nature caused to the other party, provided that there is a causal link between the fault(s) and the amounts in dispute.

- 17.5. A party shall not be held liable for losses caused by the other party to any third parties. Neither party is liable for the action or inaction of third parties.
- 17.6. The network users compensate other network users, third parties or properties for damages done through their action or inaction. Damages may not exceed the actual loss and are available only for loss, which is proven by the aggrieved party or, where the amount of damages cannot be established with a sufficient degree of certainty, assessed by the court or tribunal. Nothing in this Regulation shall limit or exclude the TSO's and network user's liability caused by the performance of its obligations under gross negligence, fraud or wilful default.
- 17.7. The TSO shall not be liable for any damage caused by the malfunctioning of the Common IT Platform due to its improper use or incorrect data input actions by the network user. The network user shall indemnify and consider harmless the TSO against any potential damages incurred by the TSO or by third parties resulting from these circumstances.
- 17.8. If the quality of gas does not meet the requirements of this Regulation, the TSO may refuse to input such gas into the transmission system of the common balancing zone and suspend the transmission system services. In such a case, the TSO shall not be obliged to compensate the possible losses caused to the network user through suspension of the transmission system services, whereas the network user balance responsibility remains.
- 17.9. The TSO shall not be liable to the network user for damage suffered by the network user from legal agreements with third parties, even if such legal agreements are required in order to use the transmission services provided by the TSO.

## **18. Force majeure**

- 18.1. The TSO and the network user shall not be held liable for the full or partial non-performance of their obligations under the transmission service agreement if it is caused by force majeure circumstances. For the purposes of this paragraph, force majeure circumstances shall be an obstacle that has occurred that is beyond the control of the TSO and the network user, prevents them from performing their obligations under the transmission service agreement and cannot be eliminated by the TSO or the network user. Primarily, such circumstances are catastrophes, fires, earthquakes and other natural phenomena, warfare, economic sanctions, embargoes or any other unforeseeable circumstances at the time of entering into the transmission service agreement.
- 18.2. Individual obstacles to the performance of the transmission service agreement obligations that occur when the defaulting TSO or network user has already delayed the performance of their obligations shall not be considered force majeure circumstances. For example, a lack of funds would be considered an individual obstacle.
- 18.3. The TSO or network user invoking force majeure should strive to continue fulfilling their obligations as soon as reasonably possible, provided that it can be done without incurring unreasonable costs.
- 18.4. If force majeure circumstances persist for more than 30 calendar days, the TSO and network user shall enter into negotiations to find a suitable solution for the performance of the transmission service agreement obligations. In such a case, the termination of the transmission service agreement shall only be possible through mutual agreement between the TSO and the network user.
- 18.5. The TSO and the network user shall immediately notify each other of force majeure circumstances. If the party fails to provide notification to the other party of force majeure circumstances, the former party cannot refer thereto as the grounds for failure to fulfil the transmission service agreement.
- 18.6. Once the force majeure circumstances are no longer in effect, the TSO and network user shall immediately resume the performance of the obligations that they performed prior to the emergence of the force majeure circumstances, unless otherwise agreed by the TSO and the network user.
- 18.7. The parties shall make all reasonable efforts to mitigate the effects of the force majeure event or circumstance and work towards restoring the normal performance of the transmission service agreement as soon as possible.



## 19. Confidentiality

- 19.1. Information about the quantity of gas transmitted to the network user, its operations on the Common IT Platform of the common balancing zone, the capacity booked and distributed under the transmission service agreement, the settlement for the transmission services between the TSO and the network user as well as other information that the parties have designated as a commercial secret, regardless of how this information was created or processed, including regardless of the format of information (for example, written, text, audio, vocal or pictorial), shall be considered limited-access information. The information set out in this sub-paragraph is protected and may not be disclosed to a third party without ensuring prior written consent by the other party, except information that is being disclosed pursuant to the Regulation or other legal acts.
- 19.2. The parties shall use limited-access information as outlined in sub-paragraph 19.1 of the Regulation solely for the performance of the transmission service agreement and market monitoring. The TSO is authorized to use the information received from the network user in accordance with the transmission service agreement for the purpose of fulfilling its functions set out in applicable legal acts, both for the duration of the transmission service agreement and after the termination of the transmission service agreement.
- 19.3. TSOs monitor the gas market with a view to ensuring that all activities on the gas market are conducted in accordance with this Regulation and applicable law.
- 19.4. The network user is obliged to provide all such information that the TSO considers relevant either in the context of the performance of its monitoring role or in the context of any investigation of any suspected breach of REMIT as soon as possible following a written request from the TSO.
- 19.5. Information received in accordance with sub-paragraph 19.4 shall only be used for the purpose of monitoring under this Regulation and applicable law, including the investigation of suspected breaches. Any information received may be shared between the TSOs and with relevant regulatory authorities, whether or not required by law.
- 19.6. The duty of the parties regarding the non-disclosure of limited-access information set out in sub-paragraph 19.1 of the Regulation shall survive the termination of the transmission service agreement for a period of ten years.

## 20. Processing of personal data

The parties are entitled to process the personal data of natural persons received from the other party solely for the purpose of enabling the performance of the transmission service agreement, subject to requirements of applicable laws and regulations, including Regulation (EU) [2016/679](#) on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (GDPR).

## 21. Closing provisions

- 21.1. The Annex specified in this Regulation shall form an integral part of this Regulation.
- 21.2. This Regulation and the transmission service agreement exist in both the national language (according to the country where the TSO has its registered office) and English versions. The official language of business shall be the national language and English. In the event of discrepancies or inconsistencies between language versions of this Regulation and the transmission service agreement, the English language version shall prevail.
- 21.3. Procedures, document forms and other requirements specified in this Regulation are published on the TSO website.
- 21.4. If the competent state government authority declares any of the crisis levels in the natural gas sector, including the energy crisis, as outlined in Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) 994/2010, this Regulation shall apply insofar as it does not conflict with the regulation established by the relevant competent state authorities in the event of the relevant crisis level.

- 21.5. This Regulation shall take effect on April 1<sup>st</sup> 2025.
- 21.6. Provision 5.8.8.6. shall take effect on October 1<sup>st</sup>, 2025. Until October 1<sup>st</sup>, 2025, in the case of the unavailability of the booked capacity due to the planned or unplanned unavailability of technical capacity at the Kiemenai entry/exit point, capacity shall be restricted proportionally among network users in the following order: first, interruptible capacity of the shortest period; followed by interruptible capacity of a longer period. If the capacity demand still exceeds the supply, firm capacity of a shorter period will be restricted, and if necessary, firm capacity of a longer period will be restricted.
- 21.7. Sup-paragraphs 8.7.5., 8.9.1. and 8.9.2 shall take effect on October 1<sup>st</sup> 2025. Until October 1<sup>st</sup> 2025 following provisions should be applied:
- 21.7.1. For sub-paragraph 8.7.5.: During the re-nomination period, a network user has the right to adjust the confirmed quantity for gas day D, provided that it has not entered the matching procedure, according to the following guidelines:
- 21.7.2. For sub-paragraph 8.9.1.: The TSO is responsible for conducting a regular matching procedure and verifying, in coordination with the adjacent TSO, whether the gas volumes planned for entry or exit at a specific point of the system, as indicated in the network user nomination, comply with the hourly gas volumes planned for entry or exit as related to the network user's nominations.
- 21.7.3. For sub-paragraph 8.9.2.: If the provided hourly gas volumes indicated in the nominations do not match, the adjacent TSOs shall apply the matching principles agreed upon in the cooperation arrangements for the relevant interconnection point.
- 21.8. The capacity products and capacity for period until October 1<sup>st</sup>, 2025., for shall be expressed, in units of energy per day.

## Annex

### Rules for securing fulfilment of contractual obligations

1. During the term of the transmission service agreement, the network user shall secure the fulfilment of contractual obligations by means of the appropriate credit rating of the network user or collateral.

1.1. Upon concluding the transmission service agreement with the Estonian TSO, the network user may simultaneously choose one or more types of collateral as follows:

- a. security deposit
- b. guarantee of a financial services provider
- c. proof of appropriate credit rating

1.2. Upon concluding the transmission service agreement with the Latvian TSO, the network user may simultaneously choose one or more types of collateral as follows:

- a. security deposit
- b. guarantee of a financial services provider
- c. the affiliate entity
- d. proof of appropriate credit rating

2. The collateral must be valid for the use of the transmission service.

3. The credit rating of the network user shall be deemed appropriate if it complies with at least one of the following criteria:

- 3.1. a long-term rating of BBB- or higher under Standard & Poor's
- 3.2. a long-term rating of BBB- or higher under Fitch
- 3.3. a long-term rating of Baa3 or higher under Moody's

4. If the network user has chosen to secure the fulfilment of contractual obligations by credit rating, the network user has an obligation to immediately inform the TSO of any changes in the credit rating of the network user and the TSO shall have the right to require the network user to submit actual information on the credit rating of the network user.

5. If the network user has chosen to secure the fulfilment of contractual obligations by credit rating, the TSO shall be entitled to request the network user to submit collateral to cover the payment claims arising from the transmission service agreement if:

- 5.1. the credit rating of the network user no longer meets the criteria set in paragraph 3 of this Annex;
- 5.2. the TSO has identified that the network user is wholly or partially unable to cover the liabilities, including changed and increased risk due to the solvency of the network user, arising from the transmission service agreement;
- 5.3. an insolvency procedure or liquidation proceedings have been initiated against the network user;
- 5.4. the network user breaches the conditions stipulated in the transmission service agreement or the Regulation;
- 5.5. the network user delays payments arising from the transmission service agreement that have become due twice over a period of 12 months.

6. The network user shall submit collateral to the TSO within seven business days from the day of receipt of the relevant request.

7. The TSO shall recognize and deem appropriate the guarantee of a financial services provider or the affiliate entity as proper security for the due performance of obligations if it complies with the following provisions:

7.1. The guarantee has been issued by a financial services provider who or whose group has at least the following rating for long-term foreign currency loans:

- 7.1.1. Baa1 in accordance with Moody's agency

7.1.2. BBB+ in accordance with Standard & Poor's agency

7.1.3. BBB+ in accordance with Fitch Ratings agency

7.2. The guarantee has been issued by an affiliate entity whose credit rating corresponds to paragraph 3 of this Annex.

7.3. The guarantee shall be first demand and irrevocable.

8. The TSO shall determine the collateral amount for securing the fulfilment of contractual obligations under the transmission service agreement based on either the forecasted service fee for the next month under the transmission service agreement or double the amount of the average monthly payment by the network user for capacity over the last 12 months, whichever is higher. If the period of transmission service usage is shorter than 12 months, that period shall be used as the basis for determination of the collateral amount. The collateral amount shall not be less than EUR 30,000.

9. If the network user secures the fulfilment of contractual obligations by collateral, the TSO shall have the right to completely discontinue the transmission service provision as set out in the Regulation until the moment the network user submits new collateral or increases or restores the amount of the existing collateral so that it complies with the provisions of this Annex if network user fails to:

9.1. submit the collateral within the deadline specified in paragraph 6 of this Annex;

9.2. increase the amount of the collateral and submit new collateral within the deadline specified in paragraph 10 of this Annex;

9.3. restore the collateral within the deadline specified in paragraph 11 of this Annex.

10. If liabilities of the network user within the framework of the transmission service agreement exceed the sum for which the collateral has been issued in accordance with paragraph 8 of this Annex, the TSO has the right to request that the network user increase the amount of the collateral and submit a new collateral to the TSO that complies with the provisions of this Annex within seven business days.

11. The TSO shall be entitled to use collateral to cover the liabilities of the network user towards the TSO if the network user has failed to pay the invoice for the transmission system services provided within 40 days. After using the collateral, the TSO shall request that the network user restore the amount of the collateral within seven business days.

12. During the discontinuation period of the provision of transmission system services as foreseen in paragraph 9 of this Annex, the TSO has the right to allocate the capacity reserved by the network user in the transmission system to another network user as unused capacity.

13. Upon termination of the transmission service agreement, the TSO shall, within five business days, refund to the network user the sum of the collateral not used to extinguish the unfulfilled liabilities of the network user or return the original of the guarantee of the financial service provider or the affiliate entity.