



# Rules for Gas Transport Version 20.0

1 October 2020

## Tabel of contents

<b>Preface .....</b>	<b>8</b>
<b>1. Introduction .....</b>	<b>9</b>
1.1 Legal frame .....	9
1.2 Legal basis .....	9
1.3 Commencement .....	10
<b>2. Definitions .....</b>	<b>11</b>
2.1 Definitions used .....	11
2.2 Use of singular and plural and of definite and indefinite forms.....	23
2.3 Reference to clauses.....	23
<b>3. Conditions for acting as a Player.....</b>	<b>24</b>
3.1 Requirements .....	24
3.2 Entire contractual basis .....	24
<b>4. Register of Players.....</b>	<b>25</b>
4.1 General.....	25
4.2 Master Data .....	25
4.3 Status information.....	25
4.4 Notification of Player Relationships .....	27
<b>5. Capacity Agreements in the Transmission System .....</b>	<b>32</b>
5.1 Capacity Agreements .....	32
5.2 Auction .....	32
5.3 FCFS.....	34
5.4 The Manual Procedure.....	37
5.5 Capacity increase through oversubscription and buy-back procedure .....	39
5.6 Surrender of contracted capacity at Ellund.....	39
5.7 Lack of available long-term Firm Capacity (UIOLI).....	40
5.8 Capacity conversion in relation to Ellund .....	42

<b>6.</b>	<b>Nomination .....</b>	<b>43</b>
6.1	Nominations before the Gas Day .....	43
6.2	Renominations for the entire Gas Day .....	45
6.3	Renominations for the remaining Hours of the Gas Day .....	45
6.4	Conditions for Nomination and Renomination .....	46
6.5	Principles for reduction in Nominations, Accepted Nominations and Renominations .....	47
6.6	Matching procedure at Entry, Exit and Storage Point(s) .....	48
6.7	The auxiliary point HP Ellund .....	49
6.8	Single sided nomination mechanism .....	49
6.9	Supply plan for Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Points .....	50
<b>7.</b>	<b>Allocation.....</b>	<b>51</b>
7.1	Allocation principle applied at the Entry and Exit Points .....	51
7.2	Allocation principle applied at the RES Entry Point .....	51
7.3	Allocation principle applied at the Storage Point .....	51
7.4	Allocation principle applied for Gas Transfers .....	51
7.5	Allocation principle applied at the Domestic Exit Zone for Daily Read Metering Sites .....	52
7.6	Allocation principle applied at the Domestic Exit Zone for Non-Daily Read Metering Sites.....	52
7.7	Allocation principle applied at the Non-domestic Production, Non-domestic Consumption and Non-domestic Storage Points.....	53
7.8	Allocation principle applied for Capacity at the Joint Exit Zone.....	53
7.9	Update of Allocations and settlement principles .....	54
<b>8.</b>	<b>Delivery and redelivery conditions.....</b>	<b>56</b>
8.1	Conditions concerning the GTF, Entry, Storage and Exit Point(s) .....	56
8.2	Conditions concerning the RES Entry Point .....	56
8.3	Conditions concerning the Domestic Exit Zone .....	56
8.4	Liability, risk and right of disposal .....	57
<b>9.</b>	<b>Balancing .....</b>	<b>59</b>
9.1	General.....	59

9.2	Daily balancing .....	59
<b>10.</b>	<b>Repair and maintenance .....</b>	<b>61</b>
10.1	Repair and maintenance.....	61
<b>11.</b>	<b>Quality and Delivery Specifications.....</b>	<b>62</b>
11.1	Quality and Delivery Specifications .....	62
11.2	Non-compliance at the Storage Point .....	62
11.3	Non-compliance at the Entry Point.....	62
11.4	Non-compliance at the Exit Point and the Network Separation Point.....	63
11.5	Non-compliance in the Domestic Exit Zone .....	64
<b>12.</b>	<b>Metering .....</b>	<b>65</b>
12.1	General.....	65
12.2	Method of calculation .....	65
12.3	Metering at Entry, Exit and Transition Points as well as Direct Sites .....	65
12.4	Verification and calibration of the Gas Metering System .....	66
12.5	Handling of incorrect metering in the Gas Metering System .....	67
12.6	Handling of incorrect metering in the Distribution Company 's Gas Metering Systems ....	67
<b>13.</b>	<b>Technical Facilities.....</b>	<b>69</b>
13.1	Technical facilities .....	69
<b>14.</b>	<b>Reduced capacity .....</b>	<b>70</b>
<b>15.</b>	<b>Force Majeure.....</b>	<b>71</b>
15.1	General.....	71
15.2	General consequences of Force Majeure .....	71
15.3	Information .....	71
15.4	Energinet's rights and obligations during a Force Majeure situation.....	72
15.5	Energinet's Force Majeure .....	72
15.6	The Shipper's Force Majeure .....	72
15.7	Extended Force Majeure .....	72

<b>16. Security of supply .....</b>	<b>73</b>
16.1 Early Warning .....	73
16.2 Alert .....	73
16.3 Emergency .....	73
16.4 Collaboration .....	75
16.5 Protected and Non-Protected Consumption Sites .....	75
16.6 Interruptible supply .....	75
<b>17. Charges and fees .....</b>	<b>76</b>
17.1 Capacity Charges and Commodity Charge in the Transmission System .....	76
17.2 Other fees and charges .....	76
17.3 Adjustment of fees and charges .....	80
<b>18. Invoicing and payment .....</b>	<b>81</b>
18.1 Invoicing of Shipper's Capacity .....	81
18.2 Monthly variable invoicing of Shippers .....	81
18.3 Invoice to Direct Consumers .....	83
18.4 Payment .....	83
18.5 Due dates.....	84
18.6 Late payment .....	84
18.7 Disagreement on payments etc. ....	84
18.8 Errors or inaccuracies .....	84
<b>19. Credit approval .....</b>	<b>86</b>
19.1 Credit approval of the Shipper .....	86
19.2 Credit approval of the Direct Consumers .....	89
<b>20. Assignment and transfer.....</b>	<b>94</b>
<b>21. Venue and applicable law .....</b>	<b>95</b>
21.1 Venue.....	95
21.2 Applicable law.....	95
21.3 Priority.....	95

---

<b>22. Termination and liability .....</b>	<b>96</b>
22.1 Termination due to breach of agreement .....	96
22.2 Liability .....	96
22.3 Termination without cause of the Shipper Framework Agreement .....	97
<b>23. General provisions .....</b>	<b>99</b>
23.1 Confidentiality .....	99
23.2 Headings .....	99
23.3 Passivity .....	99

## Appendices

Appendix 1	Quality and Delivery Specifications
Appendix 2	Shipper Framework Agreement
Appendix 3	Gas Supplier Framework Agreement
Appendix 4	Direct Consumer Framework Agreement
Appendix 5	Storage Customer Framework Agreement
Appendix 6A	Online Access Agreement - Shipper
Appendix 6B	Online Access Agreement - Gas Supplier
Appendix 6C	Online Access Agreement - Direct Consumer
Appendix 6D	Online Access Agreement - Gas Storage
Appendix 6E	Online Access Agreement - Distribution Company
Appendix 6F	Online Access Agreement - Biomethane Seller
Appendix 7	Capacity Order
Appendix 8	Data Privacy
Appendix 9	Guarantee Payable on Demand
Appendix 10	Gas Market Message Agreement
Appendix 11	Biomethane Seller Framework Agreement
Appendix 12	Power of attorney – user access to PRISMA

The appendices are available on Energinet's website in the version applicable at any given time.

## **Preface**

Compared to the RFG 19.0, the new in RFG 20.0 are:

- A minor correction in Appendix 1 Quality and Delivery Specifications
- Various minor corrections.



# 1. Introduction

## 1.1 Legal frame

This version of Rules for Gas Transport is prepared in regard to:

- the Natural Gas Supply Act and section 5 of Executive Order No 1034 of 4 April 2011 on the Application of the Natural Gas Supply Network and Plans for the Future Need for Transmission Capacity;
- regulation (EU) no 715/2009 of 13 July 2009 on conditions for access to the natural gas transmission networks;
- regulation (EU) No 312/2014 of 26 March 2014 establishing a network code on balancing of transmission network, see chapter 9 and 18; and
- regulation (EU) No 703/2015 of 30 April 2015 establishing a network code on interoperability and data exchange rules; and
- regulation (EU) No 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013, see chapter 5 and chapter 6;
- regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard security of gas supply and repealing Regulation (EU) NO 994/2010, see chapter 16;

As stipulated in the Danish Natural Gas Supply Act, notification of these RfG has been made to the Danish Utility Regulator.

## 1.2 Legal basis

Pursuant to the Danish Natural Gas Supply Act, all customers are entitled to choose their own Gas Supplier. Gas companies and all customers in Denmark are, against payment, entitled to use the Transmission System and the Distribution Network to transport Natural Gas and to use the Storage Facilities.

Energinet has drawn up these Rules for Gas Transport for the use of the Danish Gas System. RfG have been prepared in cooperation between the Distribution Company (Evida)), the storage company (Gas Storage Denmark A/S) and Energinet. RfG is a set of rules which together with the Framework Agreements and other relevant appendices govern the Player's cooperation with Energinet regarding transport of Natural Gas through the Transmission System.

In addition to these RfG among others the following rules and guidelines are relevant for Players in the Danish Gas Market and supplement RfG:

- a) Guide to the Register of Players (describe how Players are registered in the Register of Players and how the Register of Players is updated regularly);

- b) Capacities at the Entry and Exit Point at Ellund are marketed at PRISMA and sold according to general terms and conditions for use of PRISMA applicable at any time. A successful registration of the Shipper and its Capacity User(s), see Appendix 12, is requirements for the use of PRISMA;
- c) Shipper guide (a guide to the procedures and data exchange in connection with Nomination and Allocation);
- d) Rules for GTF, Rules for ETF and Rules for CTF governing Gas Transfers effected via GTF or ETF and Capacity Transfers performed at CTF, respectively;
- e) Rules for Biomethane are Energinet's and the Distribution Company's Rules for delivery of Biomethane to the Danish Gas System (governs the conditions for Biomethane's access to the Danish Gas System);
- f) Rules for Gas Storage is Gas Storage Denmark's rules for access to the Storage Facilities; and
- g) The Distribution Company's Rules for Gas Distribution regarding access to the Distribution Networks, including the Gas Supplier's supply of Natural Gas and the Distribution Company's transport through the Distribution Network to Consumers.

The above-mentioned rules and guidelines or links to these is available on Energinet's website.

### **1.3 Commencement**

These RfG, version 20.0, enter into force in their final version on 1 October 2020, superseding the RfG, version 19.0, in their entirety from this date.

Capacities for sale for the Gas Day 30 September 2020 are marketed according to RfG, version 19.0, whereas Capacities for sale for the Gas Day 1 October 2020 are marketed according to RfG, version 20.0.

## 2. Definitions

### 2.1 Definitions used

Unless otherwise indicated by the context, the following terms in these RfG shall be understood as stated below.

**1<sup>st</sup> Correction** is the correction that takes place 4 months after the month in question and is based on the most recent set of corrected meter data.

**2<sup>nd</sup> Correction** is the correction that takes place 15 months after the month in question and is based on the most recent set of corrected meter data.

**Accepted Nomination** is a Nomination or Renomination which have been accepted, reduced or refused by Energinet in accordance with clause 6.1 c), 6.2 b) or 6.3 b).

**Adjacent System** is either the German transmission System or any pipeline/pipeline network operated or established as part of a Danish oil or gas production facility or used to transmit Natural Gas from one or more such facilities to a treatment plant, treatment terminal or landing end-terminal as well as the mentioned treatment plants, treatment terminals and landing terminals.

**Alert** refers to a supply disruption or exceptionally high gas demand that results in significant deterioration of the supply situation, but the market is still able to manage that disruption or demand without the need to resort to non-market measures.

**Allocation** is the quantity of Natural Gas/Biomethane allocated to the Shipper based on the Accepted Nomination, the metered value or a reported value in the same Hour.

**Allocation Area** is one of the following areas, where Evida is authorised to carry out natural gas distribution:

- a) the Distribution Network downstream of the meter and regulator stations in Central and North Jutland;
- b) the Distribution Network downstream of the meter and regulator stations in South Jutland;
- c) the Distribution Network downstream of the meter and regulator stations on Funen;
- d) the Distribution Network downstream of the meter and regulator stations in South and West Zealand and Amager;
- e) the Distribution Network downstream of the meter and regulator stations in the Greater Copenhagen area; and
- f) the Distribution Network downstream of the meter and regulator stations in North Jutland.

**Annual Capacity** has the meaning defined in clauses 5.2.1 and 5.3.1.

**Annual Consumption** is the consumption for one Year at a Non-Daily Read Metering Sites determined on the basis of reading of the consumption at the end of the Year or on the basis of the Distribution Company's calculation of the consumption for the specific Year.

**Annually Read Metering Sites** are Non-Daily Red Metering Sites where the Consumer reads the consumption once a year.

**Auction** means the tender by auction procedure whereby Capacities are allocated to Shippers.

**Backhaul** is a commercial Natural Gas flow flowing in the opposite direction to the Natural Gas flow.

**Balancing Area** is the Domestic Exit Zone and Storage, Entry, Exit, RES Entry, GTF, ETF, Non-domestic Production, Non-domestic Storage and Non-Domestic Consumption Points.

**bar** corresponds to the "unit of pressure bar" defined as one bar equals  $10^5$  Pa, where Pa is as defined in DS/ISO 80000-1: "Quantities and units - Part 1: General" in the latest version at any time published by Danish Standards. Unless otherwise stated, bar means bar above atmospheric pressure.

**Biomethane** is biogas which has been upgraded with a view to meeting the quality specifications for Natural Gas in the Danish Gas System.

**Biomethane Portfolio** is the collection of Metering Points for Biomethane within a Network Area for which a Biomethane Seller, on the basis of his agreement with the producer of biogas or the owner of the upgrading plant, must conclude an agreement with a Shipper regarding transportation in the Transmission System.

**Biomethane Seller** is any natural or legal person who is registered in the Register of Players as Biomethane Seller.

**Biomethane Seller Framework Agreement** is a framework agreement between Energinet and a Biomethane Seller governing the conditions which a natural or legal person must fulfil in order to act as a Biomethane Seller in the Danish Gas System.

**Biomethane Seller Agreement** is an agreement between the Biomethane Seller and Network Owner (where the Biomethane is delivered physically), which contains the individual conditions in addition to Rules for Biomethane.

**Booking Procedure** is the procedure whereby Capacity Orders are submitted to Energinet, and Capacity Agreements are concluded on Energinet Online.

**Business Day** is any day from Monday to Friday with the exception of holidays etc. specified in the list on Energinet's website.

**Calculated Balance** is the sum of all the Shippers balance positions based on Allocations at the end of the Gas Day plus/minus the amount Energinet has bought/sold at ETF on EEX for the current Gas Day.

**Capacity** is transport capacity expressed in kWh/Hour in and out of the Transmission System which can be reserved from Energinet.

**Capacity Agreement** is an agreement between Energinet and a Shipper regulating the Shipper's purchase of Capacity.

**Capacity Charge** is the charge that a Shipper must pay to Energinet for the hourly quantity at the Entry Points, in the Joint Exit Zone and at the Exit Points.

**Capacity Order** is the order for Capacity placed by a Shipper.

**Capacity Period** is any given period of time that Capacity is offered for.

**Capacity-requesting Shipper** is a Shipper that requests Capacity and contacts Energinet in order to initiate that Energinet advertises for surplus capacity.

**Capacity Transfer** is the transfer of Capacity via CTF.

**Capacity User** is any individual authorised by the Shipper to conclude Capacity Agreements and Capacity Transfers on behalf of the Shipper.

**°C (Celsius)** corresponds to the difference between a temperature in Kelvin and 273.15 Kelvin as defined in DS/ISO 80000-1: "Quantities and units - Part 1: General" (In Danish: "Fysiske størrelser, måleenheder og symboler - Del 1: Generelt") in the latest version at any time published by Danish Standards.

**Commodity Charge** is a charge that the Shipper must pay to Energinet for the Natural Gas quantities allocated in the Joint Exit Zone and at the Exit Points.

**Consumer** is a customer who buys and uses Natural Gas for own consumption in Denmark. The term Consumer is used by the Distribution Company in relation to customers, final customers and final consumers.

**Consumer Portfolio** is the collection of Metering Sites, which a Gas Supplier supplies with Natural Gas within an Allocation Area. A Gas Supplier may have the following Consumer Portfolios for each Allocation Area: (i) one Consumer Portfolio consisting of the Daily Read Metering Sites and (ii) one Consumer Portfolio consisting of the Non-Daily Read Metering Sites.

**Consumption Site** is one or more Metering Sites in a geographical area owned by one Consumer.

**Corrections** are a joint designation for the 1<sup>st</sup> and 2<sup>nd</sup> Correction and any extraordinary corrections.

**Counterparty** is either any natural or legal person in the Adjacent Systems delivering or receiving Natural Gas to or from a Shipper at the Entry or Exit Points or a Storage Customer. A Counterparty at the GTF is defined in the Rules for GTF.

**Credit Limit** is the maximum amount in DKK up to which a Shipper is approved to enter into Capacity Agreements, see clause 19.1. The Credit Limit also applies to Capacity and Gas Transfers, see the Rules for CTF and GTF, respectively.

**CTF** is Energinet's capacity transfer facility - a facility by means of which certain Capacity in the Transmission System can be transferred from one Shipper to another.

**Daily Capacity** has the meaning defined in clauses 5.2.1 and 5.3.1.

**Daily Imbalance Quantity** means the accumulated positive or negative difference in the Balancing Area between on the one hand the Shippers total deliveries in a Gas Day at the Storage, Entry, RES Entry, GTF, ETF, Non-domestic Production and Non-domestic Storage Point(s) and on the other hand the Shippers total offtake in the same Gas Day at the Domestic Exit

Zone and the GTF, ETF, Storage, Exit, Non-Domestic Consumption and Non-domestic Storage Point(s).

**Daily Read Metering Site** is a Metering Site which is settled between the Players in accordance with the regulations for daily metered consumption.

**Danish Gas Market** is the total number of Danish Consumers at any time. The Danish Gas Market and its Players are described in Appendix 0.

**Danish Gas System** is the Transmission System, the Distribution Network and the Storage Facilities in Denmark.

**Direct Consumer** is any given natural or legal person who supplies and consumes Natural Gas from the Transmission System at Direct Sites. The Direct Consumers must comply with the provisions applicable to Gas Suppliers supplying Daily Read Metering Sites.

**Direct Site** is the actual point at which the Gas Metering System is physically located and to which the Natural Gas is supplied/redelivered to the Consumer from the Transmission System. If more than one Gas Metering System is located on the same title number – or several title numbers – having the same Consumer as legal owner and shared property lines, the title numbers will be considered as one Direct Site.

**Distributed Residual Consumption** is each Gas Suppliers' market share quotient multiplied by the Residual Consumption.

**Distribution Company** is any given natural or legal entity that can attend to the distribution of Natural Gas. Evida (Evida Nord A/S, Evida Syd A/S og Evida Fyn A/S) carry out gas distribution in the Distribution Networks on the basis of a licence granted in pursuance of the Danish Natural Gas Supply Act.

**Distribution Company's Standard Conditions** are the Distribution Company's Rules for Gas Distribution and Distribution Conditions.

**Distribution Network** is the local or regional natural gas distribution grid owned and operated by a Distribution Company.

**DKK** means Danish kroner.

**Domestic Exit Zone** is all Allocation Areas and Direct Sites.

**Early Warning** refers to a situation where there is concrete, serious and reliable information to the effect that an event may occur which is likely to result in significant deterioration of the supply situation and is likely to lead to the alert or the emergency level being triggered.

**EDI-based Communication** is communication complying with the Business Specifications for EDI Communication in the Danish Gas Market.

**EEX** is the natural gas exchange operated by European Energy Exchange A/G.

**Emergency** refers to a situation of exceptionally high gas demand, significant supply disruption or other significant deterioration of the supply situation, and in which all relevant market

measures have been implemented but the supply of gas is insufficient to meet the remaining gas demand so that non-market measures have to be additionally introduced with a view, in particular, to safeguarding supplies of gas to Protected Consumption Sites.

**Energinet** is Energinet Gas TSO, which manages the transmission function, security of supply, market facilitation and holds overall physical balance responsibility under the Danish Act on Energinet. In addition, Energinet is responsible for the Register of Players.

**Energinet Online** is the online system, which a Player with a password can access via <http://online.energinet.dk>

**Entry Point** is the physical delivery point at which a Shipper delivers Natural Gas into the Transmission System from the Adjacent System and the transport of Natural Gas through the Danish Gas System commences.

**Estimated Balance** is Energinet's forecast of all Shippers balance positions at the end of the Gas Day based on Accepted Nominations for the Storage, Exit and Entry Point(s) and Direct Sites, Energinet's forecast of the offtake from the Allocation Areas and the non-domestic transmission system operator's reported value for the intake or offtake at the Non-domestic Storage, Non-domestic Consumption and Non-domestic Production Point(s) and plus/minus the amount Energinet has bought/sold at ETF on EEX for the current Gas Day.

**ETF** is a trading facility in the Transmission System, where Natural Gas is transferred from one Shipper to another on the basis of trades performed at the EEX.

**ETF Point** is a virtual trading point where Natural Gas flows to and from the Transmission System.

**Exit Point** is the physical delivery point at which the transport of Natural Gas through the Transmission System ends and where Energinet contractually redelivers Natural Gas to the Shipper.

**Firm Capacity** is the uninterruptible type of Capacity offered by Energinet.

**FCFS** is that Capacity Orders are accepted in the order in which they are processed by Energinet.

**Force Majeure** means extraordinary circumstances arising after the signing of the agreements and being outside the control of the party in question provided that such party has exercised due care as required within the oil and gas industry and that such circumstances could not reasonably be overcome.

**Framework Agreements** mean Shipper Framework Agreements, Gas Supplier Framework Agreements, Storage Customer Framework Agreements and Biomethane Seller Framework Agreement collectively.

**Gas Day** is a period commencing at 06:00 on any given day and ending at 06:00 on the following day. The Gas Day is reduced to 23 Hours at the transition to summertime and is increased to 25 Hours at the transition to daylight saving time, and all pertaining rights and obligations stipulated in RfG are reduced or increased accordingly on such Gas Days.

**Gas Metering System** is the term used to describe the system used to meter, record, read and calculate Natural Gas quantities. The Gas Metering System's metering equipment meters either the mass, volume and/or quality of the Natural Gas delivered at an Entry Point, Metering Site, Transition Point, Storage Point, Direct Site or Exit Point, see clause 12.3. The Consumption Sites Gas Metering Systems and Metering Sites are governed and defined by the Distribution Company's Rules for Gas Distribution.

**Gas Storage Denmark** is Gas Storage Denmark A/S, which operates the Storage Facilities.

**Gas Supplier** is any natural or legal person who supplies Consumers with Natural Gas.

**Gas Supplier Agreement** is an agreement between a Distribution Company and the Gas Supplier whereby the Gas Supplier accepts the Rules for Gas Distribution. In combination with the Rules for Gas Distribution, this Gas Supplier Agreement governs the parties' rights and obligations during the cooperation entailed in delivering Natural Gas to the Consumers in the Distribution Company's distribution area and the Distribution Company's transport of Natural Gas through the Distribution Network to the Consumers. The agreement also governs the metering of the Metering Sites and the Consumers' change of Gas Supplier. The Gas Supplier shall in the Register of Players register a Gas Supplier Agreement with the Consumer's Distribution Company in order to report the Consumer's change of Gas Supplier.

**Gas Supplier Framework Agreement** is a framework agreement between Energinet acting on behalf of the Distribution Company, Energinet and a Gas Supplier regulating the framework conditions which a natural or legal person must fulfil in order to act as a Gas Supplier in the Danish Gas System.

**Gas Transfer** is a transfer of Natural Gas effectuated via GTF or ETF.

**Gas Year** is the period commencing at 06:00 on 1 October in any Year and ending at 06:00 on 1 October in the following Year.

**Green Zone** is a calculated area per Gas Day illustrating the flexibility of the Balancing Area, i.e. the Green Zone is the area on each side of the equilibrium, where the sum of the Shippers' deliveries for the Gas Day is equal to the sum of the Shippers' offtake for Gas Day. The Green Zone for the Gas Day is based on the Calculated Balance for the preceding Gas Day and Accepted Nominations at 06.00 on the Gas Day for Entry and Exit Point(s), Direct Sites, forecast for Non-domestic Production and Non-domestic Storage Point(s) and a forecast for the expected offtake of Daily Read Metering Sites (excluding Direct Sites), Non-Daily Read Metering Sites and Non-domestic Consumption Point.

**GTF** is Energinet's gas transfer facility – a facility by means of which Natural Gas in the Transmission System can be transferred from one Shipper to another.

**GTF Point** is a virtual trading point used in connection with the Gas Transfers in accordance with the Rules for GTF.

**HP Ellund** is the auxiliary point for the application of special nomination arrangements at the Entry Point at Ellund.



**Hour** is any given 60-minute period commencing at 06:00 on any day and ending at 07:00 on the same day or a similar 60-minute period commencing at the start of one of the other Hours of the day. All indications of Hours are in CET (Central European Time).

**Hourly Distribution Key** is a distribution key for the individual Allocation Area prepared and published by the Energinet indicating Hour by Hour on a Gas Day the percentage of the Residual Consumption or the Distributed Residual Consumption that refers to each Hour.

**Hyper3-interruptibility** means that the Consumer must interrupt his offtake from the relevant Consumption Site within 3 hours and be interrupted for up to 69 hours.

**Interruptible Capacity** is Capacity which can be interrupted in full or in part during transport if Energinet lacks Capacity.

**Interruptible Over-nomination** is capacity allocated within-day based on nominations above booked capacity if additional capacity is available

**Joint Exit Zone** is the Domestic Exit Zone and Non-domestic Net Transfer.

**Joule** corresponds to "the unit of energy J" as defined in the version applicable at any time of DS/ISO 80000-1: "Quantities and units - Part 1: General" (In Danish: "Fysiske størrelser, måleenheder og symboler - Del 1: Generelt") in the latest version at any time published by Danish Standards.

**kWh** is  $3.6 \times 10^6$  Joules and expresses the quantity of heat that develops during combustion of Natural Gas in accordance with the definition of gross calorific value. Gross calorific value is the amount of heat developed by combustion of one cubic metre of gas at constant pressure when the gas and air for the combustion have a temperature of 25° C, the combustion products being brought to that temperature and the water formed by the combustion being present in liquid state. Gross calorific value is expressed in kWh/m<sup>3</sup> or MJ/m<sup>3</sup>.

**Liabe Party** is a party which does not satisfy its obligations under one or more agreements made under Rules for Gas Transport.

**m<sup>3</sup>/cubic metre** corresponds to the volume of Natural Gas which, at 0° C and an absolute pressure of 1.01325 bar, and without water vapour, occupies the volume of one cubic metre (normal cubic metre) as defined in the 11<sup>th</sup> Conférence Générale des Poids et Mesures, Paris, France.

**Manual Procedure** is the manual procedure that Shippers can use to conclude Capacity Agreements.

**Master Data Administrator** is a User who by virtue of an Online Access Agreement is authorised to create and update his employer's Player Relationships and Master Data as well as the Users own personal data.

**Master Data Viewer** is a User who by virtue of an Online Access Agreement is authorised to view his employer's Player Relationships and Master Data as well as to update his own personal data.

**Matching** means continuous Matching by Energinet, operators of the Adjacent System, Gas Storage Denmark and EEX of Nominations and Renominations hereof in accordance with clause 6.6.

**Maximum Hourly Quantity** is the total Capacity which a Shipper has acquired the rights under Capacity Agreements and Capacity Transfers.

**Metering Point for Biomethane** is the metering point, where the quantity of Biomethane delivered to the Danish Gas System is metered.

**Metering Site** is the actual point at which the Gas Metering System is physically located, and to which Natural Gas is supplied to the Consumer from the Distribution System.

**Mole** corresponds to the "SI base unit Mole" as defined in the version applicable at any time of DS/ISO 80000-1: "Quantities and units - Part 1: General" (In Danish: "Fysiske størrelser, måleenheder og symboler - Del 1: Generelt") in the latest version at any time published by Danish Standards. Mole-% corresponds to the quantity of a substance in a gas mixture (expressed in Mole) multiplied by 100 and divided by the total gas volume (expressed in Mole) in such a gas mixture.

**Month** is a period commencing at 06:00 on the first Gas Day of any calendar month and ending at 06:00 on the first Gas Day of the following calendar month.

**Monthly Capacity** has the meaning defined in clauses 5.2.1 and 5.3.1.

**Monthly Consumption** is the consumption for one Gas Month at a Non-Daily Read Metering Site determined on the basis of consumption metering at the end of the Gas Month or on the basis of the Distribution Company's calculation of the consumption for the specific Gas Month.

**Monthly Read Metering Sites** is a Non-Daily Read Metering Site where the consumption is read once a month.

**Natural Gas** is characterised as belonging to the second gas family, Group H, as defined in DS/EN 437 "Test gases, test pressure and categories of appliances" in the version applicable at any time published by Danish Standards. Natural Gas is a combustible gas which is:

- a) extracted directly from the subsoil; or
- b) extracted indirectly from the subsoil as associated gas in connection with crude oil production;
- c) produced by extraction or other form of concentration of a Natural Gas as mentioned in a) or b) that contains methane constituting at an absolute pressure of one bar at least 75% by volume of the combustible gas components and exists in any physical form into which the gas can be converted by compression or cooling; or
- d) Biomethane.

**Natural Gas Supply Act** is the Danish Natural Gas Supply Act applicable at any time.

**Network Area** is the Transmission System or the Distribution Network.

**Network Owner** is the owner of the gas company making the connection of upgrading plant to the Danish Gas System. Network Owner may be the Distribution Company or Energinet.

**Network Separation Point** is the physical separation point between the Transmission System and the Non-domestic Transmission System.

**Neutral Gas Price** is set out in the Price List.

**Non-domestic Consumption Point** is the collective designation for the physical points in the Non-domestic Transmission System or downstream this Non-domestic Transmission System at which Natural Gas is off-taken for consumption.

**Non-domestic Net Transfer** is the net sum of Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Points.

**Non-domestic Production Point** is the collective designation for the physical points in the Non-domestic Transmission System or downstream this Non-domestic Transmission System at which Natural Gas is injected.

**Non-domestic Storage Point** is the collective designation for the physical point(s) in the Non-domestic Transmission System or downstream this Non-domestic Transmission System at which Natural Gas passes from or to a non-domestic storage facility.

**Non-domestic Transmission System** is the Swedish transmission network owned and operated by Swedegas under the Swedish Natural Gas Act.

**Nominations** means

- a) order delivery of Natural Gas from its Counterparties at the Entry Points, GTF and Storage Point;
- b) forecast the delivery of Biomethane from all the Biomethane Portfolios according to the Player Relationships with Biomethane Sellers;
- c) forecast the offtake at the Domestic Exit Zone for (i) all the Consumer Portfolios according to Player Relationships with Gas Suppliers and (ii) all Direct Sites according to Player Relationships with Direct Consumers;
- d) order redelivery of Natural Gas to its Counterparties at the Exit, GTF and relevant Storage Point; and
- e) traded Natural Gas at the EEX to be delivered at the ETF Point.

**Nomination User** is any individual authorised by the Shipper to use Energinet Online to submit Nominations on behalf of the Shipper.

**Non-Daily Read Metering Site** is a Metering Site which is settled between the Players in accordance with the regulations for non-daily metered consumption.

**Non-Protected Consumption Site** is a Consumption Site that, if required by Energinet, shall be interrupted partially or fully at a notice of 72 Hours in Emergency.

**Online Access Agreement** is the agreement on access to Energinet Online, cf. Appendix 6A–6F.

**Other Shippers** is Shippers having Capacity Agreements for the relevant Capacity Period in the relevant point or zone that are relevant for a potential UIOLI situation.

**Periodised Annual Consumption** has the meaning defined in clause 7.9.2.

**Periodised Consumption** has the meaning defined in clause 7.9.2.

**Player Relationship** is the relationship between (i) a Shipper and a Gas Supplier's Consumer Portfolio, (ii) a Shipper and a Direct Consumer's Direct Site and (iii) a Shipper and a Biomethane Seller's Biomethane Portfolio.

**Players** are the relevant Shippers, Gas Suppliers, Storage Customers and Biomethane Sellers as well as Energinet, the Distribution Company and Gas Storage Denmark.

**Price List** is the collective designation for the price lists available on Energinet's website at any time containing prices for transportation and for balancing gas.

**PRISMA** is an online platform for the auctioning and trade of gas transport capacity within the European Union. Fulfilment and processing of the Capacity Agreements between Energinet and Shippers take place outside the PRISMA platform.

**Protected Consumption Site** is a Consumption Site which is ensured supply of Natural Gas in Emergency.

**Quality and Delivery Specifications** is the quality and delivery specifications set out in Appendix 1 as subsequently amended.

**Quarter** is any 3-month period commencing at 06:00 on 1 January, 1 April, 1 July or 1 October.

**Quarterly Capacity** has the meaning defined in clauses 5.2.1 and 5.3.1.

**Receiving Shipper** has in connection with Capacity Transfers and Gas Transfers the meaning defined in the Rules for CTF and GTF, respectively.

**Reconciliation** is the settlement of the monthly positive or negative energy balances emerging on the basis of the reconciliation balance as the difference between the expected consumption of a Gas Supplier's Non-Daily Read Metering Sites and the consumption metered subsequently. Reconciliation is described in clause 7.9.3.

**Register of Players** is a register into which all Gas Suppliers, Storage Customers, Shippers, the Distribution Company, Biomethane Sellers, storage companies, transmission companies in the Danish Gas System and players active in the Balancing Area must be entered. The purpose of the Register of Players is to ensure uniform, unambiguous registration of all Players in the Danish Gas System. Energinet is responsible for operating and developing the Register of Players.

**Relative Density** is the mass of a volume of Natural Gas divided by the mass of an equal volume of dry air, both expressed in the same unit, both gases being in the same state at 0° C and an absolute pressure of 1.01325 bar.

**Renomination** is an increase or reduction of a previously Accepted Nomination carried out with effect for the following Gas Day or in the Gas Day.

**RES Entry Point** is a virtual point at which a Shipper brings Renewable Energy Sources, e.g. Biomethane into the Transmission System and where the transport of the Renewable Energy Source through the Danish Gas System commences. For each Shipper, the RES Entry Point consists of all active Biomethane Portfolios with which the Shipper has a Player Relationship.

**Residual Consumption** is the total consumption of Natural Gas for all Non-Daily Read Metering Sites within an Allocation Area.

**Rules for Biomethane** are Energinet's and the Distribution Company's Rules, in the version applicable at any time, for delivery of Biomethane to the Danish Gas System (governs the conditions for Biomethane's access to the Danish Gas System).

**Rules for CTF** govern Capacity Transfers carried out via CTF.

**Rules for Gas Storage/RGS** are Gas Storage Denmark's rules for the storage of Natural Gas in the Storage Facilities in the version applicable at any time.

**Rules for ETF** govern Gas Transfers carried out via EEX.

**Rules for Gas Distribution/RfGD** are the Distribution Company's rules for distribution of Natural Gas in the Distribution Networks in the version applicable at any time.

**Rules for Gas Transport/RfG** are these Rules for Gas Transport in the version applicable at any time governing the conditions for Shippers' access to the Danish Gas System.

**Rules for GTF** govern Gas Transfers carried out via GTF.

**Security of Supply Charge** is the charge that a Consumer or Direct Consumer shall pay for security of supply.

**Shipper** is any natural or legal person in the Transmission System who is registered in the Register of Players and has access to transport Natural Gas in the Transmission System in accordance with RfG. Shippers can also act as their own Gas Supplier, Biomethane Seller, Storage Customer, Consumer or Counterparty.

**Shipper Codes** are the code names of a Shipper's Counterparties in one of the Storage Point, the GTF or in the Entry and Exit Points used in connection with Matching.

**Shipper Framework Agreement** is an agreement between Energinet and a Shipper governing the conditions which natural or legal persons must fulfil in order to act as Shippers in the Danish Gas System and setting out the framework conditions for the purchase of Capacity with a view to transporting Natural Gas through the Transmission System.

**Single Sided Nomination** is a mechanism at Ellund, providing the Shippers with the means to nominate the flows of their Capacity via a single nomination.

**Storage Customer** is any natural or legal person with access to the Storage Facilities and who is registered as a Storage Customer in the Register of Players.

**Storage Customer Framework Agreement** is a framework agreement between Energinet and a Storage Customer governing the framework conditions which natural or legal persons must fulfil in order to act as Storage Customers in the Danish Gas System.

**Storage Facilities** are Gas Storage Denmark's storage facility in Stenlille and Lille Torup.

**Storage Point** is the collective designation for the two physical points at which Natural Gas passes from the Transmission System to the Storage Facilities or from the Storage Facilities to the Transmission System, and at which point the ownership of the natural gas pipelines passes from Energinet to Gas Storage Denmark or from Gas Storage Denmark to Energinet.

**Total Distributed Residual Consumption** has the meaning defined in clause 7.6.1.

**Total Periodised Consumption** is the sum of all the Gas Supplier's Periodised Consumption in each Distribution Network in which the Gas Supplier supplies Non-Daily Read Metering Sites.

**Transferring Shipper** shall have the meaning defined in clause 5.7.3. In the case of Capacity Transfers and Gas Transfers, the Transferring Shipper is defined in the Rules for CTF, GTF and ETF, respectively.

**Transition Point** is the physical point at which the transport of the Natural Gas through the Transmission System either ends or begins at the exit valve/outlet flange located after the specific transport-relevant measuring and regulator station in the Transmission System, and at which ownership of the natural gas pipeline changes between Energinet and the Distribution Company.

**Transmission System** is the Danish transmission network owned and operated by Energinet under the Danish Act on Energinet.

**Unvalidated Data** are preliminary data that have not been validated.

**UIOLI** is Energinet's right to systematically withdraw, in full or in part, any underutilised contracted Capacity.

**User** is an employee of a Shipper, Distribution Company, Gas Supplier, Storage Customer or Biomethane Seller who is granted access to Energinet Online under the terms and conditions of an Online Access Agreement or an employee of a Shipper who is granted access to PRISMA under the terms and conditions of an GTCs for PRISMA and the power of attorney (Appendix 12).

**Validated Data** are data that have been finally validated, and all corrections have been made for the purpose of settlement.

**Within-day Capacity** is Capacity that may be applied by a Shipper from a start time on a particular Gas Day until the end of the same Gas Day.

**Wobbe Index** is the gross calorific value of Natural Gas divided by the square root of the Relative Density of the Natural Gas in question. The Wobbe Index is given in kWh/m<sup>3</sup> or MJ/m<sup>3</sup>.

**Year** is the period commencing at 06:00 on the first Gas Day of any given Month in any given year and ending at 06:00 on the first Gas Day of the same Month in the following year.

**Yellow Zone** is the area on each side of the Green Zone.

## **2.2 Use of singular and plural and of definite and indefinite forms**

Unless otherwise indicated by the context, defined terms used in RfG – except as follows from the form used – shall have the meaning defined in clause 2.1, whether used in the singular or the plural or in definite or indefinite form.

## **2.3 Reference to clauses**

All references to clauses are, unless otherwise expressly stated, references to the clauses of RfG.

### 3. Conditions for acting as a Player

#### 3.1 Requirements

In order for Shippers, Gas Suppliers, Direct Consumers, Storage Customers or Biomethane Sellers to act as such in the Danish Gas Market, they must satisfy the following conditions:

	Conclude Framework Agreement	Obtain credit approval	Registered in the Register of Players	Conclude Online Access Agreement	Conclude a Gas Supplier Agreement with the Distribution Company	Gas Supplier's IT system must be tested and approved for EDI-based Communication	Conclude a Biomethane Seller Agreement with the relevant Network Owner	Have the right to deliver Biomethane to the Danish Gas System, on the basis of an agreement with the producer of biogas or the owner of the upgrading plant
Shipper	x	x	x	x				
Gas Supplier	x		x	x	X	x		
Direct Consumer	x	x	x	x				
Storage Consumer	x		x	x				
Biomethane Seller	x		x	x			X	x

#### 3.2 Entire contractual basis

The entire contractual basis for Shippers, Gas Suppliers, Direct Consumers, Storage Customers or Biomethane Sellers consists of:

	Rules for Gas Transport	Framework Agreement	Rules for CTF	Rules for GTF	Rules for ETF	GTCs for PRISMA	Rules for Biomethane	Gas Supplier Agreement with the Distribution Company	RGS	Biomethane Seller Agreement with the relevant Network Owner
Shipper	x	x	x	x	x	x	x			
Gas Supplier	x	x						x		
Direct Consumer	x	x								
Storage Consumer	x	x							x	
Biomethane Seller	x	x					x			X



## **4. Register of Players**

### **4.1 General**

Energinet owns the Register of Players at the internet portal Energinet Online in which all Players must be registered in order to operate in the Danish Gas System. A user guide on the registration and updating of the Register of Players is provided in the guide to the register of players available on Energinet's website.

All communication concerning the Register of Players must be made at Energinet Online, unless otherwise indicated by this clause 4. Only in case Energinet Online is unavailable, communications to Energinet must be sent to [gasinfo@energinet.dk](mailto:gasinfo@energinet.dk).

### **4.2 Master Data**

The Register of Players contains Master Data for each Player. Master Data for Energinet, the Distribution Company and Gas Storage Denmark are available to all Players.

A new Player, requesting registration in the Register of Players, must submit its Master Data to Energinet, using the template made available on Energinet's website.

All Players are obliged to update their Master Data on an on-going basis. Updates of Master Data must be made at Energinet Online not later than 3 Gas Days before they are to take effect. Energinet notifies the Distribution Company/Network Owner accordingly.

Notwithstanding the above, the first time a Shipper, Gas Supplier or Biomethane Seller sends Master Data to the Register of Players, he must do so at least 13 Business Days before the first Gas Day from which the Master Data are to apply.

Any request for the registration of new Master Data not received by the relevant deadline must be met by Energinet as soon as possible.

### **4.3 Status information**

#### **4.3.1 Status information for Consumer Portfolios, Direct Sites and Biomethane Portfolios**

Consumer Portfolios may have the following status in the Register of Players:

- a) allocated - when the Gas Supplier has concluded a Gas Supplier Framework Agreement, the Consumer Portfolio is registered in the Register of Players and the Consumer Portfolio is connected to the Gas Supplier by Energinet, provided that there are no Player Relationships or Metering Sites connected to the Consumer Portfolio;
- b) approved – when the Consumer Portfolio meets the following requirements: a Player Relationship to a Shipper has been registered as well as a Gas Supplier Agreement for the relevant Distribution Network and the Gas Supplier's IT-system has been approved for EDI-based Communication; or
- c) active – when the Distribution Company has connected one or more Metering Sites to the Consumer Portfolio as a consequence of a change of Gas Supplier and has notified Energinet of the date the Consumer Portfolio will be active.

Direct Sites may have the following status in the Register of Players:

- d) allocated - when the Direct Consumer has entered into a Direct Consumer Framework Agreement with Energinet;
- e) approved - when a Player Relationship between the Direct Consumer's Direct Site and a Shipper has been registered; or
- f) active - when the Direct Consumer has notified Energinet that the Direct Site is active.

Biomethane Portfolios may have the following status in the Register of Players:

- g) allocated – when the Biomethane Seller has concluded a Biomethane Seller Framework Agreement, the Biomethane Portfolio is registered in the Register of Players and the Biomethane Portfolio is connected to the Biomethane Seller by Energinet, provided that there are no Player Relationships or Metering Points for Biomethane connected to the Biomethane Portfolio;
- h) approved – when the Biomethane Portfolio meets the following two requirements: a Player Relationship with a Shipper has been registered and a Biomethane Seller Agreement for the relevant Network Area has been entered into; or
- i) active – when the Distribution Company or Energinet has connected one or more Metering Points for Biomethane to the Biomethane Portfolio in accordance with Rules for Biomethane and has notified Energinet of the date the Biomethane Portfolio will be active.

#### **4.3.2 Status information about Gas Supplier Agreements**

The Distribution Company must update status information about Gas Supplier Agreements in the Register of Players. Not later than 3 Business Days after conclusion or termination of a Gas Supplier Agreement, the Distribution Company must inform Energinet accordingly.

On expiry of a Gas Supplier Agreement, the Distribution Company must notify Energinet accordingly as soon as possible.

#### **4.3.3 Status information about Biomethane Seller Agreements**

The Network Owner must update status information about Biomethane Seller Agreements in the Register of Players. Not later than 3 Business Days after conclusion or termination of a Biomethane Seller Agreement, the Network Owner must inform Energinet accordingly.

On expiry of a Biomethane Seller Agreement, the Network Owner must notify Energinet accordingly as soon as possible.

#### **4.3.4 Status information about change of Gas Supplier**

The Distribution Company must update status information about change of Gas Supplier to a new Consumer Portfolio 3 Business Days before the first Gas Day of gas supply to the new Consumer Portfolio.

Furthermore, the Distribution Company must update status information 3 Business Days before termination of gas supply entirely to a Consumer Portfolio.

#### **4.3.5 Status information about change of Biomethane Seller**

The Network Owner must update status information about change of Biomethane Seller to a new Biomethane Portfolio 3 Business Days before the first Gas Day of gas delivery to the new Biomethane Portfolio.

Furthermore, the Network Owner must update status information 3 Business Days before termination of gas delivery entirely to a Biomethane Portfolio.

### **4.4 Notification of Player Relationships**

#### **4.4.1 General**

Player Relationships may be established between:

- (i) a Shipper and a Gas Supplier's Consumer Portfolio,
- (ii) a Shipper and a Direct Consumer's Direct Site and
- (iii) a Shipper and a Biomethane Seller's Biomethane Portfolio.

A Shipper can only act as a Shipper for the Gas Supplier's Consumer Portfolios, Direct Consumer's Direct Site or Biomethane Seller's Biomethane Portfolio when the Player Relationship has been registered in the Register of Players. The establishment of a Player Relationship is conditional on Energinet receiving notifications of the relationship from both the relevant Player (Gas Supplier, Direct Consumer or Biomethane Seller) and the Shipper. Energinet records Player Relationships in the Register of Players.

#### **4.4.2 New Player Relationships**

The Shipper and the relevant Player must give notification of a new Player Relationship at least 3 Gas Days before the first Gas Day from which the Player Relationship is to apply. Notification by the relevant Player is made by creating a new Player Relationship at Energinet Online, whereas notification by the Shipper is made by accepting a new Player Relationship created by the relevant Player.

If acceptance of the Player Relationship is given within the above-mentioned deadline, the Player Relationship is registered at Energinet Online. Such registration is conditional on Energinet's receipt of identical notification from the relevant Players.

Energinet must inform:

- a) the Shipper, the Gas Supplier and the Distribution Company about registration of a new Player Relationship for the Gas Supplier;
- b) the Shipper and the Direct Consumer about registration of a new Player Relationship for the Direct Consumer; and

- c) the Shipper, the Biomethane Seller and the relevant Network Owner about registration of a new Player Relationship for the Biomethane Seller.

If the Gas Supplier, Direct Consumer or Biomethane Seller creates a new Player Relationship simultaneously with the termination of a previous Player Relationship for the same Consumer Portfolio, Direct Site or Biomethane Portfolio, and Energinet rejects the creation of such new Player Relationship, Energinet must disregard the termination of the previous Player Relationship and the previous Player Relationship is maintained.

If notification of a new Player Relationship does not take place in accordance with the provisions of this clause, Energinet may reject the creation. If Energinet rejects the creation of a new Player Relationship for the Gas Supplier, Direct Consumer or Biomethane Seller, and this is the first Player Relationship for the Consumer Portfolio, Direct Site or Biomethane Portfolio, a change of the relevant Player cannot take place.

#### **4.4.3 Termination of existing Player Relationships**

The Players must give notification of termination of an existing Player Relationship at least 3 Gas Days before the first Gas Day from which the termination of the Player Relationship is to take effect. Notification is made on Energinet Online.

If notification of the termination of a Player Relationship is not given as stipulated above, Energinet may reject the notification with the consequence that the existing Player Relationship is maintained.

If a Player Relationship is terminated, the Shipper and the Players guarantee that their notification of the termination of the Player Relationship is in accordance with relevant agreements.

##### **4.4.3.1 The Shipper**

If notification of the termination of the Player Relationship is given by the Shipper within the above-mentioned deadline, Energinet must record the termination of the Player Relationship with effect from the date on which the Player Relationship is to be terminated. Energinet must inform the relevant Gas Supplier, Direct Consumer, Biomethane Seller and the Distribution Company/Network Owner accordingly.

##### **4.4.3.2 The Gas Supplier**

If notification of the termination of the Player Relationship is given by the Gas Supplier within the above-mentioned deadline, Energinet must record the termination of the Player Relationship not later than at 13.30 on the Gas Day before the Gas Day on which the termination of the Player Relationship is to take effect. Energinet must inform the Gas Supplier and the former Shipper of such registration.

If Energinet has not received notification to the effect that a new Shipper is to commence transport to the Gas Supplier's Consumer Portfolio from the date on which the existing Shipper stops transporting Natural Gas to the Consumer Portfolio, Energinet must give the Gas Supplier a time limit of 2 Gas Days to ensure the proper registration of a new Player Relationship with the Gas Supplier's Consumer Portfolio.

Energinet shall also contact the Distribution Company to clarify how the necessary changes of Gas Supplier are to be implemented so that Metering Sites comprised by the Consumer Portfolio may continue to be supplied with Natural Gas if a new Player Relationship is not registered before the expiry of the said time limit.

#### **4.4.3.3 The Direct Consumer**

If notification of the termination of the Player Relationship is given by the Direct Consumer within the above-mentioned deadline, Energinet must record the termination of the Player Relationship not later than at 13.30 on the Gas Day before the Gas Day on which the termination of the Player Relationship is to take effect. Energinet must inform the Direct Consumer and the previous Shipper of such registration.

If a Player Relationship between a Shipper and the Direct Consumer is terminated without the establishment of a new Player Relationship with the same Direct Site, the Direct Site will be disconnected from the Transmission System, and the Direct Site will be removed from the Register of Players. Energinet must contact the relevant Direct Consumer.

#### **4.4.3.4 The Biomethane Seller**

If notification of the termination of the Player Relationship is given by the Biomethane Seller within the above-mentioned deadline, Energinet must record the termination of the Player Relationship at least at 13.30 on the Gas Day before the Gas Day on which the termination of the Player Relationship is to take effect. Energinet must inform the Biomethane Seller and the previous Shipper of such registration.

If Energinet has not received notification to the effect that a new Shipper is to commence transport from the Biomethane Seller's Biomethane Portfolio from the date on which the existing Shipper stops transporting Natural Gas from the Biomethane Portfolio, Energinet must give the Biomethane Seller a time limit of 2 Gas Days to ensure the proper registration of a new Player Relationship with the Biomethane Seller's Biomethane Portfolio.

#### **4.4.4 Breach of contract**

##### **4.4.4.1 Breach of contract by a Player (excluding Shippers)**

If the Shipper's notification of the termination of an existing Player Relationship is made as a consequence of the Shipper having terminated its agreement with the Player due to the latter's breach of contract, the Shipper may request that the Player Relationship be terminated at a notice shorter than the one stipulated in clause 4.4.3 above, if:

- a) a new Player Relationship for a Consumer Portfolio, a Biomethane Portfolio or Direct Sites are registered at the same time; or
- b) Energinet has clarified with the Distribution Company how the necessary changes of Gas Supplier are to be effected so that the Metering Sites comprised by the Consumer Portfolio may continue to be supplied if a new Player Relationship is not registered; or
- c) Energinet has clarified with the relevant Network Owner how the necessary changes of Biomethane Seller are to be effected so that the Metering Points for Biomethane com-

prised by the Biomethane Portfolio may continue to deliver if the Player Relationship is not registered.

If the notification is approved, Energinet shall register the termination of the Player Relationship as soon as possible.

Depending on its assessment of the situation, Energinet may deviate from the deadlines for the submission of Capacity Orders provided in clauses 5.3.4 and 5.4.2 and permit the Gas Supplier's new Shipper to purchase 1-2 Months' consecutive Monthly Capacity in the Joint Exit Zone (for Gas Supplier and Direct Consumer) or the RES Entry Point (for Biomethane Seller) with retroactive effect. Such deviation is, however, conditional on:

- a) Energinet considering the deviation to be necessary in order to prevent Metering Sites from being disconnected or to avoid Metering Points for Biomethane being disconnected or to prevent similar inconvenience to the general public; and
- b) Energinet without undue delay receiving satisfactory documentation from the new Shipper in respect of the need for purchasing Capacity in the Joint Exit Zone or at the RES Entry Point with retroactive effect.

The Shipper guarantees that the termination of the Player Relationship is made in accordance with its agreement with the Player.

#### **4.4.4.2 Breach of contract by a Shipper**

If the creation of a new Player Relationship by Gas Supplier, Direct Consumer and Biomethane Seller takes place as a consequence of a Player having terminated his agreement with a Shipper due to the latter's breach of contract, the Player may request the registration of a new Player Relationship and the termination of the existing Player Relationship at a notice shorter than the one stipulated in clause 4.4.3 above.

If the notification is approved, Energinet shall register the new Player Relationship and the termination of the previous Player Relationship between the Shipper in breach and the Player as soon as possible.

Depending on the situation, Energinet may deviate from the deadlines for submission of Capacity Orders specified in clauses 5.3.4 and 5.4.2 and permit the new Shipper to purchase 1 or 2 Months' consecutive Monthly Capacity in the Joint Exit Zone (for Gas Supplier and Direct Consumer) or at the RES Entry Point (for Biomethane Seller) with retroactive effect. Such deviation is, however, conditional on:

- a) Energinet considering the deviation to be necessary in order to prevent Metering Sites from being disconnected or to avoid a Direct Site being disconnected or to avoid Metering Points for Biomethane being disconnected or to prevent similar inconvenience to the general public; and
- b) Energinet without undue delay receiving:
  - satisfactory documentation from the Player in respect of the actual circumstances of the previous Shipper's breach of contract; and

- satisfactory documentation from the new Shipper in respect of the need for purchasing Capacity at the RES Entry Point or in the Joint Exit Zone with retroactive effect.

The Player must guarantee that the termination of the Player Relationship is effected in accordance with the Player's agreement with the previous Shipper.

## **5. Capacity Agreements in the Transmission System**

### **5.1 Capacity Agreements**

Capacity can be made available for purchase by the Shipper and its Capacity User either via an Auction or by use of FCFS. Bundled Capacity will be marketed if this is agreed on between Energinet and the owner of an Adjacent System.

Energinet may at its own discretion choose to use Auction, the FCFS, Manual Procedure or another capacity allocation mechanism respectively as the mechanism for allocating Capacity at a given point and disregard the way Capacities are marketed according to clause 5.2 (Auction), clause 5.3 (FCFS) and clause 5.4 (Manual Procedure). Energinet notifies the Shippers of which mechanism will be used for allocation of Capacity at a given point instead. Energinet offers Capacity for the upcoming 5 Gas Years via Auctions.

### **5.2 Auction**

Capacities at the Entry and Exit Points at Ellund are marketed at PRISMA and sold at Auctions according to the auction calendar and general terms and conditions for use of PRISMA capacity platform applicable at any time. In the event PRISMA is not available, capacities are sold under FCFS as default procedure. A successful registration of the Shipper and its User(s), see Appendix 12, on PRISMA and approval of the Shipper via PRISMA by Energinet are requirements for the use of PRISMA.

Notwithstanding the above, Energinet may at any time allocate Capacity via an Auction. Energinet shall publish the date and conditions for the Auction in a timely manner before the start of the Auction. Energinet may conduct simultaneous or succeeding Auctions at which Capacity Agreements with Firm Capacities or Interruptible Capacities as well as different Capacity Periods are offered.

#### **5.2.1 Capacity Periods, allocation methodology and types of Capacity for Auctions**

Energinet offers Capacity allocated by Auction for a given Capacity Period of:

- a) one Year (12 consecutive Months) commencing at 06:00 on 1 October ("Annual Capacity");
- b) one Quarter (3 consecutive Months) commencing on the first Gas Day of a Quarter ("Quarterly Capacity"), e.g. at 06:00 on 1 January, 1 April, 1 July or 1 October;
- c) one Month commencing on the first Gas Day of a calendar month ("Monthly Capacity");
- d) one Day commencing on a Gas Day ("Daily Capacity"); and
- e) one Hour or up to 24 (twenty-four) consecutive Hours within a particular Gas Day until the end of the same Gas Day ("Within-day Capacity").

Capacity for Annual, Quarterly and Monthly Capacity shall be auctioned by using an ascending-clock auction algorithm. Capacity for Daily Capacity and Within-day Capacity shall be auctioned by using a uniform clock price algorithm.



The Capacity at the Entry and Exit Points will be offered in the following two consecutive steps:

- i) Firm Capacity; and
- ii) Interruptible Capacity, if available.
- iii) Interruptible Over-nomination.

### **5.2.2 Conclusion of Capacity Agreement by way of Auction**

Following every completed Auction, the successful Shipper will receive a confirmation by email. By concluding the Online Access Agreement, the Shipper will obtain access to Energinet Online, which provides the Shipper access to Capacity Agreements relating to the awarded Capacity.

According to clause 19.1.3, Energinet performs a credit check every Gas Day. Following every completed Auction, Energinet is entitled to suspend the awarded Capacity in case of insufficient credit, if the Shipper failed to provide the required security within the Business Day. If the awarded Capacity is suspended, Energinet is entitled to reopen the Auction and make a manual allocation based on the bids from the Shippers participating in the Auction. Shippers awarded Capacity by manual allocation will be informed accordingly by Energinet.

### **5.2.3 Conclusion of Secondary Capacity trades at PRISMA**

Following every completed Secondary capacity trade at PRISMA, both Shippers will receive a confirmation by email. By concluding the Online Access Agreement, the receiving Shipper will obtain access to Energinet Online, which provides the Shipper access to Capacity Agreements relating to the transferred Capacity.

According to clause 19.1.3, Energinet performs a credit check every Gas Day. Following every completed transfer, Energinet is entitled to suspend capacity transfer agreements retrospectively in case the receiving Shipper has insufficient credit, and if the receiving Shipper fails to provide the required security within the Business Day.

### **5.2.4 Suspension, alteration or postponement of an Auction**

Energinet or PRISMA may at any time before the start of an Auction due to unforeseen circumstances postpone or cancel a planned Auction provided Energinet or PRISMA informs the Shippers of this without undue delay by email to the Shipper's contact person for the relevant Auction.

Furthermore, Energinet is entitled to make decisions at its own discretion on any matter regarding the holding of an Auction, including whether or not to discontinue an Auction temporarily or postpone it due to system failures or technical failures, errors in reserve prices and amounts, obvious market errors regarding the bidding etc. In such case, Energinet informs the Shippers of this without undue delay by sending an email to the Shipper's contact person for the relevant Auction.

### 5.3 FCFS

The Shipper must have registered one or more Capacity Users by completing the Online Access Agreement if he wants to use the Booking Procedure on Energinet Online to submit Capacity Orders and conclude Capacity Agreements according to the FCFS via Energinet Online.

According to the FCFS, Capacity Orders are accepted in the order in which they are processed by Energinet. A Capacity Order submitted under the Booking Procedure is processed immediately after it has been submitted by the Shipper. Thus, such Capacity Orders have priority over Capacity Orders approved at a later stage by means of the Booking Procedure and Capacity Orders submitted by means of the Manual Procedure which have been received but not yet processed by Energinet.

Capacity Orders received by telefax or letter in accordance with the Manual Procedure are processed after Capacity Orders received by email or Capacity Orders approved in accordance with the Booking Procedure.

#### 5.3.1 Capacity Periods in relation to FCFS

Energinet offers Capacity for a given Capacity Period of:

##### The Joint Exit Zone, the RES Entry Point and reverse flow for the Joint Exit Zone

- a) one Year (12 consecutive Months) commencing on the first Gas Day of a calendar month ("Annual Capacity");
- b) one Quarter (3 consecutive Months) commencing on the first Gas Day of a Quarter ("Quarterly Capacity"), e.g. at 06:00 on 1 January, 1 April, 1 July or 1 October;
- c) one Month or other duration calculated in multiples of consecutive calendar months commencing on the first Gas Day of a calendar month (a calendar month can vary from 28 to 31 days depending on the length of the actual month), or one or more Months calculated in multiples of 30 days. This will be the case if the Month ordered commences on any other day than the first day of the Month ("Monthly Capacity"), e.g. a period commencing at 06:00 on 5 March and ending 30 days later, on 06:00 on 4 April;
- d) one Gas Day or up to 6 (six) consecutive Gas Days ("Daily Capacity"); and
- e) one Hour or up to 24 (twenty-four) consecutive Hours within a particular Gas Day until the end of the same Gas Day ("Within-day Capacity").

Shippers are only entitled to order Capacity for one consecutive Capacity Period for each Capacity Order. Capacity can comprise a period in two consecutive months.

On the basis of the Shipper's Capacity Order, Energinet calculates the optimum composition of the Capacity Period for the Shipper with respect to price (the Annual, Quarterly, Monthly and Daily Capacities which should be included in the Capacity Period required).

##### The Entry and Exit Points at Nybro

- f) one Year (12 consecutive Months) commencing at 06:00 on 1 October ("Annual Capacity");

- g) one Quarter (3 consecutive Months) commencing on the first Gas Day of a Quarter ("Quarterly Capacity"), e.g. at 06:00 on 1 January, 1 April, 1 July or 1 October;
- h) one Month commencing on the first Gas Day of a calendar month ("Monthly Capacity");
- i) one Gas Day or up to 6 (six) consecutive Gas Days ("Daily Capacity"); and
- j) one Hour or up to 24 (twenty-four) consecutive Hours within a particular Gas Day until the end of the same Gas Day ("Within-day Capacity").

Capacity cannot comprise a period in two consecutive calendar months.

### **5.3.2 Types of Capacity**

Energinet offers the following types of capacity;

- a) Firm capacity
- b) Interruptible capacity
- c) Interruptible Over-nomination

By default, Firm Capacity is offered. Interruptible Capacity will be offered at the relevant points, only if Firm Capacity is not available or sold out. Interruptible Capacity will be offered for reverse flow for the Joint Exit Zone. Interruptible Over-nomination will be offered at Ellund if Firm Capacity is not available or sold out.

a)

Interruptible Capacity equals Energinet's expectations as regards the probability of Interruptible Capacity being available in a given Entry and/or Exit Point (the price reflects the probability for interruption). The probability calculation includes specific conditions at the relevant point such as expected flow scenarios, Backhaul and non-use of Firm Capacity and Interruptible Capacity, respectively.

Information about the expected Capacity limits at a given Entry or Exit Point at any time in respect of Firm Capacity and Interruptible Capacity, respectively, is available via Energinet Online.

### **5.3.3 Submission of Capacity Orders**

On a Capacity User's dispatch of the Shipper's requirement for Capacity via Energinet Online, a non-binding forecast will be generated by Energinet Online. The forecast will inform the Shipper as to:

- a) the types of Capacity available to meet the Shipper's requirement for Capacity;
- b) whether the Shipper's Credit Limit is sufficient to conclude the Capacity Order for the Capacity required;
- c) the charges payable for a Capacity Order.

If the Capacity required is not available as Firm Capacity, the forecast will show the possible distribution between the Firm Capacity and the Interruptible Capacity available. The Shipper

may then choose to (i) enter another Capacity requirement in Energinet Online or (ii) continue ordering on the basis of the forecast.

If the Capacity required is available, the Shipper's Capacity User may submit the Capacity Order based on the forecast. The Capacity User's submission of a Capacity Order is considered an offer to conclude a Capacity Agreement. Thus, the Shipper is bound by the Capacity Order as soon as it has been submitted by the Capacity User.

#### **5.3.4 Deadlines**

Energinet is only obliged to process Capacity Orders for

##### The Joint Exit Zone and the RES Entry Point:

- a) Annual, Quarterly and Monthly Capacities or Capacity Periods of another duration calculated in multiples of Months, submitted or received at 17.00 on the Gas Day before the commencement of the Capacity Period or up to 3 (three) Months prior to the commencement of the Capacity Period
- b) Daily Capacities for up to 6 (six) consecutive Gas Days, submitted or received at 17.00 on the Gas Day before the commencement of the Capacity Period or up to 5 (five) Gas Days prior to the commencement of the Capacity Period
- c) Within-day Capacities for up to 24 (twenty-four) consecutive Hours submitted or received as early as at 19.00 on the Gas Day before the commencement of the Capacity Period and at latest at 03.00 on the Gas Day for the commencement of the Capacity Period. There will be a 2-Hour lead time - for example, a Capacity Order for Within-day Capacities received at 19.30 on a Gas Day will only be effective for the remaining Hours of the Gas Day after 22.00 (22.00-06.00).

##### The Entry and Exit Points at Nybro:

- d) Annual Capacities can be booked from the first Monday in July before the commencement of the Capacity Period until 17.00 on the Gas Day before the commencement of the Capacity Period
- e) Quarterly Capacities can be booked from the first Monday in August before the commencement of the Capacity Period until 17.00 on the Gas Day before the commencement of the Capacity Period
- f) Monthly Capacities can be booked from the third Monday in the month before the commencement of the Capacity Period until 17.00 on the Gas Day before the commencement of the Capacity Period
- g) Daily Capacities for up to 6 (six) consecutive Gas Days, submitted or received at 17.00 on the Gas Day before the commencement of the Capacity Period or up to 5 (five) Gas Days prior to the commencement of the Capacity Period
- h) Within-day Capacities for up to 24 (twenty-four) consecutive Hours submitted or received as early as at 19.00 on the Gas Day before the commencement of the Capacity Period and at latest at 03.00 on the Gas Day for the commencement of the Capacity Pe-

riod. There will be a 2-Hour lead time - for example, a Capacity Order for Within-day Capacities received at 19.30 on a Gas Day will only be effective for the remaining Hours of the Gas Day after 22.00 (22.00-06.00).

Energinet reserves the right, in special circumstances, to extend the time for Energinet Online's processing of Capacity Orders and the duration of Capacity Orders not answered by Energinet in accordance with the Booking Procedure. In such case, the Shippers must be informed of this as soon as possible via email sent to the email address in the Shipper Framework Agreement.

If the Shipper does not receive a reply in relation to the Capacity Order within 1 Hour after its submission (and Energinet has not declared an extension of the time limit for processing Capacity Orders on Energinet Online by referring to special circumstances, see above), the Booking Procedure shall be considered not to be in force, and the Shipper must use the default procedure set out in clause 5.4. If the Shipper considers the Booking Procedure not to be in force, the Shipper must inform Energinet of this without undue delay.

### **5.3.5 Conclusion of Capacity Agreement by way of FCFS**

If the Capacity Order is accepted through Energinet Online, the final and binding Capacity Agreement will be available at Energinet Online.

If the Shipper has several Capacity Agreements for the same Entry Point, Exit Point, RES Entry Point or the Joint Exit Zone, the Shipper may pool the Capacity under these Capacity Agreements to the extent that such Capacity Periods overlap.

Furthermore, Energinet may extend or change the processes for dealing with Capacity Orders. Energinet may in such situations:

- a) declare all Capacity Orders received in a certain period as having been received at the same time, thus making them subject to, for example, pro rata allocation or auction and not the FCFS Principle second-by-second allocation of the available Capacity;
- b) replace the FCFS before Capacity Orders are received by, for example, Capacity auctions, at which all interested Shippers are invited to bid for the congested Capacity.

## **5.4 The Manual Procedure**

The Manual Procedure must be used as default procedure if the Booking Procedure related to the FCFS is not available.

### **5.4.1 Submission of Capacity Orders**

Under the Manual Procedure, Shippers must submit a Capacity Order by completing and signing Appendix 7 and sending the Capacity Order by email to [gasinfo@energinet.dk](mailto:gasinfo@energinet.dk), telefax or letter to Energinet and notify Energinet of the submission by telephone.

Capacity Orders shall be correctly completed and duly signed by a Capacity User. Any Capacity Orders placed by the Shipper's Capacity User(s) shall be binding from the time when Energinet receives such orders.

Capacity Orders received shall be processed in the order in which they are received by Energinet. Energinet is entitled to process any Capacity Orders received by telefax or letter after Capacity Orders received by email on the same Business Day. This shall apply irrespective of whether a Capacity Order sent by telefax or letter is received by Energinet before a Capacity Order sent by email on the relevant Business Day.

#### **5.4.2 Deadline**

A Capacity Order received before 09:00 on a Business Day shall be dealt with before 17:00 2 Business Days later. If the Capacity Order is received on a day which is not a Business Day or the Capacity Order is received later than 09:00 on a Business Day, it shall be considered as having been received on the following Business Day.

Energinet shall be in receipt of the Capacity Order not later than 4 Business Days prior to the commencement of the first Gas Day in the Capacity Period to which the Capacity Order relates.

Energinet reserves the right to extend the time for processing Capacity Orders and any time limits set out in clause 5.4 in special circumstances. In such case, the Shippers shall be informed of this via the email addresses in the Shipper Framework Agreement.

#### **5.4.3 Conclusion of Capacity Agreements by way of Manual Procedure**

Capacity Orders received 4 Business Days before the commencement of a Capacity Period shall be concluded by Energinet sending a Capacity Agreement to the Shipper. Energinet concludes the Capacity Agreement by using Energinet Online on behalf of the Shipper. Capacity Orders received less than 4 Business Days prior to the commencement of the Capacity Period requested will not be met.

A Capacity Order not relating to the same Capacity in a consecutive Capacity Period shall be treated as 2 or more Capacity Orders.

On the basis of the capacity situation and current Capacity Agreements Energinet shall determine whether the Capacity is available. The Shipper shall specify in the Capacity Order whether or not the Shipper wants to receive Interruptible Capacity if sufficient Firm Capacity is not available to meet its Capacity Order.

Not later than 2 Business Days after receipt of a Capacity Order Energinet shall submit either:

- a) a Capacity Agreement for the Firm Capacity ordered;
- b) a Capacity Agreement for less Firm Capacity than ordered;
- c) a Capacity Agreement for less Firm Capacity than ordered and Interruptible Capacity; or
- d) a refusal of a Capacity Order, including the reason(s) for refusing.

If the Capacity Agreement is completed and the Capacity Periods overlap, the Shipper may pool the Capacity agreed upon for the Entry Point, the RES Entry Point, the Exit Point or the Exit Zone, respectively, with the Shipper's other Capacities for the same Entry Point, RES Entry Point, Exit Point and Exit Zone.

## **5.5 Capacity increase through oversubscription and buy-back procedure**

In order to offer additional Daily Capacity on a firm basis at an Entry Point or Exit Point at Ellund, Energinet may initiate an incentive-based oversubscription and buy-back scheme on its own initiative or the Shipper's. In the latter case the Shipper shall inform Energinet by email to [gasinfo@energinet.dk](mailto:gasinfo@energinet.dk) about the request for additional Daily Capacity for the following Gas Day for a specific Entry Point or Exit Point at Ellund and the flow direction not later than 10:00 on a Gas Day. If the request relates to a day that is not a Business Day, the Shipper shall inform Energinet not later than 10:00 on the preceding Business Day.

Consequently, Energinet determines the oversubscription capacity (additional capacity in addition to the technical capacity for the specific Entry Point or Exit Point) available for the next auction at PRISMA. Before 12:00 on the Gas Day, Energinet informs the Shipper (User) about the additional Daily Capacity offered for the following Gas Day at PRISMA.

In order to support the additional Daily Capacity, the Shippers are at the same time notified about the buy-back procedure by email. The notification states: the specific Entry or Exit Point (Ellund), the flow direction, the amount of the hourly quantity and the consecutive Hours for which buy-back procedure is occurring. The notification must be answered by the Shipper by fulfilling the attached document not later than 14:00 on the Gas Day, containing the price for Energinet to call specific Renomination(s) fulfilling the requirements stated in the notification. Following every completed buy-back procedure, the successful Shipper will receive a confirmation by email not later than 16:00 on the Gas Day.

Before applying the buy-back procedure, Energinet verifies whether alternative technical and commercial measures can maintain system integrity in a more cost-efficient manner. If Energinet calls the specific Renomination(s), the Shipper is obliged to renominate to the quantity referred to in the confirmation for the Hours concerned within 2 Hours. In the event the time limit is not met, Energinet is entitled to make the Renominations referred to in the confirmation. The Shipper will only receive payment based on the actual call(s) – a pay-as-bid approach applies.

## **5.6 Surrender of contracted capacity at Ellund**

The Shipper is entitled to return to Energinet via PRISMA, partially or fully, any contracted Firm Capacity in the future, pursuant to a Capacity Agreement, with duration of one Month or more, at an Entry Point and Exit Point at Ellund. The Shipper shall retain its rights and obligations under the Capacity Agreement until the contracted capacity is reallocated or to the extent the contracted capacity is not reallocated. Bundled capacity shall be returned in bundled form. Returned capacity cannot simultaneously be marketed by the Shipper.

The returned capacity will be included in the calculation of marketable capacities, if the Shipper returns contracted Annual Capacity, Quarterly Capacity and Monthly Capacity via PRISMA not later than 9:00 on the seventh Gas Day before the Gas Day when the notification is made about the volume of Capacities offered in the relevant auction, respectively. This cannot be ensured if the capacity is returned after this time limit. In case the capacity will not be included, it will be offered in subsequent auctions of capacities with shorter term. Following every completed return of capacity, the Shipper will receive a confirmation with a time stamp by email.

The returned contracted capacity is marketed as primary capacity at PRISMA, but after other primary capacity available for the period in question. If several Shippers return capacity for a

particular Gas Day, the returned capacity will be re-marketed in the order in which they were returned (time stamp).

The Shipper may not call back returned capacity. Returned Annual Capacity that is not sold is re-marketed as Quarterly Capacity. Returned Quarterly Capacity that is not sold is re-marketed as Monthly Capacity. Returned Monthly Capacity that is not sold is re-marketed as Daily Capacity. Returned Daily Capacity that is not sold will be made available again to the Shipper.

Starting with the regulated capacity tariff, the re-marketed returned capacity is offered. Consequently, the Shipper returning contracted capacity as minimum is obliged to be reimbursed the regulated capacity tariff for the capacity, partially or fully, sold and as a maximum the initial purchase price for the returned capacity. The Shipper is notified of any reallocation of its surrendered capacity.

## **5.7 Lack of available long-term Firm Capacity (UIOLI)**

Based on a decision from the Danish Utility Regulator, Energinet is entitled to withdraw, partially or fully, any underutilised contracted capacity, pursuant to a Capacity Agreement, with a duration of more than 1 year, at an Entry Point and Exit Point where the Shipper has not sold or offered on reasonable conditions his unused Capacity, and where other Shippers request Firm Capacity. Contracted capacity is considered systematically underutilised in particular if:

- a) the Shipper uses less than an average 80 % of his contracted capacity both from 1 April until 30 September and from 1 October until 31 March, for which no proper justification could be provided; or
- b) the Shipper systematically nominates close to 100 % of his contracted capacity and renominates downwards.

Withdrawal shall result in the Shipper losing his contracted capacity partially or fully for a given period or for the remaining effective contractual term. The Shipper shall retain his rights and obligations under the Capacity Agreement until the Capacity is reallocated by Energinet or in case the Capacity is not reallocated by Energinet.

Energinet shall regularly provide the Danish National Regulatory Authority with all the data necessary to monitor the extent to which contracted capacities with a effective contract duration of more than one year or recurring quarters covering at least two years are used.

### **5.7.1 Energinet's advertising for surplus Capacity**

If a Shipper (Capacity-requesting Shipper) contacts Energinet and establishes that the conditions specified in clause 5.7 are met, Energinet shall notify the Other Shippers of the existence of a potential UIOLO situation. Energinet shall send a notification to the Other Shippers providing information about:

- a) the Capacity requested by the Capacity-requesting Shipper;
- b) the period in which the Capacity-requesting Shipper has advertised in vain for the requested Capacity and the price offered for the requested Capacity; and



- c) the fact that the Other Shippers possessing surplus Capacity which can be used by the Capacity-requesting Shipper shall offer such Capacity to the Capacity-requesting Shipper via CTF or a comparable instrument within 10 Business Days.

### **5.7.2 Analysis by Energinet of the Shippers' requirements**

If the Capacity-requesting Shipper has not obtained the necessary Capacity from one or more of the Other Shippers within 15 Business Days after notification has been made in accordance with clause 5.7.1, Energinet shall contact the Other Shippers and request that they report their actual Capacity requirement in the Capacity Period(s) and at the relevant point or zone for which the Capacity-requesting Shipper has requested Capacity. In this situation, the Other Shippers shall attach a copy of any quotations made to the Capacity-requesting Shipper.

The Other Shippers shall provide the requested information not later than 10 Business Days after the request. If the information requested is not received within this time limit, Energinet is entitled to make a best-effort assessment of the actual Capacity requirements of the Shipper in question.

If the Other Shippers can document an actual requirement for their Capacity, Energinet shall inform the Capacity-requesting Shipper that there is no surplus Capacity.

If one or more of the Other Shippers cannot document an actual requirement for all or some of their Capacity, Energinet shall initiate a compulsory Capacity Transfer in pursuance of clause 5.7.3.

Notwithstanding the above, Energinet may only initiate such transfer:

- a) if the Shipper in question has not offered any surplus Capacity to the Capacity-requesting Shipper, or
- b) if the price quoted for the Capacity Transfer exceeds the price quoted by Energinet and is deemed unreasonable.

A price is considered unreasonable if it exceeds the price which the Shipper in question could reasonably fix on the basis of opportunity cost considerations. Opportunity cost considerations mean considerations in terms of the Shipper's risk of incurring costs in case of lack of fulfilment of obligations assumed in relation to the transfer of Capacity to the Capacity-requesting Shipper.

In its assessment as to whether Other Shippers have an actual requirement for the Capacity acquired, Energinet shall, among other things, take the following into consideration:

- c) the Other Shippers' requirement for Capacity for their Gas Suppliers and Consumers;
- d) the Other Shippers' requirement for Capacity to and from the Adjacent Systems;
- e) the Other Shippers' supply and market situation;
- f) weather conditions; and
- g) other relevant factors.

### 5.7.3 Compulsory Capacity Transfer

If Energinet finds that one of the Other Shippers (Transferring Shipper) has not documented an actual requirement for the Capacity according to the criteria listed above, Energinet is entitled and obliged to initiate a compulsory Capacity Transfer to Energinet for the purpose of re-selling such Capacity to the Capacity-requesting Shipper on the following conditions:

- a) the transfer covers the Capacity which, according to the analysis undertaken pursuant to clause 5.7.2, is considered to be surplus Capacity of the Transferring Shipper;
- b) payment for the transfer is effected by Energinet reimbursing the transferred Capacity to the Transferring Shipper at the price listed in the Price List for Annual or Monthly Capacity as determined by Energinet; and
- c) the Capacity-requesting Shipper is obliged to purchase the Capacity from Energinet as Monthly or Annual Capacity at the price determined by Energinet.

### 5.8 Capacity conversion in relation to Ellund

Energinet offers the Shipper a free-of-charge capacity conversion service. The capacity conversion service allows the Shipper having contracted existing unbundled Firm Capacity at one side of Ellund and having successfully been allocated bundled Firm Capacity in an Auction to convert such unbundled Firm Capacity into bundled Firm Capacity.

The capacity conversion service applies to:

- a) Annual, Quarterly and Monthly Capacity for bundled Firm Capacity at Ellund; and
- b) the Capacity (kWh/Hour) and the duration of the Capacity Agreement(s) for unbundled Firm Capacity at Ellund concluded before 1 November 2015.

Subject to successful allocation of bundled Firm Capacity to the Shipper at Ellund in an Auction and, the Shipper shall submit a capacity conversion service request to Energinet by email (gasinfo@energinet.dk), not later than 3 Business Days after the conclusion of the Auction, containing the following information: reference number of the Auction of bundled Firm Capacity, the flow direction, reference number of the Capacity Agreement(s) for unbundled Firm Capacity, the Capacity (kWh/Hour) and the duration (start date and end date) to be converted.

Not later than 3 Business Days after the receipt of a capacity conversion service request, Energinet will notify the Shipper by email whether the received request is in compliance with the formal requirements. In case the request is incomplete or incorrect, the Shipper will be invited to complete or correct it.

After successful conversion of the Capacity by Energinet, only an auction surcharge stemming from the respective auction of bundled Firm Capacity will be charged in to addition to the applicable charge for the unbundled Firm Capacity.

The Capacity becoming available by the application of the capacity conversion service will be reoffered by Energinet in the subsequent Auction(s).

Energinet is obliged to report the use of this capacity conversion service annually to the Danish Utility Regulator.

## 6. Nomination

For the purpose of having Natural Gas transported in the Transmission System, the Shipper must make Nominations. If no Nominations are made at the GTF, Entry, Storage and Exit Point(s), no Natural Gas shall be delivered/redelivered.

In addition to submitting the electronic Nominations submitted as set out in the Shipper Framework Agreement, the Shipper and its Nomination Users may also submit Nominations by using Energinet Online. The terms for Nominations made online follow by the Online Access Agreement, see Appendix 6A.

### 6.1 Nominations before the Gas Day

- a) Nominations made by the Shippers before the Gas Day shall take place not later than 14:00 on each Gas Day and with effect from 06:00 on the following Gas Day. Energinet shall be in receipt of:

- (i) Nominations for the Entry Points

The Natural Gas quantities, expressed in kWh/Hour, to be delivered at each Entry Point each Hour of the following Gas Day, together with Shipper Codes for the Shipper's Counterparties at the Entry Point. If there are several Counterparties at the Entry Point, the Shipper shall state the Natural Gas quantities, expressed in kWh/Hour, to be delivered by each Counterparty at the Entry Point every Hour of the following Gas Day.

- (ii) Nominations for the Biomethane Portfolios

For each Biomethane Portfolio, the Shipper shall forecast the quantities of Biomethane, expressed in kWh/Hour, to be delivered every Hour of the following Gas Day.

- (iii) Nominations for the Storage Point

The Natural Gas quantities, expressed in kWh/Hour, to be delivered at or redelivered from the Storage Point every Hour of the following Gas Day, together with Shipper Code for the Shipper's Counterparty at the Storage Point. If there are several Counterparties at the Storage Point, the Shipper shall state the quantities, expressed in kWh/Hour, to be delivered at or redelivered by each Counterparty.

- (iv) Nominations for the Domestic Exit Zone

Nominations for the Domestic Exit Zone comprise of Nominations for each Allocation Area and each Direct Site:

- 1) Nominations for the Allocation Areas

For each Allocation Area the Shipper shall provide the following information collectively for each Gas Supplier on whose behalf the Shipper transports Natural Gas:

- a) the Natural Gas quantities, expressed in kWh/Hour, that are forecast to be offtaken every Hour of the following Gas Day by the Gas Supplier's Consumer Portfolios of Daily Read Metering Sites; and

- b) the Natural Gas quantities, expressed in kWh/Hour, that are forecast to be offtaken each Hour of the following Gas Day by the Gas Suppliers' Consumer Portfolio of Non-Daily Read Metering Sites.

## 2) Nominations for the Direct Sites

For each Direct Site the Shipper shall state the Natural Gas quantities, expressed in kWh/Hour, forecast to be offtaken at the Direct Site every Hour of the following Gas Day.

### (v) Nominations for the Exit Points

The Natural Gas quantities, expressed in kWh/Hour, to be redelivered at each individual Exit Point every Hour of the following Gas Day together with information about the Shipper Codes of the Shipper's Counterparties. If there are several Counterparties at the Exit Point, the Shipper shall state the Natural Gas quantities, expressed in kWh/Hour, to be redelivered to each individual Counterparty at the Exit Point every Hour of the following Gas Day.

### (vi) Nominations for GTF and ETF

If Gas Transfers are performed via the GTF, both the Transferring Shipper and the Receiving Shipper shall carry out Nominations in accordance with the procedures laid down in the Rules for GTF.

If Gas Transfers are performed via the ETF, both the Transferring and Receiving Shippers can carry out Nominations in accordance with the procedures laid down in the Rules for ETF. However, such Nominations are not mandatory on the part of the Shippers.

Notwithstanding the above, Adjacent Systems may have special requirements with respect to notice periods for the Shipper Codes.

The Shipper may carry out Nominations for each Hour for longer periods of time (e.g. weekend, Week, Month or Year) prior to the expiry of the time limit set in clause 6.1 a).

- b) The Nominations performed at 14:00 for the following Gas Day, see clause 6.1 a), can be revised if Energinet receives a revised Nomination from the Shipper before 16:00.
- c) On each Gas Day before 18:00, Energinet shall inform the Shipper:
  - i) whether the Nominations for the following Gas Day have been accepted;
  - ii) whether one or more of the Nominations have been reduced or refused, see clause 6.4 and 6.5; and
  - iii) whether one or more of the Nominations have been reduced or refused by Energinet or an Adjacent System operator in connection with Matching, see clause 6.6.

Nominations which have been accepted or reduced in accordance with clause 6.1 c) are Accepted Nominations. The Shipper must accept that Nominations being reduced pursuant to clauses 6.5 and 6.6. Energinet must inform Gas Storage Denmark and operators

of the Adjacent System to the extent necessary of the Shipper's Nominations and the Accepted Nominations.

## **6.2 Renominations for the entire Gas Day**

The Shipper's Accepted Nominations can be revised for all 24 Hours of the following Gas Day by performing Renomination:

- a) From 18:00 until 04:00 before the Gas Day, the Shipper can revise its Accepted Nominations with a 2-Hour lead time after each Hour commenced. For example, a Renomination received by Energinet at 18:25 must be confirmed before 21:00 on the same Gas Day.
- b) Within the said 2-Hour lead time after the beginning of each Hour on each Gas Day, Energinet shall inform the Shipper:
  - i) whether the Renominations before the Gas Day have been accepted;
  - ii) whether one or more of the Renominations have been reduced or refused, see clause 6.4 and 6.5;
  - iii) whether one or more of the Renominations have been reduced or refused by Energinet or an Adjacent System operator in connection with Matching, see clause 6.6; and
  - iv) whether the Shipper's Counterparty has made new Renominations in the Adjacent Systems.

Renominations accepted or reduced in accordance with the procedure outlined above constitute the Accepted Nominations for the Gas Day in question.

## **6.3 Renominations for the remaining Hours of the Gas Day**

The Shipper's Accepted Nominations for the remaining Hours of the Gas Day can be revised by performing Renomination for the remaining Hours of the Gas Day:

- a) From 04:00 before the Gas Day until 03:00 on the Gas Day, the Shipper can revise its Accepted Nominations with a 2-Hour lead time after each Hour commenced. For example, a Renomination received by Energinet at 20:30 on a Gas Day will only be effective for the remaining Hours of the Gas Day after 23:00 (23:00 - 06:00).
- b) Within the said 2-Hour lead time Energinet shall inform the Shipper:
  - i) whether the Renominations for the Gas Day have been accepted;
  - ii) whether one or more of the Renominations have been reduced or refused, see clause 6.4 and 6.5;
  - iii) whether one or more of the Renominations have been reduced or refused by Energinet in connection with Matching, see clause 6.6; or
  - iv) whether the Shipper's Counterparty has made new Renominations in the Adjacent Systems.

Renominations accepted or reduced in accordance with the procedure outlined above constitute the Accepted Nominations for the Gas Day in question from the time when such Renominations become effective.

## **6.4 Conditions for Nomination and Renomination**

### **6.4.1 Suspension of Renomination rounds and extension of lead times**

In special circumstances, Energinet reserves the right to suspend the option for Renominations and extend the lead time of two Hours. In such case, the Shippers will be informed accordingly by email sent to the Nomination User.

### **6.4.2 Requirements concerning combined Nominations and Renominations**

Whether or not a Shipper has one or more Capacity Agreements for the same Entry Point, the Shipper shall make only one combined Nomination or Renomination, as the case may be, of Natural Gas quantities for each Counterparty at the relevant Entry Point. The same shall apply, if the Shipper has one or more Capacity Agreements for the same RES Entry Point, Storage Point, Domestic Exit Zone or Exit Point.

The Shipper shall only make Nominations for Biomethane Portfolios, Consumer Portfolios and Direct Sites for which he has registered Player Relationships in the Register of Players.

The Shippers' obligation to make one combined Nomination for each Counterparty also applies to Shippers' portfolio of Firm Capacity, Interruptible Capacity and/or Interruptible Over-Nomination in pursuance of their Capacity Agreements.

### **6.4.3 Changing the direction of flow at the Entry and Exit Points**

If a Shipper has Capacity at both Entry and Exit Points at the same point, the Shipper can change the direction of flow by performing Renomination to the extent set out in the guide named "Shipper guide", which is available on Energinet's website.

### **6.4.4 Latest Nomination or Renomination received before a deadline**

If the Shipper revises an existing Nomination/Renomination before the expiry of a deadline for Energinet's receipt hereof, the latest received Nomination/Renomination within such deadline shall apply. This principle shall apply despite the method of communication (Nominations/Renominations sent by Edig@s XML communication or through Energinet Online) used by the Shipper.

### **6.4.5 Automatic procedures**

All Nomination and Renomination procedures are fully automatic. Therefore, Energinet cannot grant the Shipper's extraordinary request for changes in Nominations, Accepted Nominations and Renominations hereof.

The Shippers are, on a best-efforts basis, obliged to check the Accepted Nominations and shall in due time endeavour to correct any errors by making new Renominations and communicating with their relevant Counterparties.

However, if the Shipper has not received an Accepted Nomination message within the 2-Hour lead time after the Nomination has been sent, the Shipper shall inform Energinet accordingly without undue delay. If the lack of an Accepted Nomination message is due to technical problems with Energinet Online or errors and omissions on the part of Energinet, Energinet shall use its best endeavours to provide the flow nominated by the Shipper. If the lack of an Accepted Nomination message is due to errors and omissions on the part of the Shipper, Energinet shall use its best endeavours to realise the flow which the Shipper originally wanted to nominate.

## **6.5 Principles for reduction in Nominations, Accepted Nominations and Renominations**

If Energinet reduces the Shipper's Nominations, Accepted Nominations and Renominations in accordance with clauses 6.5.1 and 6.5.3 - 6.5.5, all relevant Nominations, Accepted Nominations and Renominations will be reduced on a pro rata basis.

Notwithstanding the above, each Shipper may prioritise its Shipper Code pairs in the order in which its Nominations and Renominations shall be reduced. This can be done by prioritising the relevant Shipper Code pairs in connection with the combined Nomination and Renomination.

### **6.5.1 Reduction of Nominations and Renominations exceeding the Shipper's Capacity**

A Shipper's Nominations and Renominations at the Entry Point and Exit Points shall not exceed its pooled Capacity at or in the respective Entry and Exit Points. If the said pooled Capacity is exceeded, Energinet shall reduce the relevant Nominations and Renominations.

### **6.5.2 Priority of Nominations and Renominations in respect of Firm and Interruptible Capacity**

The Nominations of Firm and Interruptible Capacity are ranked in relation to each other by Energinet. A Shipper's Nomination of Firm Capacity at an Entry or Exit Point is given a higher priority than (part of) a Shipper's Nomination of Interruptible Capacity. Accordingly, a Shipper's Accepted Nomination of Interruptible Capacity can be changed if another Shipper with a Firm Capacity Contract makes a Renomination of Firm Capacity.

Energinet shall always:

- a) give higher priority to Nominations and Renominations of Firm Capacity than Nominations and Renominations of Interruptible Capacity; and
- b) give higher priority to Nominations and Renominations of Interruptible Capacity than Nominations and Renominations of Interruptible Over-Nomination.

If several Shippers have acquired Interruptible Capacity, and the total of Nominations exceed the available Firm Capacity, the priority of Nominations in relation to Interruptible Capacity shall be determined based on the contractual timestamp of the respective Capacity Agreements governing Interruptible Capacity. Capacity Agreements concerning Interruptible Capacity coming into force earlier shall prevail over Capacity Agreements concerning Interruptible Capacity coming into force later. If, after applying the procedure described in the preceding, two or more Nominations are ranked at the same position and Energinet does not reduce all of them to zero, a pro rata reduction of these specific Nominations shall apply. Notwithstanding the above, Energinet is not responsible for any Matching and curtailment performed by operators of the Adjacent System and by the operator of the Non-domestic Transmission System.

The pro rata distribution of excess Capacity between Shippers with Interruptible Capacity is based on the Nominations and Renominations most recently received from each Shipper and its Counterparties.

The pro rata distribution of Nominations relating to Interruptible Capacity is not final until Energinet has accepted or reduced the last possible Renominations for a given Hour by means of an Accepted Nomination. Accordingly, an Accepted Nomination of Interruptible Capacity received by the Shipper more than 1 Hour before the Hour to which the underlying Nomination relates, can be changed.

### **6.5.3 Reduction due to repairs, maintenance or reduced capacity**

Energinet may reduce the Accepted Nominations if the Capacity is temporarily reduced in all or part of the Transmission System, Storage Facilities or Adjacent Systems due to:

- a) repair and maintenance being conducted, see clause 10 as well as RGS; or
- b) physical or operational circumstances, in which case Energinet or Gas Storage Denmark issues a reduced capacity notice, see clause 14 as well as RGS.

### **6.5.4 Reduction due to failure to comply with Quality and Delivery Specifications**

If the Natural Gas does not comply or is not expected to comply with the Quality and Delivery Specifications and Energinet, Gas Storage Denmark, the operator of the Adjacent System or the operator of the Non-domestic Transmission System refuse to receive, at the Entry, Storage, Exit or Network Separation Point(s), the Natural Gas transported by the Shipper, see clauses 11.2 b) - c), 11.3 c) and 11.4 a), the Shipper's Accepted Nominations, Renominations or supply plans hereof shall be reduced for the number of Hours/Gas Days the situation persists.

### **6.5.5 Restrictions and reductions due to Emergency or Force Majeure**

Energinet is entitled to implement restrictions in relation to a Shipper's Nominations, reduce Accepted Nominations and Renominations hereof in Emergency, see clause 16 or Force Majeure, see clause 15.

### **6.6 Matching procedure at Entry, Exit and Storage Point(s)**

Before and during the Gas Day, Energinet, operators of the Adjacent System and Gas Storage Denmark undertake continuous Matching of:

- a) the Shipper's latest Nominations for the Entry Point and Renominations thereof with the latest Nominations/Renominations made by the Shipper's Counterparties at the Entry Point in the Adjacent Systems;
- b) the Shipper's latest GTF Nominations and Renominations hereof with the latest Nomination/Renomination of the Shipper's Counterparties at the GTF;
- c) the Shippers's possible Nomination/Renomination for the ETF Point with the Nominations following from the Shipper's trades at EEX;



- d) the Shipper's latest Nominations for the Storage Point or Renominations with the latest Nominations/Renominations made by the Shipper's Counterparties at the Storage Point; and
- e) the Shipper's latest Nominations for the Exit Point and Renominations thereof with the latest Nominations/Renominations made by the Shipper's Counterparties at the Exit Point in the Adjacent Systems.

If Matching is undertaken on the basis of Renominations received from the Shippers or their Counterparties after 04:00 before the Gas Day, this will in pursuance of clause 6.3 a) only be effective for the remaining Hours of the Gas Day.

If a Shipper's most recent Nomination and Renominations do not correspond to the most recent Nominations and Renominations made by its Counterparties at the relevant Storage, Entry or Exit Point(s), the Accepted Nominations shall be reduced to the lowest of the values nominated or renominated.

### **6.7 The auxiliary point HP Ellund**

As regards the auxiliary point HP Ellund, Energinet receives Nominations etc. from the operator of the Adjacent System. The deadline and specific terms for Nominations etc. related to HP Ellund is governed by the operator of the Adjacent System.

On each Gas Day before 18:00, Energinet shall inform the Shipper:

- a) whether the Nominations for the following Gas Day have been accepted;
- b) whether one or more of the Nominations have been reduced, see clause 6.5.

Nominations accepted or reduced in accordance with the procedure outlined above constitute the Accepted Nominations for the Gas Day in question.

### **6.8 Single sided nomination mechanism**

On request by the Shipper, the single sided nomination mechanism applies for Ellund. Under the single sided nomination mechanism Energinet receives Nominations from the operator of the Adjacent System.

In order to activate the single sided nomination mechanism, the Shipper shall send an e-mail to Energinet (gasinfo@energinet.dk), in which the Shipper declares which Counterparty may nominate on behalf of him, 3 Business Days before start using this mechanism. In case of cancellation of the authorization, the Shipper shall inform Energinet thereof 3 Business Days in advance.

If the Shipper makes Nominations to Energinet and Energinet receives Nominations under the single sided nomination mechanism, the Nominations made to Energinet will have priority over the Nominations made under the single sided nomination mechanism.

## **6.9 Supply plan for Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Points**

Energinet receives a forecast or delivery for Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Point(s) from the operator of the Non-domestic Transmission System. The deadline and specific terms for supply plans etc. related to the Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Points is governed by the operator of the Non-domestic Transmission System.

## **7. Allocation**

Allocation of Natural Gas quantities is used as the basis for determining the Shipper's payment in the Transmission System.

### **7.1 Allocation principle applied at the Entry and Exit Points**

At the Entry and Exit Points a quantity of Natural Gas corresponding to the Accepted Nomination is allocated to the Shipper every Hour, while the difference between the Accepted Nomination and the measurement performed at the points in question is allocated to a buffer account handled by operators of the Adjacent System and Energinet.

Energinet shall before 14:00 on each Gas Day inform the Shipper of the Natural Gas quantities allocated on the preceding Gas Day provided that Energinet has received the data required for Matching, and thus for Allocation, from the Adjacent System operators.

### **7.2 Allocation principle applied at the RES Entry Point**

At the RES Entry Point, the Shipper is allocated a quantity of Biomethane every Hour corresponding to the sum of the metered value in the same Hour at the Metering Points for Biomethane in the Biomethane Portfolio in question.

If several Shippers transport Biomethane from a Biomethane Portfolio, the quantities of Biomethane shall be allocated to the Shippers on a pro rata basis in relation to the Accepted Nominations for the Hour in question at the Biomethane Portfolio.

If Energinet is notified by the relevant Network Owner that delivery of Biomethane has been suspended for whatever reason, Energinet will inform the Shipper of this and no Biomethane will be allocated to the Shipper. Notwithstanding the latter, the Shipper shall continue to conduct Nominations for the Biomethane Portfolio, however, the Shipper shall state "0" in its Nominations.

Energinet shall before 14:00 on each Gas Day inform the Shipper of the Natural Gas quantity allocated to the Shipper on the preceding Gas Day.

### **7.3 Allocation principle applied at the Storage Point**

At the Storage Point a quantity of Natural Gas is allocated to the Shippers every Hour corresponding to their Accepted Nomination for each Hour. Reference is made to RGS.

Energinet shall before 14:00 on each Gas Day inform the Shippers of the Natural Gas quantities allocated on the previous Gas Day.

### **7.4 Allocation principle applied for Gas Transfers**

Energinet shall carry out Allocation at the GTF Point for both the Transferring Shipper and the Receiving Shipper (as these terms are defined in Rules for GTF) in accordance with the procedures specified in Rules for GTF.

Allocation at the ETF Point must be carried out by Energinet on the basis of the Nominations resulting from trades at EEX in accordance with the procedures set out in the Rules for ETF.

## **7.5 Allocation principle applied at the Domestic Exit Zone for Daily Read Metering Sites**

### **7.5.1 Allocation principle applied at the Direct Sites**

At a Direct Site the Shipper every Hour is allocated a quantity of Natural Gas corresponding to the metered value in the same Hour at the Direct Site in question.

If several Shippers in the Transmission System transport Natural Gas to a Direct Site, the Natural Gas quantities shall be allocated to the Shippers on a pro rata basis in relation to the Accepted Nominations for the Hour in question at the Direct Site.

Energinet shall before 14:00 on each Gas Day inform the Shipper of the Natural Gas quantity allocated to the Shipper on the preceding Gas Day.

### **7.5.2 Allocation principle applied to the Distribution Network**

The Daily Read Metering Sites in the Distribution Network each Hour is allocated a quantity of Natural Gas corresponding to the metered value in the same Hour at the Metering Sites in question.

If a Daily Read Metering Site is supplied with Natural Gas by two Gas Suppliers, the consumed quantities shall be distributed between the Gas Suppliers on the basis of the principle for allocation agreed with the Distribution Company in question.

### **7.5.3 Allocation principle applied to the Transmission System in the Allocation Area**

In the Transmission System the Shipper shall be allocated a quantity of Natural Gas every Hour corresponding to the sum of the delivered quantities allocated to the Gas Suppliers for whom the Shipper transports Natural Gas.

If a Gas Supplier has Natural Gas transported by several Shippers in the Transmission System, the Gas Supplier's delivered quantity is allocated to the Shippers on a pro rata basis in accordance with the Accepted Nominations in the Allocation Area for the Hour in question.

Energinet shall before 14:00 on each Gas Day inform the Shipper of the Natural Gas quantities allocated on the preceding Gas Day provided that Energinet has received the necessary data from the Distribution Company.

If the Shipper acts as its own Gas Supplier, the Shipper shall check that Allocations received daily from Energinet correspond to the daily consumption statements received from the Distribution Company. If the Shipper finds any discrepancies, he shall immediately inform both the Distribution Company and Energinet hereof.

## **7.6 Allocation principle applied at the Domestic Exit Zone for Non-Daily Read Metering Sites**

### **7.6.1 Allocation principle applied to the Transmission System in the Allocation Area**

The Distribution Company shall distribute the Residual Consumption between the Gas Suppliers in a Distribution Network on the basis of each Gas Supplier's market share quotient (Distributed Residual Consumption).

The Distribution Company shall before 11:00 on each Gas Day inform Energinet of the Residual Consumption calculated for the preceding Gas Day.

Energinet shall periodise the Distributed Residual Consumption over the 24 Hours of the Gas Day by means of an Hourly Distribution Key. At the transition to wintertime, the Hourly Distribution Key's value for the Hour between 02:00 and 03:00 shall be reused, so that the Gas Day lasts 25 Hours. At the transition to summertime, the Hourly Distribution Key's value for the same Hour shall be omitted, so that the Gas Day lasts 23 Hours. Changes can be made to the Hourly Distribution Key if Energinet ascertains changes in the distribution of the Distributed Residual Consumption over the Gas Day. Changes can be made by giving at least one Month's notice to the other Players.

In the Transmission System, the Shipper shall be allocated a quantity of Natural Gas every Hour corresponding to the hourly Distributed Residual Consumption related to the Gas Suppliers on whose behalf the Shipper transports Natural Gas.

If a Gas Supplier has Natural Gas transported by several Shippers in the Transmission System, the Gas Supplier's hourly Distributed Residual Consumption shall be allocated to the Shippers on a pro rata basis in accordance with the Accepted Nominations in the Allocation Area for the Hour in question. The provision concerning pro rata between Shippers in pursuance of the Accepted Nominations may be substituted by another principle of allocation as agreed between the Shippers and Energinet.

Energinet shall before 14:00 on each Gas Day inform the Shipper of the Natural Gas quantities allocated on the preceding Gas Day provided that Energinet has received the necessary data from the Distribution Company.

On the basis of the information received about the individual Gas Supplier's Distributed Residual Consumption, Energinet shall calculate each Gas Supplier's Total Distributed Residual Consumption collectively for all Distribution Networks. The Total Distributed Residual Consumption shall be calculated as the sum of the Gas Supplier's Distributed Residual Consumption in each Distribution Network in which the Gas Supplier supplies Non-Daily Read Metering Sites.

#### **7.7 Allocation principle applied at the Non-domestic Production, Non-domestic Consumption and Non-domestic Storage Points**

For Non-domestic Production, Non-domestic Consumption and Non-domestic Storage Points the Shipper is allocated a quantity of Natural Gas corresponding to the value reported by the operator of the Non-domestic Transmission System.

#### **7.8 Allocation principle applied for Capacity at the Joint Exit Zone**

Shippers are allocated a quantity of Natural Gas corresponding to the allocated offtake in the Domestic Exit Zone and to the value for Non-domestic Transfer reported by the operator of the Non-domestic Transmission System.

## **7.9 Update of Allocations and settlement principles**

### **7.9.1 Update of Allocations**

The Allocation as described in clauses 7.2, 7.5, 7.6, 7.7 and 7.8 is updated and communicated to the relevant Players in accordance with the following routines:

- a) The daily routine takes place immediately after the end of each Gas Day on the basis of Unvalidated Data. Meter data are collected and the sums are calculated.
- b) The monthly routine takes place after the end of each month and is based on Validated Data. Meter data are recollected and the sums resulting from the daily routine are recalculated.
- c) The 1<sup>st</sup> Correction takes place 4 months after the Month in question and is based on the most recent set of corrected meter data. All meter data are recollected and the sums are recalculated. The detailed rules on 1<sup>st</sup> Correction and the basis of this procedure are provided in the RfGD and Rules for Biomethane, respectively.
- d) The 2<sup>nd</sup> Correction takes place 15 months after the Month in question and is based on the most recent set of corrected meter data. All meter data are recollected and the sums are recalculated. The detailed rules on 2<sup>nd</sup> Correction and the basis of this procedure are provided in the RfGD and Rules for Biomethane, respectively.
- e) Independently of the 1<sup>st</sup> and 2<sup>nd</sup> Corrections, Energinet may choose to initiate an extraordinary correction if, for quite exceptional reasons, Energinet considers such procedure necessary.

Reconciliation takes place as described in clause 7.9.3.

### **7.9.2 Gas Supplier's Total Periodised Consumption**

The Monthly Consumption at Monthly Read Metering Sites shall be read or estimated each Month at the end of every Month. The Annual Consumption at Annually Read Metering Sites shall be read or estimated every Year at year-end. The Distribution Company shall provide the relevant Gas Supplier with information about each consumption reading.

The Annual Consumption at each Annually Read Metering Site shall be periodised over the preceding 12 Months (Periodised Annual Consumption).

Each Gas Supplier's Periodised Consumption shall be calculated every Month as the sum of the Periodised Annual Consumption at all the Annually Read Metering Sites which the Gas Supplier supplies with Natural Gas and the sum of the Monthly Consumption at all Monthly Read Metering Sites which the Gas Supplier supplies with Natural Gas (Periodised Consumption).

For each month in which the Distribution Company have periodised their Annual Consumption at all Annually Read Metering Sites in the Distribution Network, the Distribution Company shall submit the Periodised Consumption for such Months to Energinet.

On the basis of the information received on Periodised Consumption, Energinet shall calculate each Gas Supplier's Total Periodised Consumption for all Distribution Network collectively. The Gas Supplier's Total Periodised Consumption shall be calculated as the sum of all the Gas Sup-

plier's Periodised Consumption in each Distribution Network in which the Gas Supplier supplies Non-Daily Read Metering Sites.

The detailed rules on periodisation and the basis hereof are provided in the RfGD.

### **7.9.3 Reconciliation**

The difference between a Gas Supplier's Total Distributed Residual Consumption and its Total Periodised Consumption is called the monthly positive or negative energy balance (settlement hereof is called Reconciliation).

Energinet shall calculate a balance amount for each individual portfolio of Non-Daily Read Metering Sites by multiplying the monthly energy balances by the Neutral Gas Price. The balance amount shall be accumulated for each Shipper for all Distribution Networks collectively by summing up the amounts for the portfolios of Non-Daily Read Metering Sites which the Shipper in question has supplied with Natural Gas. The statement of energy quantities between Shippers and Gas Suppliers is a matter solely between these parties.

On the basis of the difference between a Gas Supplier's Total Distributed Residual Consumption and its Total Periodised Consumption, the Commodity Charge in the Transmission System shall be redistributed between the Shippers.

Energinet shall calculate a balance amount for each Shipper for all Distribution Networks as a whole by multiplying the monthly energy balances by the Commodity Charge in the Transmission System.

## **8. Delivery and redelivery conditions**

### **8.1 Conditions concerning the GTF, Entry, Storage and Exit Point(s)**

Upon delivery or redelivery of Natural Gas to and from the GTF, Entry, Storage and Exit Point(s), an hourly quantity of Natural Gas corresponding to the Accepted Nomination shall be considered as having been supplied in the same Hour.

### **8.2 Conditions concerning the RES Entry Point**

#### **8.2.1 Energinet's obligation to receive at the RES Entry Point**

Each Hour at the RES Entry Point, Energinet shall receive the Shipper's quantity of Biomethane allocated at the Biomethane Portfolio for the Hour in question.

If, in any Hour, the Shipper delivers quantities of Biomethane larger than specified for the Hour in question in the Accepted Nomination to the RES Entry Point, Energinet shall, to the extent possible, seek to receive such additional quantities provided it can be done without causing operational problems in the Danish Gas System. However, the delivery cannot exceed the Maximum Hourly Quantity at the RES Entry Point, calculated for all of the Shipper's Capacity Agreements as a whole.

If a Shipper's total hourly delivery at the RES Entry Point deviates more than permitted according to clauses 6.4, 6.5 and 8.2.2 for 2 Gas Days or more in the preceding 30 Gas Days, Energinet has the right to order the Shipper to stop or reduce its delivery at the RES Entry Point.

If, in accordance with the foregoing, Energinet is unable to receive the Biomethane quantities specified in the Accepted Nomination at the RES Entry Point, imbalances may occur between the Shipper's daily deliveries. In such case Energinet shall settle any positive or negative imbalances of Biomethane at the Neutral Gas Price.

#### **8.2.2 Shipper's delivery at the RES Entry Point**

The Shipper shall each Hour at the RES Entry Point deliver the Biomethane quantities specified for the Hour concerned in the Accepted Nomination.

The Shipper's total hourly delivery to the RES Entry Point cannot exceed the Maximum Hourly Quantity at the RES Entry Point for all of the Shipper's Capacity Agreements collectively.

Fees related to the RES Entry Point follow according to clause 17.2 b.

### **8.3 Conditions concerning the Domestic Exit Zone**

#### **8.3.1 Energinet's redelivery obligation in the Domestic Exit Zone**

Each Hour in each Allocation Area or at each Direct Site, Energinet shall redeliver to the Shipper the Natural Gas quantity stipulated for the Hour in question in the Accepted Nomination applicable to the Allocation Area or Direct Site in question.



If, in any Hour, the Shipper offtakes Natural Gas quantities larger than the ones specified for the Hour in question in the Accepted Nomination in the Allocation Area or at the Direct Site, Energinet shall, to the extent possible, seek to redeliver such additional quantities provided it can be done without causing operational problems in the Transmission System. However, the redelivery cannot exceed the Maximum Hourly Quantity in the Domestic Exit Zone, calculated for all of the Shipper's Capacity Agreements as a whole.

If a Shipper's total hourly offtake in the Domestic Exit Zone deviates more than permitted according to clauses 6.4, 6.5 and 8.3.2 for 2 Gas Days or more during the preceding 30 Gas Days, Energinet is entitled to suspend either in full or in part the redelivery of the Shipper's Natural Gas quantities or to order the Shipper to stop or reduce its offtake in all or part of the Domestic Exit Zone.

Energinet is not obliged to redeliver Natural Gas quantities if such quantities in the Hour exceed the physical Capacity announced by Energinet for the individual Transition Point, see Energinet's website.

If, in accordance with the foregoing, Energinet is unable to redeliver the Natural Gas quantities specified in the Accepted Nomination in the Allocation Area or at the Direct Site, as the case may be, imbalances may occur between the Shipper's daily deliveries. In such case Energinet shall settle any positive or negative imbalances of Natural Gas at the Neutral Gas Price.

### **8.3.2 Shipper's offtake in the Domestic Exit Zone**

Every Hour in each Allocation Area or at each Direct Site, as the case may be, the Shipper must take the Natural Gas quantities specified for the relevant Hour in the Accepted Nomination in the Allocation Area or at the Direct Site, as the case may be.

A Shipper's total hourly offtake in an Allocation Area or at a Direct Site cannot exceed the Maximum Hourly Quantity in the Domestic Exit Zone for the Shipper's Capacity Agreements collectively.

Fees related to the Domestic Exit Zone follow according to clause 17.2 c.

### **8.3.3 Conditions concerning Non-domestic Net Transfer**

Upon delivery or redelivery of Natural Gas to and from Non-domestic Consumption, Non-domestic Production and Non-Domestic Storage Points, the hourly quantity reported by the operator of the Non-domestic Transmission System shall be considered as having been delivered or redelivered in the same Hour.

## **8.4 Liability, risk and right of disposal**

At the Entry Points the liability and risk for the Natural Gas and the right of disposal to the Natural Gas shall pass from the Shipper to Energinet. The foregoing shall not affect the Shipper's liability according to clause 11.3 e).

At the Storage Point the liability and risk for the Natural Gas and the right of disposal to the Natural Gas shall pass from Energinet to Gas Storage Denmark and vice versa.

In the Allocation Areas, at the Direct Sites, the Exit Point or the Network Separation Point the liability and risk for the Natural Gas and the right of disposal to such Natural Gas shall pass from Energinet to the Shipper. The foregoing shall not affect Energinet's liability according to clauses 11.4 d) and 11.5 b).

## **9. Balancing**

### **9.1 General**

The transmission system operators are responsible for the ongoing balancing of the natural gas supply system. The Shipper shall be responsible to balance their deliveries and offtake in order to minimize the need for the transmission system operator to undertake balancing actions.

Each Gas Day the Shipper shall deliver at the Storage, Entry, RES Entry, GTF and ETF Point(s) a daily quantity which corresponds to the total quantity offtaken by the Shipper at the Domestic Exit Zone, GTF, ETF, Storage and Exit Point(s) and by taking into account delivery or offtake at Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Points on the same Gas Day.

If the sum of the Shipper's deliveries for the Gas Day is not equal to the sum of his offtake for this Gas Day, the Shipper is deemed imbalanced for this Gas Day and charges for Daily Imbalance Quantities shall be applied in accordance with clause 17.2 e) i)-iii). But in the event that data performance for within-day data is below a certain level, Energinet shall pay the Shipper pursuant to clause 17.2 e) iv).

Shippers may pool imbalances between deliveries and offtake at the Storage, Entry, RES Entry, GTF and ETF Point(s) and on the other hand the Shippers total offtake in the same Gas Day at the Domestic Exit Zone and the GTF, ETF, Storage and Exit Point(s) plus/minus the delivery or offtake at Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Points in accordance with the following provisions. However, if necessary due to physical factors in the Transmission System, Energinet may restrict the right to pool such imbalances in all or parts of the Danish Gas System and/or to Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Points.

### **9.2 Daily balancing**

#### **9.2.1 Information duty towards Shippers before the Gas Day**

At 13.00 on the Gas Day before the Gas Day, the Shipper shall be informed about his expected offtake of Non-Daily Read Metering Sites for each Allocation Area for the following Gas Day based on forecast.

#### **9.2.2 Information duty towards Shippers during the Gas Day**

Before 06.45 on the Gas Day, the Green Zone for the Gas Day in question shall be published on Energinet Online.

Starting at 6.45 on the Gas Day, the Estimated Balance for the Gas Day shall be published every Hour on minute 45 until 2:45 on Energinet Online.

At the times listed below, the Shipper shall be informed about deliveries from the Shipper's Biomethane Portfolio(s) for each Network Area, offtake from the Shipper's Consumer Portfolio(s) consisting of Daily Read Metering Sites for each Allocation Area and the offtake from Direct Site(s):

- Before 13.45 on the Gas Day, information on offtake and deliveries covering the interval from 06.00 to 12.00 for the Gas Day.

- Before 16.45 on the Gas Day, information on offtake and deliveries covering the interval from 06.00 to 15.00 for the Gas Day.
- Before 19.45 on the Gas Day, information on offtake and deliveries covering the interval from 06.00 to 18.00 for the Gas Day.
- Before 22.45 on the Gas Day, information on offtake and deliveries covering the interval from 06.00 to 21.00 for the Gas Day.
- Before 01.45 on the Gas Day, information on offtake and deliveries covering the interval from 06.00 to 24.00 for the Gas Day.

At the same times stated above, the Shipper shall be informed about its expected offtake of Non-Daily Read Metering Sites for each Allocation Area based on forecast.

### **9.2.3 Actions during the Gas Day**

In case the published value of the Estimated Balance is in the Yellow Zone during the Hour preceding the below listed time intervals, Energinet may trade at ETF on EEX. Energinet may trade, partly or entirely, the quantities corresponding to the difference between the latest value of the Estimated Balance and the value that defines the border between the Green Zone and the Yellow Zone in relation to within day product. The difference shall be round up to the smallest tradable unit at ETF on EEX. If the Estimated Balance is in the Yellow Zone, Energinet may trade every Hour between 09.00 and 18.00 and within the time intervals 20.05-20.15 and 23.05-23.15 respectively.

Energinet publishes at Energinet Online information on the highest purchase price and the lowest sell price of Energinet's trades at ETF on EEX.

### **9.2.4 Information duty towards Shippers the following Gas Day**

Based on Unvalidated Data Energinet shall before 14.00 on the following Gas Day inform the Shipper of the Daily Imbalance Quantity allocated to the Shipper.

Based on Unvalidated Data Energinet shall before 14.00 on the following Gas Day publish the Calculated Balance for the preceding Gas Day.

## **10. Repair and maintenance**

### **10.1 Repair and maintenance**

- a) Energinet shall be released in full or in part from its obligations under clause 8 above to receive and transport Natural Gas on behalf of Shippers to the extent necessary due to repair and maintenance activities. Energinet shall to the extent possible perform such activities in the period 1 May to 31 October.
- b) Energinet shall seek to perform repair and maintenance activities as quickly as possible and, to the greatest degree possible, without detriment to the fulfilment of the Shippers' transport requirements. Energinet shall to the extent possible coordinate repair and maintenance activities with the Distribution Company and Gas Storage Denmark.
- c) Once each calendar year Energinet shall provide information about the periods scheduled for repair and maintenance in the following 12-Month period.
- d) In case of repairs and maintenance affecting the flow of Natural Gas through the Network Separation Point, Energinet is entitled to give instructions to the operator of the Non-domestic Transmission System. Noncompliance with these instructions implies that Energinet is entitled to take all the necessary measures. These measures will be communicated to all relevant players along with further instructions, if needed.

## **11. Quality and Delivery Specifications**

### **11.1 Quality and Delivery Specifications**

- a) Shippers shall ensure that Natural Gas delivered to the Danish Gas System at the Entry Points complies with the version of the Danish gas regulations applicable at any time, the technical specifications for Natural Gas in the "2nd gas family, Group H", and the Quality and Delivery Specifications set out in Appendix 1 as subsequently amended.
- b) Energinet shall ensure that Natural Gas delivered to a Shipper at the Domestic Exit Zone, at the Storage Point for the purpose of injection into the Storage Facilities. at the Exit Points and Network Separation Point complies with the Quality and Delivery Specifications. The Distribution Company is responsible towards the Consumers' in respect of compliance with the requirements regarding pressure and temperature at the Consumption Site.
- c) Gas Storage Denmark shall ensure that Natural Gas delivered to a Shipper at the Storage Point after being withdrawn from the Storage Facilities complies with the Quality and Delivery Specifications, see RGS.

### **11.2 Non-compliance at the Storage Point**

- a) If Energinet or Gas Storage Denmark receives information or becomes aware that Natural Gas intended for delivery to another party's system at the Storage Point is expected not to comply with the Quality and Delivery Specifications, the transferring party shall immediately inform the other party and the Shippers expected to be affected by such non-compliance hereof. The information shall include the expected extent, nature and duration of the deviation.
- b) If the Natural Gas made available by Energinet for redelivery at the Storage Point does not or is not expected to comply with the Quality and Delivery Specifications, Gas Storage Denmark can (both acting on behalf of the Shippers/Storage Customers) in connection with redelivery of Natural Gas to the Storage Facilities from the Transmission System without notice refuse to receive the Natural Gas at the Storage Point.
- c) If the Natural Gas made available by Gas Storage Denmark for delivery at the Storage Point does not or is not expected to comply with the Quality and Delivery Specifications, Energinet can (acting on behalf of the Shippers/Storage Customer) in connection with the delivery of Natural Gas from the Storage Facilities to the Transmission System without prior notice refuse to receive the Natural Gas at the Storage Point.

### **11.3 Non-compliance at the Entry Point**

- a) If a Shipper receives information or becomes aware that the Natural Gas nominated for delivery by the Shipper at an Entry Point may not comply with the Quality and Delivery Specifications, the Shipper shall immediately inform Energinet hereof, providing details such as expected extent, nature and duration of the non-compliance and other relevant information.

- b) As soon as the Shipper has been informed that the Natural Gas nominated for delivery at an Entry Point may not comply with the Quality and Delivery Specifications, the Shipper shall take the necessary steps to solve the problem.
- c) If the Natural Gas made available by the Shipper for delivery at an Entry Point does not or is not expected to comply with the Quality and Delivery Specifications, Energinet is entitled without giving any notice to refuse either in full or in part to receive and transport the Shipper's Natural Gas. The transport of Natural Gas can commence when it has been documented that the Natural Gas complies with the Quality and Delivery Specifications.

In the Hours/Gas Days during which Energinet refuses in full or in part to receive and transport a quantity of Natural Gas, the Shipper's Nominations and Allocations at the relevant Entry Point shall be reduced by the quantity of Natural Gas refused, see clauses 6.5.4 and 7.1.

- d) If Energinet agrees to receive and transport Natural Gas not complying with the Quality and Delivery Specifications, the Shipper shall pay an off-spec fee to Energinet in accordance with clause 17.2 g) i).
- e) If Energinet has received Natural Gas not complying with the Quality and Delivery Specifications, the Shipper shall pay an off-spec fee to Energinet in accordance with clause 17.2 g) i) and damages in accordance with clause 22.2.

#### **11.4 Non-compliance at the Exit Point and the Network Separation Point**

- a) If the Natural Gas made available by Energinet for redelivery at the Exit Point and at the Network Separation Point deviates from the Quality and Delivery Specifications, the Shipper is entitled to refuse to receive such Natural Gas and may also claim damages in accordance with clause 22.2. If the Shipper has refused to receive the Natural Gas in accordance with this clause 11.4 a), Energinet is entitled to order the Shipper to stop the deliveries to the Entry Point.
- b) For the number of Hours the Shipper delivers Natural Gas at the Entry, GTF and Storage Point(s) without offtaking Natural Gas at the Exit Point and the Network Separation Point due to non-compliance with the Quality and Delivery Specifications, Energinet shall pay the Shipper an amount in accordance with clause 17.2 g) iii) for such Natural Gas quantities.

However, Energinet shall not pay such amount to the Shipper if it has ordered the Shipper to stop the deliveries in accordance with clause 11.4 a).

If the Shipper rightfully refuses to offtake Natural Gas in accordance with this clause and Energinet does not order the Shipper to stop the deliveries at the Entry Point, in accordance with clause 11.4 a), imbalances may occur between the Shipper's daily deliveries at the Entry Point and daily offtake at the Exit Point and Network Separation Point. Such imbalances shall be settled by Energinet by adjusting the Shipper's balance statement by the relevant imbalance.

- c) If the Shipper agrees to receive Natural Gas not complying with the Quality and Delivery Specifications, Energinet shall pay an off-spec fee to the Shipper in accordance with clause 17.2 g) ii).

- d) If the Shipper has had Natural Gas not complying with the Quality and Delivery Specifications redelivered without Energinet having informed him of this, Energinet shall pay an off-spec fee to the Shipper in accordance with clause 17.2 g) ii) as well as damages in accordance with clause 22.2.

#### **11.5 Non-compliance in the Domestic Exit Zone**

- a) If the Natural Gas made available by Energinet for redelivery in the Domestic Exit Zone does not comply with the Quality and Delivery Specifications and the Shipper's Gas Suppliers' Consumers offtake as well as the Shipper's Direct Consumer's Direct Sites offtake of the gas, the Shipper shall be compensated by Energinet in the form of an off-spec fee in accordance with clause 17.2 g) ii).
- b) If the Shipper has had Natural Gas not complying with the Quality and Delivery Specifications redelivered without Energinet having informed him of such non-compliance, Energinet shall pay the Shipper an off-spec fee in accordance with clause 17.2 g) ii) as well as damages in accordance with clause 22.2.



## **12. Metering**

### **12.1 General**

In order for Energinet to fulfil its obligations towards the Danish Gas System and to solve the tasks assigned to it as operator of the Transmission System, Energinet shall, following consultation with the Distribution Company, Gas Storage Denmark and other relevant Players in the Danish Gas Market, draft common regulations for metering describing the obligations and requirements for the Distribution Company, Gas Storage Denmark and other relevant Players in the Danish Gas Market.

In special circumstances Energinet may authorise a relevant Player in the Danish Gas Market to act on its behalf in respect of metering obligations.

### **12.2 Method of calculation**

- a) According to RfG, Natural Gas shall be expressed in kWh in the Transmission System and the Distribution Network. Billing in the Distribution Network shall be made in accordance with the units of measurement specified in the Distribution Company's Standard Conditions.
- b) The quantity of Natural Gas considered as having been made available at the Direct Site in a particular Hour shall be calculated by multiplying the metered mass or volume by the average Calorific Value relating to the Direct Site. The Calorific Value shall be determined by Energinet at the actual individual Direct Sites or be calculated by means of Energinet's metering facilities. The quantity shall be expressed in kWh.
- c) The quantity of Natural Gas considered as having been made available in the Allocation Area in a particular Hour is the sum of the energy calculated by multiplying the summed-up mass or volume metered at each Transition Point in the Allocation Area by the total average Calorific Value relating to the Transition Point and the sum of energy from the Biomethane Metering Points measured by the Distribution Company. The Calorific Value shall be determined by Energinet at the actual individual Transition Points or be calculated by means of Energinet's metering facilities. The quantity shall be expressed in kWh.
- d) The Natural Gas quantities considered as having been made available from the Transition Points in a particular Hour shall be calculated by Energinet by assigning an average Calorific Value to each Transition Point. The Distribution Company shall allocate the Calorific Value from the Transition Point to the Consumption Sites located in their Allocation Areas and convert the Natural Gas quantities delivered into energy in kWh.
- e) The Natural Gas quantities allocated at the Biomethane Portfolio must be converted into energy by the Network Owner. The Calorific Value used for this conversion is measured by the Network Owner at the Metering Points for Biomethane.

### **12.3 Metering at Entry, Exit and Transition Points as well as Direct Sites**

- a) Energinet shall ensure that the Gas Metering Systems are established, operated and maintained at the Direct Sites and each Transition Point.

The Metering Systems shall meter mass or volume adjusted for the pressure and temperature of the Natural Gas delivered at the Direct Sites and each Transition Point.

- b) At the Entry and Exit Points, the Direct Sites and each Transition Point Energinet shall ensure that metering in accordance with clause 12.3 a) is performed in accordance with the version of Energinet's gas metering manual/control manual applicable at any time.
- c) Energinet shall ensure that Natural Gas supplied together with other Natural Gas can be identified using the allocation principles in clause 7.
- d) Energinet shall have access on an ongoing basis to metering results in relation to the quantity, quality (if metered at the point in question), pressure and temperature of the Natural Gas delivered. The purpose of such access is to ensure that Energinet can maintain stable, safe operation of the Transmission System and is able to prepare the energy balance accounts for the Shippers. Access is granted at the Entry and Exit Points, the Direct Sites and each Transition Point.

#### **12.4 Verification and calibration of the Gas Metering System**

- a) The accuracy of the Gas Metering System in metering quantity and quality at the Direct Sites and each Transition Point shall be verified by the operator of the Gas Metering System in accordance with the gas metering manuals/control manuals.
- b) The Gas Metering System instrumentation shall be calibrated to the extent technically possible through accredited calibration. If accredited calibration is not possible, another internationally recognised body shall perform the calibration.
- c) A Player may at any time ask Energinet (the Gas Metering System at a Direct Site or Transition Point) to verify the Gas Metering System if the Player can prove such verification to be necessary and reasonable.

In such case, the verification shall be made as soon as possible after receipt of the request. If the verification shows that the Gas Metering System meters in accordance with the gas metering manuals/control manuals, the Player having requested such verification shall pay the costs of the verification. Otherwise, Energinet shall pay the costs.

- d) Upon the request of a Player, Energinet shall inform the Player of the current calibration, control or verification plans for the Gas Metering System at the Direct Sites and the Transition Points provided that the Player can document that access to such information is both necessary and reasonable.
- e) Players affected by the result of the verification of a given gas metering system shall have the right to be present when verification is performed.
- f) Upon request of one or more Players, Energinet shall send a verification report or documentation of calibration in the form of either a calibration report or a calibration certificate after verification or calibration. The result of such verification or calibration shall be binding on the Players.

## 12.5 Handling of incorrect metering in the Gas Metering System

- a) If a part of a Gas Metering System at the Transition Points or the Direct Sites does not meter correctly, see clause 12.3 d), is out of operation or if the transfer of metered data to Energinet is incomplete, Energinet shall ensure that the errors are corrected.
- b) The quantity or quality of the Natural Gas having passed the Gas Metering System while the system was not metering correctly or was out of operation or while data transfers were incomplete shall be calculated on the basis of that or those of the following methods, which in view of the circumstances, is/are expected to provide the most accurate result:
  - i) a calibration test or calculation;
  - ii) an evaluation of deliveries or the quality under similar operating conditions while the Gas Metering System was metering correctly or the data transfers were complete; and
  - iii) on the basis of metering using another Gas Metering System if that system meters correctly.

- c) If the period in which the Gas Metering System was not metering correctly or was out of operation or in which data transfer errors occurred is not known, the period shall be regarded as having started from the last verification or calibration of the Gas Metering System.

In the first half of such period it shall be assumed that the Gas Metering System metered correctly and was not out of operation, and that no data transfer errors occurred.

In the other half of the above-mentioned period, one or more of the methods specified in clause 12.5 b) i) - iii) shall be applied.

- d) The quantity calculated in accordance with clause 12.5 b) and c) shall be used as the basis for invoicing in the Domestic Exit Zone. If invoicing has already taken place, the invoice shall be adjusted subsequently in connection with the next Correction or, in extraordinary cases, in connection with an Extraordinary Correction.
- e) If a Player suspects that a Gas Metering System has not been metering correctly or has been out of operation or that data transfer errors have occurred, the Player shall contact Energinet about the matter in writing without undue delay as soon as such suspicion has arisen.
- f) Energinet is not responsible for incorrect metering or data transfer errors originating from either the Storage Facilities' or the Adjacent Systems' Gas Metering Systems in Stenlille, Lille Torup, Nybro or Ellund.

## 12.6 Handling of incorrect metering in the Distribution Company's Gas Metering Systems

- a) Incorrect metering occurring in the Distribution Company's Gas Metering Systems at the Consumers' Metering Sites or at the Metering Points for Biomethane and errors in the Distribution Company's metered data due to operational problems, data transfer errors or incorrect handling of changes of Gas Supplier and Biomethane Seller etc. are gov-

erned by the Distribution Company's Standard Conditions and Rules for Biomethane respectively.

- b) Changes in the Distribution Company's metered data shall be used as the basis for invoicing Shippers in the Transmission System. If Energinet has already issued an invoice, such invoice shall be adjusted during 1<sup>st</sup> and 2<sup>nd</sup> Correction and, in extraordinary cases, in connection with an extraordinary correction.
- c) If a Player suspects that the Distribution Network's Gas Metering Systems have not metered correctly or have been out of operation, that data transfer errors have occurred or incorrect handling of either changes of Gas Supplier, Biomethane Seller or Player Relationship with a Biomethane Portfolio has taken place etc., the Player must contact the Distribution Company about the matter immediately when suspicion arises.
- d) Energinet cannot be held liable for incorrect metering on the part of the Distribution Company if a situation has occurred in which the Distribution Network's Gas Metering Systems have not metered correctly or been out of operation, or in which data transfer errors have occurred or incorrect handling of changes of Gas Supplier or Biomethane Seller has taken place.

## **13. Technical Facilities**

### **13.1 Technical facilities**

Each relevant party shall establish the technical facilities, including Gas Metering Systems, required in order for each party to comply with RfG and the other obligations set out in the associated agreements. Such facilities shall be operational at the time required to fulfil the parties' obligations under RfG and the associated agreements.

## 14. Reduced capacity

If physical or operational matters result in temporarily reduced capacity in all or parts of the Transmission System, Energinet may issue a reduced capacity notice to the Shippers.

If a reduced capacity notice is issued, Energinet is entitled to order Shippers to reduce on pro rata basis or interrupt deliveries and offtake in the Danish Gas System for as long as capacity is reduced in all or parts of the Transmission System. Via the Gas Suppliers the Shipper shall ensure that the Consumers relevant to the Shipper comply with the order.

Energinet shall distribute the part of the capacity available among the affected Shippers and other parties along the following lines:

- a) Consumers with Hyper3-interruptibility must be reduced before Non-Protected Consumption Sites and Protected Consumption Sites (in the order mentioned)
- b) The consequences for the Consumers must be minimised, including by not interrupting deliveries to Consumers sensitive to irregularities in their supply of Natural Gas.

If a Shipper or a Consumer associated with the Shipper does not comply with Energinet's order to reduce or interrupt the delivery and offtake of Natural Gas in the Danish Gas System, the Shipper shall pay the overrun charge set out in clause 17.2 b) c) for the Natural Gas quantities by which Energinet's order is exceeded. A claim for damages may also be made in accordance with clause 22.2.

If the reduced capacity affects the flow of Natural Gas through the Network Separation Point, Energinet is entitled to give instructions to the operator of the Non-domestic Transmission System. Noncompliance with these instructions implies that Energinet is entitled to take all the necessary measures. These measures will be communicated to all relevant players along with further instructions, if needed.

## **15. Force Majeure**

### **15.1 General**

Force Majeure shall mean extraordinary circumstances arising after the signing of the agreements and being outside the control of the party in question provided that such party has exercised due care as required within the oil and gas industry and that such circumstances could not reasonably be overcome.

Without prejudice to the foregoing, the following circumstances shall always be regarded as Force Majeure:

Emergency, extraordinary natural forces (including landslide, lightning, earthquake, extraordinary storms, tidal waves, floods and flood erosion), lack of the necessary permits for construction or operation, measures taken by any government authority or other public authority or representative of such, whether the measures are valid or not, decisions made by a competent court, anti-social acts, wars, blockades, insurrections, disturbances, malicious damage, epidemics, quarantine provisions, fires, civil or military unrest, explosions, collapse of or damage to platforms, machines or pipelines and ancillary installations, freezing or hydrate formation in wells, valves and pipelines, failure of gas or oil wells, failure of storage facilities, failure or delay on the part of Shippers, delay on the part of sub-contractors, delayed delivery of plant and equipment, the dangers involved in sailing and navigation, impossibility of providing necessary manpower, machines, supplies, materials or subcontractors, IT failure and labour disputes (strikes, lockouts and any similar unrest on the labour market). Labour disputes shall be settled at the sole discretion of the party involved in the dispute.

Lack of funds is not Force Majeure.

### **15.2 General consequences of Force Majeure**

If a party is unable either in full or in part to fulfil its obligations under one or more of the agreements due to Force Majeure, fulfilment of the obligations resting on the party in question under the relevant agreement(s) shall be suspended for as long as and to the extent that the impediment exists provided that the party affected promptly notifies the other parties of such Force Majeure by telephone, telefax or email and at the same time or within a reasonable period of time reports in writing on the specific details and the expected duration of the Force Majeure situation.

If, in consequence of a Force Majeure event, a party is only able to fulfil its obligations at disproportionately high costs, such party shall be regarded as being unable to fulfil its obligations in full or in part.

The party claiming Force Majeure shall seek to overcome the impediment to the fulfilment of its obligations and resume the fulfilment of such obligations as soon as can reasonably be demanded provided that this can be done without incurring disproportionately high costs.

### **15.3 Information**

In the event of Force Majeure (including Emergency), Energinet shall inform the relevant Players of the situation and of how and to what extent the supply of Natural Gas will be affected.

Energinet shall use its best efforts to give Shippers at least one Hour's prior warning of an interruption or reduction of the supply.

Shippers affected by Force Majeure shall in pursuance of clause 15.2 promptly notify Energinet of such event by telephone, telefax or email and at the same time or within a reasonable period of time report in writing on the specific details and the expected duration of the Force Majeure situation.

#### **15.4 Energinet's rights and obligations during a Force Majeure situation**

In a Force Majeure situation where the Natural Gas is not being redelivered by Energinet, Energinet shall continue to fulfil its payment obligations according to clause 18.2 k) as long as the Shipper delivers Natural Gas to Energinet.

In case of Force Majeure affecting the flow of Natural Gas through the Network Separation Point, Energinet is entitled to give instructions to the operator of the Non-domestic Transmission System. Noncompliance with these instructions implies that Energinet is entitled to take all the necessary measures. These measures will be communicated to all relevant players along with further instructions, if needed.

#### **15.5 Energinet's Force Majeure**

The Shipper shall continue to fulfil its obligations pursuant to clauses 18 and 19 as long as Energinet ensures deliveries to the Shipper in a Force Majeure situation.

If Energinet is unable to fulfil its obligations in accordance with a given Capacity Agreement due to Force Majeure, the Capacity Charge payable by the Shipper with regard to such Capacity shall be reduced correspondingly for such period. The Shipper's obligation to pay fees or charges in accordance with clause 17.2 a) - e) shall be suspended.

#### **15.6 The Shipper's Force Majeure**

The Shipper's obligation to pay fees or charges in accordance with clause 17.2 a) - e) shall be suspended:

- a) if, as a consequence of Force Majeure, the Shipper is unable to offtake the quantities re-delivered under the relevant Capacity Agreement for a period of time and the Shipper or its Counterparty at the Entry Point is unable to cease the deliveries at the Entry Point in the same period; or
- b) if, for a period of time, as a consequence of Force Majeure, the Shipper or its Counterparty at the Entry Point is unable to deliver the Natural Gas quantities stipulated in the Capacity Agreement, and the Shipper is unable to cease the offtake in the same period.

#### **15.7 Extended Force Majeure**

If Force Majeure or repeated Force Majeure situations are expected to impede in full or in part the fulfilment of a party's obligations for a period of more than 60 Business Days, the parties shall seek a negotiated solution acceptable to the parties. If the parties are unable to agree on a solution within 30 Business Days after a request has been made for a negotiated solution, the party or parties having claimed Force Majeure are entitled to terminate the agreements affected by the Force Majeure situation.



## **16. Security of supply**

Energinet manages the security of supply for the Danish Gas Market pursuant to the Danish Natural Gas Supply Act. During abnormal state of operation, Energinet is entitled to activate each of the three crisis levels (Early Warning, Alert and Emergency) depending on the supply situation.

Prior to or at each of the three crisis levels, Energinet will inform the Shippers and other relevant Players, including operators of the Adjacent Systems and the operator of the Non-domestic Transmission System, about the supply situation, including information about capacities available or reduced in the Transmission System, as soon as Energinet has relevant information. Energinet will update the information at regular intervals during the three crisis levels.

### **16.1 Early Warning**

#### **16.1.1 Energinet's rights and obligations**

In the event of Early Warning, Energinet may increase the adjustment-step 1 and 2 related to Daily Imbalance Quantities, as set out in the Price List, up to 100 per cent.

### **16.2 Alert**

#### **16.2.1 Energinet's rights and obligations**

In the event of Alert:

- a) Energinet may increase the adjustment-step 1 and 2 related to Daily Imbalance Quantities, as set out in the Price List, up to 100 per cent.
- b) Energinet and the operator of the Non-domestic Transmission System will exchange relevant information. On the basis of such information and the crisis plans, discussions on proper measures to solve the situation will take place. If such discussions should not lead to an acceptable result, Energinet is entitled to give reasonable instructions to the operator of the Non-domestic Transmission System, including but not limited to instructions associated to the flow of Natural Gas through the Network Separation Point. Noncompliance with these instructions implies that Energinet is entitled to take certain reasonable and necessary measures. These measures will be communicated to all relevant players along with further instructions, if needed.

### **16.3 Emergency**

#### **16.3.1 Energinet's rights and obligations**

If, as a result of Emergency, Energinet is unable to fulfil its obligations, in full or in part, in relation to a Shipper's Capacity Agreement, the fulfilment of the obligations resting on Energinet is suspended for as long as and to the extent Emergency continues.

In the event of Emergency, imbalances are not allowed unless otherwise instructed by Energinet.

Energinet is entitled to give direct instructions regarding Nominations at Entry, Exit, Storage, GTF and ETF Point(s). If a Shipper does not comply with the instructions, Energinet is entitled to alter the Nominations in accordance with the instructions or to exclude the Shipper from the Danish Gas Market. Any non-compliance with Energinet's instructions on the part of a Shipper or a Gas Supplier at the Emergency level is treated as a wilful act or omission.

In case of Emergency, Energinet and the operator of the Non-domestic Transmission System will exchange relevant information. On the basis of such information and the crisis plans, discussions on proper measures to solve the situation will take place. If such discussions should not lead to an acceptable result, Energinet is entitled to give reasonable instructions to the operator of the Non-domestic Transmission System, including but not limited instructions associated to the flow of Natural Gas through the Network Separation Point. Noncompliance with these instructions implies that Energinet is entitled to take certain reasonable and necessary measures. These measures will be communicated to all relevant players along with further instructions, if needed.

Energinet is entitled to include Natural Gas quantities subject to filling requirements in the Storage Facilities in accordance with separate agreements.

### **16.3.2 Shippers' and Storage Customers' obligations**

In the event of Emergency, Shippers and Storage Customers shall:

- a) continue to deliver Natural Gas to the Danish Gas System at the Entry and GTF Point(s);
- b) inform Energinet immediately if an event occurs materially affecting the Shipper's ability to deliver Natural Gas at the Entry, Exit, Storage, GTF and ETF Point(s); and
- c) make Natural Gas subject to filling requirements in the Storage Facilities available to Energinet in accordance with separate agreements and comply with RfG unless otherwise instructed by Energinet.

The Shippers shall continue to make Nominations in order to provide Energinet with the best possible information about the expected offtake, despite the fact that Energinet in Emergency may undertake to supply the Shippers' Gas Suppliers Consumers and the Shipper's Direct Consumer's Direct Sites, cf. clause 16.5.

Any Natural Gas delivered by a Shipper to the Danish Gas System is allocated in favour of the Shipper's balance. If all consumption within the Domestic Exit Zone cannot be covered by the Shipper's deliveries, Energinet delivers the remaining. The Shipper will be invoiced for the quantities delivered by Energinet in accordance with clause 17.2 h).

Any Natural Gas delivered by the Shipper can be used for transit in accordance with clause 16.3.3, or will be purchased by Energinet in accordance with clause 17.2 e).

Any Natural Gas offtake in the Balance Area shall be covered by the Shipper's deliveries. If the Shipper's offtake at other points than the Domestic Exit Zone is not covered by the Shipper's deliveries, the Shipper shall be invoiced according to clause 17.2 h).

### **16.3.3 Transit**

Transit of Natural Gas shall be maintained during Emergency within the limits of the Danish Natural Gas Supply Act and the Security of Supply Regulation, always provided that:

- a) the Shipper make Natural Gas not subject to filling requirements available at the Entry, GTF and Storage Point. The Natural Gas quantities made available by the Shipper shall at least correspond to the Natural Gas quantities offtaken by the Shippers' Gas Suppliers Consumers and the Shipper's Direct Consumer's Direct Sites;
- b) the Shipper must balance its deliveries and offtake; and
- c) Energinet shall be able to transport the Shippers' Natural Gas through the Transmission System. If, for example, pressure problems occur, Energinet will do its best to provide a solution, including making proposals for the Shipper to deliver extra Natural Gas quantities to the Transmission System in order to maintain the pressure at the relevant Exit Point. If such extra Natural Gas quantities are not redelivered at the Exit Point, they shall be paid for in accordance with clause 17.2 h).

### **16.4 Collaboration**

During Emergency, all parties shall collaborate with Energinet to ensure that the Danish Gas Market is affected as little as possible and that the supply of Natural Gas is maintained to a reasonable extent.

### **16.5 Protected and Non-Protected Consumption Sites**

Energinet publishes every year on its website, not later than on 1 May, a list of Non-Protected Consumption Sites for the following Gas Year.

In the event of Emergency, the supply of Natural Gas to Non-Protected Consumption Sites shall be interrupted partially or fully at a notice of 72 Hours, if required by Energinet.

### **16.6 Interruptible supply**

A Consumer owning a Consumption Site connected to the Transmission System east of Egtved, with a minimum consumption of 2 million m<sup>3</sup>/Year, may choose interruptible supply with regard to all or part of the supply to the said Consumption Site. Energinet offers Hyper3-interruptibility.

If a Consumer wishes to choose interruptible supply for the relevant Consumption site, the Consumer shall inform Energinet thereof and participate in a tender for interruptible supply. A description of the process leading to agreements on interruptible supply including a detailed description of the tender and auction mechanism is available on Energinet's website.

## 17. Charges and fees

Unless a charge is determined by way of Auction, the charges and fees applicable at any time is listed in the Price List, which can be found on Energinet's website. Any charge or fee payable to Energinet shall be paid in accordance with clauses 17 and 18.

### 17.1 Capacity Charges and Commodity Charge in the Transmission System

#### a) Firm Capacity

The Shipper shall pay a Capacity Charge for Firm Capacity.

Unless determined by way of Auction, the charge for Firm Capacity is announced in connection with FCFS.

#### b) Interruptible Capacity

The Shipper shall pay a Capacity Charge for Interruptible Capacity.

Unless determined by way of Auction, the charge for Interruptible Capacity follows from the Price List. The charges for Interruptible Capacity shall reflect the expected probability of Interruptible Capacity being available. Energinet's estimations of the probability of Interruptible Capacity becoming available are based on a best-efforts basis evaluation of the physical Capacity, current Capacity Agreements, the non-binding quantity profiles received from the Shippers, obligations in relation to Adjacent Systems, historic patterns and other sources of information.

#### c) Commodity Charge

The Shipper shall pay a Commodity Charge for the Natural Gas quantities allocated at the Exit Points and in the Joint Exit Zone.

For Natural Gas quantities delivered at a Direct Site, Energinet invoices a separate Security of Supply Charge to the relevant Direct Site(s). For other Natural Gas quantities, Energinet invoices Security of Supply Charge to the Protected and Non-Protected Consumption Sites via the Distribution Company.

### 17.2 Other fees and charges

#### a) Balance Charge

The Shipper shall pay a balance charge for the Natural Gas quantities allocated at the Exit Points and in the Joint Exit Zone.

For Natural Gas quantities delivered at the Direct Site, Energinet invoices a separate Security of Supply Charge to the relevant Direct Site(s). For other Natural Gas quantities, Energinet invoices Security of Supply Charge to the Protected and Non-Protected Consumption Sites via the Distribution Company.

#### b) Overdelivery charge at the RES Entry Point

If the Shipper's deliveries at the RES Entry Point in one or more Hours during the Gas Day exceed the Shipper's pooled Capacity according to the monthly Validated Data, the Shipper shall pay the Capacity Charge for Daily Capacity (Firm Capacity) based on the overdelivery quantities for the Hour with the highest overdelivery during the relevant Gas Day. Further, a claim for damages may be set out in accordance with clause 22.2.

**c) Overrun related to the Joint Exit Zone**

If the Shipper's offtake in the Joint Exit Zone in one or more Hours during the Gas Day exceeds the Shipper's pooled Capacity according to the monthly Validated Data, the Shipper shall pay the Capacity Charge for Daily Capacity (Firm Capacity) based on the overrun quantities for the Hour with the highest overrun during the relevant Gas Day. Further, a claim for damages may be set out in accordance with clause 22.2.

**d) Interruptible Over-nomination**

If the Shipper is Allocated based on nominations above booked Firm and/or Interruptible Capacity, the Shipper shall pay the Capacity Charge for Daily Capacity (Firm Capacity) based on the Hour with the highest Allocation during the relevant Gas Day. Further, a claim for damages may be set out in accordance with clause 22.2.

**e) Daily imbalance charge**

The Shipper shall be bound to pay or be entitled to receive (as appropriate) daily imbalance charges in relation to his Daily Imbalance Quantity for each Gas Day. Energinet calculates a Daily Imbalance Quantity for each Shipper for each Gas Day in accordance with the following formula: Daily Imbalance Quantity = deliveries – offtakes.

To calculate daily imbalance charges for each Shipper, Energinet shall multiply the Shipper's Daily Imbalance Quantity by the applicable price determined in accordance with below. The daily imbalance charge shall be based on the Daily Imbalance Quantity calculated from monthly Validated Data.

Daily imbalance charges shall be applied as follows:

(a) if the Shipper's Daily Imbalance Quantity for the Gas Day is positive then the Shipper shall be deemed to have sold Natural Gas to Energinet equivalent to the Daily Imbalance Quantity and therefore shall be entitled to receive a credit in respect of daily imbalance charges from Energinet; and

(b) if the Shipper's Daily Imbalance Quantity for the Gas Day is negative then the Shipper shall be deemed to have purchased Natural Gas from Energinet equivalent to the Daily Imbalance Quantity and therefore shall be obliged to pay daily imbalance charges to Energinet.

**i) Green Zone through the Gas Day**

In case the Estimated Balance and the Calculated Balance through the Gas Day is in the Green Zone the Daily Imbalance Quantity shall be settled at Neutral Gas Price adjusted in accordance with adjustment step 1 as set out in the Price List.

**ii) Energinet trading and Yellow Zone during the Gas Day**

In the event that Energinet trades at ETF on EEX in the Gas Day due to the Estimated Balance being in the Yellow Zone during the Gas Day, the Daily Imbalance Quantity shall be settled at either:

- a) Energinet's marginal trade price (buy and/or sell) on the within-day product for balancing purposes in the Gas Day at ETF on EEX; or
- b) the Neutral Gas Price adjusted in accordance with adjustment step 1 as set out in the Price List, unless the Calculated Balance at the end of the Gas Day is in the Yellow Zone in which case the adjustment is equal to adjustment step 2 as set out in the Price List.

In the event that a Shipper's Daily Imbalance Quantity for the Gas Day is positive and the Estimated Balance(s) was(were) positive when Energinet traded at ETF on EEX for balancing purposes, the Shipper shall be settled at the lowest of the above mentioned prices. In the event that a Shipper's Daily Imbalance Quantity for the Gas Day is negative and the Estimated Balance(s) was(were) negative when Energinet traded at ETF on EEX for balancing purposes, the Shipper shall be settled at the highest of the above mentioned prices.

In the event that a Shipper's Daily Imbalance Quantity for the Gas Day is positive and the Estimated Balance(s) was(were) negative when Energinet traded at ETF on EEX for balancing purposes, the Shipper shall be settled at the Neutral Gas Price, minus an adjustment equal to adjustment step 1 as set out in the Price List. In the event that a Shipper's Daily Imbalance Quantity for the Gas Day is negative and the Estimated Balance(s) was(were) positive when Energinet traded at ETF on EEX for balancing purposes, the Shipper shall be settled at Neutral Gas Price plus an adjustment equal to adjustment step 1 as set out in the Price List.

In the event that a Shipper's Daily Imbalance Quantity for the Gas Day is positive and the Estimated Balances were both positive and negative when Energinet traded at ETF on EEX for balancing purposes, the Shipper shall be settled at lowest of the above mentioned prices. In the event that a Shipper's Daily Imbalance Quantity for the Gas Day is negative and the Estimated Balances were both positive and negative when Energinet traded at ETF on EEX for balancing purposes, the Shipper shall be settled at the highest of the above mentioned prices.

**iii) No Energinet trading and Yellow Zone at the end of the Gas Day**

In the event that a Shipper's Daily Imbalance Quantity for the Gas Day is positive, the Calculated Balance is negative and is in the Yellow Zone at the end of the Gas Day and Energinet has not traded at ETF on EEX for balancing purposes during the Gas Day, the Daily Imbalance Quantity shall be settled at the Neutral Gas Price adjusted in accordance with adjustment step 1 as set out in the Price List. The same shall apply in the event that a Shipper's Daily Imbalance Quantity for the Gas Day is negative, the Calculated Balance is positive and in the Yellow Zone at the end of the Gas Day when Energinet has not traded at ETF on EEX for balancing purposes.

In the event that a Shipper's Daily Imbalance Quantity for the Gas Day is positive, the Calculated Balance is positive and is in the Yellow Zone at the end of the Gas Day and Energinet has not traded at ETF on EEX for balancing purposes during the Gas Day, the Daily Imbalance Quantity shall be settled at the Neutral Gas Price adjusted in accordance with adjustment step 2 as set out in the Price List. The same shall apply in the event that a Shipper's Daily Imbalance Quantity for the Gas Day is negative, the Calculated Balance is negative and in the Yellow Zone at the end of the Gas Day when Energinet has not traded at ETF on EEX for balancing purposes.

**iv) Data performance for within-day data for the Domestic Exit Zone**

In the event that data performance for within-day data (the difference between monthly Validated Data and within-day data) for the Domestic Exit Zone aggregated for a Month is calculated to less than 95 %, Energinet shall pay the Shipper for the difference between 95 % and the calculated number for data performance for the Month in question multiplied with settled charge for Daily Imbalance Quantity for each Gas Day. The payment is limited to the settled adjustment step 1 and/or adjustment step 2 and/or the difference between the marginal trade price and the Neutral Gas Price for the relevant Gas Day pursuant to clause 17.2 d ii).

**f) Reconciliation**

Reconciliation pursuant to clause 7.9.3 takes place on a monthly basis and shall be made as a settlement at the Neutral Gas Price.

Energinet shall pay monthly positive energy balances to the Shipper, and the Shipper shall pay monthly negative energy balances to Energinet.

**g) Off-spec fees, etc.**

**i) Off-spec fee at the Entry Point**

The off-spec fee in accordance with clause 11.3 d) and e), as set out in the Price List, shall be paid by the Shipper to Energinet.

**ii) Off-spec fee in the Domestic Exit Zone, at an Exit Point or the Network Separation Point**

The off-spec fee in accordance with clauses 11.4 c) and d) and clause 11.5 a) and b), as set out in the Price List, shall be paid by Energinet to the Shipper.

**iii) Delivery from the Shipper at the Entry Point despite rejection at the Exit Point or the Networks Separation Point on grounds of off-spec**

For as long as the Shippers deliver Natural Gas at the Entry, GTF or Storage Point in accordance with clause 11.4 b), without the Natural Gas being redelivered at the Exit Point or Network Separation Point due to such Natural Gas being off-spec and consequently rejected by the Shippers, Energinet shall pay the Shippers for such Natural Gas quantities at the price set out in the Price List.

If the Shipper's reasonable documented direct costs of purchasing the Natural Gas quantities delivered but not redelivered by Energinet pursuant to clause 11.4 b) exceed the price set out in the Price List, Energinet shall also pay compensation for such difference.

**h) Charges in Emergency and for deliveries in Force Majeure**

For as long as Energinet ensures deliveries to the Consumers of the Shipper's Gas Suppliers as well as the Shipper's Direct Consumer's Direct Sites in an Emergency or Force Majeure situation without the Shipper delivering Natural Gas at the Entry Point, see clause 16.2 and 15, the Shipper shall pay Energinet for such Natural Gas quantities at the price set out in the Price list.

If the Shipper's total offtake in the Balancing Area (except from the Domestic Exit Zone) is not covered by deliveries from the Shipper, the Shipper shall pay Energinet for such Natural Gas quantities at the price set out in the Price list.

**17.3 Adjustment of fees and charges**

All fees and charges for the following Gas Year will be published 1 Month before of the Auction of Annual Capacity. The Price List is published on Energinet's website.

Energinet may at its sole discretion furthermore adjust the fees and charges at any time.



## 18. Invoicing and payment

### 18.1 Invoicing of Shipper's Capacity

#### 18.1.1 Annual, Quarterly and Monthly Capacity

Each Month Energinet shall send an invoice to the Shipper for Annual, Quarterly and Monthly Capacity in the Transmission System pertaining to the Month in question to be paid in accordance with clauses 17.1 a) and b).

#### 18.1.2 Daily and Within-day Capacity

Each Month Energinet shall send an invoice to the Shipper for Daily and Within-day Capacity in the Transmission System for the preceding Month to the extent such Capacity has not yet been invoiced and such Capacity shall be paid in accordance with clauses 17.1 a) and b).

### 18.2 Monthly variable invoicing of Shippers

Energinet shall invoice the Shippers as soon as possible each Month the following charges and fees for the preceding Month:

#### Commodity Charge

- a) the Commodity Charge in the Transmission System pertaining to the Month in question which the Shipper shall pay in accordance with clause 17.1 c);

#### Balance Charge

- b) the Balance Charge in the Transmission System pertaining to the Month in question which the Shipper Shall pay in accordance with clause 17.2 a);

#### Overdelivery charge

- c) the overdelivery charge which the Shipper shall pay in accordance with clause 17.2 b);

#### Overrun charge

- d) the overrun charge which the Shipper shall pay in accordance with clause 17.2 c);

#### Interruptible Over-nomination (Ellund)

- e) the Over-nomination charge which the Shipper shall pay in accordance with clause 17.2 d);

#### Balancing gas charges

- f) quantities, expressed in kWh, for which a daily imbalance charge shall be paid to Energinet or the Shipper in accordance with clause 17.2 e) i)-iii);

- g) quantities, expressed in kWh, for which, in connection with data performance below a certain level, the Shipper shall be debited to the invoice in accordance with clause 17.2 e) iv);

#### Off-spec fees

- h) quantities, expressed in kWh, for which the Shipper shall pay an off-spec fee in accordance with clause 17.2 g) i);
- i) quantities, expressed in kWh, for which Energinet shall pay an off-spec fee in accordance with clause 17.2 g) ii);
- j) quantities delivered by the Shipper but not redelivered by Energinet, expressed in kWh, for which Energinet shall pay an amount in accordance with clause 17.2 g) iii);

#### Natural Gas quantities delivered in the event of Emergency and Force Majeure

- k) quantities delivered by the Shipper/Storage Customer in Emergency, but not redelivered by Energinet, expressed in kWh, for which Energinet shall pay in accordance with clause 17.2 h);
- l) quantities delivered by Energinet to the Shipper's Gas Suppliers' Consumers in a Force Majeure situation, expressed in kWh, for which the Shipper shall pay in accordance with clause 17.2 h);
- m) quantities delivered by the Shipper in a Force Majeure situation, but not redelivered by Energinet, expressed in kWh, for which Energinet shall pay in accordance with clause 17.2 e);

#### Fees in connection with Capacity Transfers

- n) fees for Capacity Transfers in accordance with the Rules for CTF;

#### Statement of total payment to be made

- o) a statement of all prices relating to the Natural Gas quantities calculated in the monthly invoice and the total amount, expressed in DKK, which the Shipper shall pay to Energinet.

In connection with extraordinary irregularities or deviations in the current data on which the Allocation of Natural Gas quantities is based, Energinet may choose fully or partially to omit invoicing the relevant fees and to invoice relevant imbalances at a Neutral Gas Price.

### **18.2.1 Invoice related to 1<sup>st</sup> Correction and 2<sup>nd</sup> Correction**

Approximately 3 Months after dispatching the monthly variable invoice mentioned in clause 18.2, Energinet shall send a credit note/an invoice to the Shipper containing information about corrections to the invoiced information according to clause 18.2 a) - m) and o).

Approximately 14 Months after dispatching the monthly commodity invoice mentioned in clause 18.2, Energinet shall a credit note/an invoice to the Shipper containing information about corrections to the invoiced information according to clause 18.2 a) - m) and o).

**18.2.2 Invoice related to an extraordinary correction**

In extraordinary cases, Energinet may, in addition to the 1<sup>st</sup> and 2<sup>nd</sup> Correction, send a credit note/invoice to the Shipper containing information about corrections to the invoiced information in accordance with clause 18.2 a) - m) and o).

**18.2.3 Invoice related to Reconciliation**

Energinet shall make Reconciliation on a monthly basis. Reconciliation shall be made approximately 14 Months after dispatch of the monthly variable invoice mentioned in clause 18.2, by Energinet, see clauses 7.9.3, sending a credit note/an invoice to the Shipper containing information about the distribution of Natural Gas quantities (energy balances), see clause 17.2 f), and Commodity Charges, see clause 17.1.

**18.3 Invoice to Direct Consumers**

Energinet shall send an invoice to Direct Consumers as soon as possible each Month containing the Security of Supply Charge for the Natural Gas quantities delivered at a Direct Site pertaining to the Month in question which the Direct Consumer shall pay in accordance with clause 17.1 c);

**18.3.1 Invoice related to 1<sup>st</sup> Correction and 2<sup>nd</sup> Correction**

Approximately 3 Months after dispatching the Security of Supply Charge mentioned in clause 18.3, Energinet shall send a credit note/an invoice to the Direct Consumer containing information about corrections to the invoiced information.

Approximately 14 Months after dispatching the Security of Supply Charge mentioned in clause 18.3, Energinet shall send a credit note/an invoice to the Direct Consumer containing information about corrections to the invoiced information.

**18.3.2 Invoice related to an extraordinary correction**

In extraordinary cases, Energinet may, in addition to the 1<sup>st</sup> and 2<sup>nd</sup> Correction, send a credit note/invoice to the Direct Consumer containing information about corrections to the invoiced information.

**18.4 Payment**

- a) All payments from the Shipper shall be made by bank transfer to the bank account specified by Energinet.
- b) All payments from Energinet shall be made by bank transfer to the bank account specified by the Shipper.
- c) By giving 30 Business Days' prior notice of a due date for payment, each of the parties may choose a different bank.
- d) Payment shall be considered to have been made in time if the amount is transferred to the party's bank before 11:00 on the payment date. All costs associated with the transfer of amounts to a party's bank account shall be paid by the party making the transfer.

- e) All payments pursuant to the RfG shall be made in DKK.

#### **18.5 Due dates**

- a) The due date for the payment of monthly invoices in accordance with clauses 18.1 - 18.3.2 is the 25<sup>th</sup> of the current month. However, Energinet may extend the due date to the 25<sup>th</sup> of the following month if the relevant data are delayed.
- b) The due date for the payment of interest invoices in accordance with clauses 17 and 18 is 3 Business Days after the invoice was sent.
- c) If the due date is not a Business Day, payment shall be made on the Business day immediately before the due date.

#### **18.6 Late payment**

In the event of late payment, Energinet is entitled to charge reminder fees and default interest. The default interest shall be calculated from and including the due date to and including the day on which payment is received, at an annual interest rate corresponding to the discount rate of Danmarks Nationalbank at any given time with an addition of 5 percentage points. Such reminder fees and default interest shall be invoiced separately and as soon as possible.

#### **18.7 Disagreement on payments etc.**

- a) In the event of disagreement on a payment, payment shall be made in accordance with the invoices. After an agreement has been reached or a decision has been made about such payment, any difference between the payment according to the invoice and the decision shall be settled in accordance with clause 18.8.
- b) If a payment or documentation for credit approval with security in accordance with clause 19 remains outstanding for 5 Business Days, Energinet may, by giving 1 Business Day's notice, demand to receive all outstanding payments and/or terminate the relevant Capacity Agreement or Shipper Framework Agreement, see clause 22.1.

#### **18.8 Errors or inaccuracies**

- a) Each party is entitled by giving reasonable notice to gain access to the data on which an invoice is based with a view to verifying the invoice. If such a review reveals inaccuracies in an invoice which are not corrected in connection with Corrections or the Reconciliation, the invoice shall be corrected immediately, and payment in arrears, including interest in accordance with clause 18.6, shall be made in accordance with clause 18.5 a) and c).

Thus, the Shippers and Energinet cannot claim payment of interest against each other for disbursements which they have made in accordance with an invoice (or credit note) issued by Energinet prior to the due date specified in Energinet's latest invoice (or credit note) related to correction or reconciliation.

- b) In connection with extraordinary irregularities or deviations in the current data on which the allocation of Natural Gas quantities is based, Energinet may choose to refrain in full or in part from invoicing the relevant fees and to invoice relevant imbalances at the Neutral Gas Price.

- c) All data concerning invoices shall be kept for 5 Years. However, data subject to disagreement or legal dispute must always be kept for at least 1 Year after such disagreement has been resolved.

## **19. Credit approval**

### **19.1 Credit approval of the Shipper**

In order to be able to conclude Capacity Agreements a Shipper shall have obtained credit approval for a given Credit Limit from Energinet and provide security, if required by Energinet.

The Shipper shall send an email to Energinet (gasinfo@energinet.dk) with a credit approval request stating the desired Credit Limit. The request shall be accompanied by documentation in the form of the Shipper's latest financial statements and all subsequently published financial reports in order to form a true and fair view of the Shipper's creditworthiness. The Shipper warrants that the documentation provided gives a true and fair view of the Shipper's creditworthiness at the time the request is sent and shall provide Energinet with such additional information about matters not appearing from the documentation forwarded as is considered necessary in order to give Energinet a true and fair view of the Shipper's creditworthiness. As soon as Energinet is in possession of information adequate to assess the Shipper's creditworthiness, Energinet will within 5 Business Days inform the Shipper of the result of such assessment, including the Credit Limit and whether security must be provided.

If Energinet has questions relevant for its assessment of the Shipper's creditworthiness, the Shipper shall answer such questions in detail and without undue delay. Should questions arise regarding the Shipper's annual financial statements etc., the Shipper shall permit its external auditor to provide Energinet with the answers.

Energinet may forward and disclose all relevant information and documentation received from the Shipper to a third party, if needed, in order to assess the creditworthiness of the Shipper. The creditworthiness of the Shipper is based on the equity ratio and the equity.

#### **19.1.1 Credit Limit**

The Credit Limit shall apply collectively to all the Shipper's agreements with Energinet.

The Shipper's Credit Limit shall at all times cover the payments in connection with the Shipper's requirement for Capacity, Imbalance Quantity and the use of the CTF in consecutive periods of 2 Months. Thus, the Shipper's Credit Limit shall at a minimum cover:

- a) Capacity Charge for the current Month;  
plus
- b) the maximum possible Commodity Charge for all available Capacities for the current Month;  
plus
- c) the maximum possible Commodity Charge for all available Capacities for the previous Month;  
plus
- d) any current or expected outstanding charges to Energinet.

The minimum Credit Limit in the Transmission System is DKK 2,000,000, and prior to the granting of Credit Limits in excess of DKK 25,000,000, a detailed account of the reasons for such requirement may be solicited. The rules for the use of the Credit Limit in connection with Gas Transfers via GTF are laid down in the Rules for GTF.

Notwithstanding the above, the Credit Limit shall always cover all the Shipper's outstanding charges, fees and payments, including Energinet's expectations in this respect. On this basis, Energinet may demand that the Credit Limit be increased without notice.

On the basis of changes in the Shipper's expected payments or use of the GTF, the Shipper may request an increase in or reduction of the Credit Limit. On the basis of the request, Energinet will make a new credit assessment in accordance with this clause 19.

### **19.1.2 Security**

A request for provision of security shall be made not later than 5 Business Days after receipt of the Shipper's request for a Credit Limit or at the time when Energinet ascertains that the Shipper no longer satisfies the requirements.

The Shipper shall provide the requested security as soon as possible and, in all events, within the time limit set by Energinet.

#### **a) Forms of security**

The Shipper shall provide security in DKK in favour of Energinet in one of the following forms:

- i) an unconditional, irrevocable and, in the opinion of Energinet, satisfactory Guarantee Payable on Demand, cf. Appendix 9, provided by a bank acceptable to Energinet;
- ii) an unqualified, unconditional, irrevocable and, in the opinion of Energinet, satisfactory deposit in the equivalent amount of the security and payable on demand in a bank acceptable to Energinet, see Appendix 9;
- iii) an unqualified, unconditional, irrevocable and, in the opinion of Energinet, satisfactory Guarantee Payable on Demand from a third party, see Appendix 9. Energinet shall assess the third party's creditworthiness and shall in the event of changes in the third party's creditworthiness be entitled to demand other security; or

All costs of furnishing the security shall be paid by the Shipper.

Security in the form of a Guarantee Payable on Demand (clause 19.1.2 a) i) and iii) above) or a bank deposit (clause 19.1.2 a) ii) above) shall only be payable on Energinet's written request and without the provision of further documentation.

Energinet may only use amounts paid under the security to settle its claims against the Shipper in accordance with RfG. Energinet shall inform the Shipper of its use of the security and of which claims the amount in question covers. Energinet shall be liable to the Shipper for releasing him from the claims settled by the use of the security.

Notwithstanding the expiry or termination of the Shipper Framework Agreement, the Shipper shall maintain the security until any and all claims against him under RfG have been settled. If the Shipper transports Natural Gas for Gas Suppliers with Daily Read Metering Sites, the security shall be maintained for up to 3 Months after the expiry or termination of the Shipper Framework Agreement. If the Shipper transports Natural Gas for Gas Suppliers with Non-Daily Read Metering Sites, part of the security shall be maintained for up to 16 Months after the expiry or termination of the Shipper Framework Agreement.

b) Failure to provide security

If the Shipper no longer satisfies the requirements concerning the form of security, the Shipper shall be informed accordingly and be given 5 Business Days to comply with the requirements. If the Shipper does not provide documentation within the said 5 Business Days that the requirements concerning security are satisfied, the Shipper shall be regarded as having breached the Shipper Framework Agreement, and the consequences provided in clause 18.7 b) shall apply.

c) Release of security

On expiry or termination of the Shipper Framework Agreement, Energinet shall release the security when all claims against the Shipper under RfG have been settled.

If security has been provided in the form of a deposit, full or partial repayment of any remaining deposit shall be made by Energinet offsetting the remaining deposit against Energinet's outstanding claims under RfG. Repayment shall be made in accordance with the rules given in clause 18.

If security has been provided in the form of a bank guarantee, see clause 19.1.2 a) i), bank deposit, see clause 19.1.2 a) ii), or a Guarantee Payable on Demand, see clause 19.1.2 a) iii), Energinet shall be under an obligation to the provider of the security to approve the release of such security.

### **19.1.3 Credit check**

On a regular basis, Energinet will perform a credit check to establish whether the Shipper has sufficient credit to act in the Transmission System. Also, following every completed Auction, Energinet will perform a credit check to verify that the Shipper has sufficient credit to cover the concluded Capacity Agreement.



**19.1.4 Insufficient credit**

If the Shipper exceeds its Credit Limit, the Shipper will be limited in his options in the Transmission System. In case of insufficient credit, the following threshold limits and consequences hereof shall apply:

- a) If the Shipper uses more than 110% of its Credit Limit, the Shipper will automatically be limited in his options in the Transmissions System (insufficient credit level 1, see clause 19.1.5).
- b) If the Shipper uses more than 100% of its Credit Limit during more than 5 Gas Days per Gas Year, the Shipper will automatically be limited in its options in the Transmissions System (insufficient credit level 1, see clause 19.1.5).
- c) If the Shipper uses more than 110% of its Credit Limit during more than 5 Gas Days per Gas Year, the Shipper will automatically be suspended from the Transmission System (insufficient credit level 2, see clause 19.1.6).

**19.1.5 Limitations in the Shipper's options in the Transmission System (insufficient credit level 1)**

If the Shipper has insufficient credit as set out in clause 19.1.4 a) and b), the Shipper will receive an email from Energinet informing the Shipper of this.

Furthermore, the Shipper may no longer:

- a) export Natural Gas at the Exit Points;
- b) inject Natural Gas into the Storage Facilities;
- c) transfer Natural Gas by using the GTF;
- d) bid for Capacities at PRISMA; and
- e) sell Natural Gas at the ETF on EEX.

Furthermore, the Shipper's Nominations at the Entry, GTF, and Storage Point(s) will be reduced pro rata in order for the Nominations to be covered by the Credit Limit.

**19.1.6 Suspension from the Transmission System (insufficient credit level 2)**

If the Shipper has insufficient credit as set out in clause 19.1.4 c), the Shipper will receive an email from Energinet informing the Shipper of this, and the Shipper will immediately be suspended from acting in the Transmission System. All Capacity Agreements etc. will be terminated.

**19.2 Credit approval of the Direct Consumers**

In order to be able to act as a Direct Consumer to a Direct Site the Direct Consumer shall have obtained credit approval for a given Credit Limit from Energinet and provide security, if required by Energinet.

The Direct Consumer shall send an email to Energinet (gasinfo@energinet.dk) with a credit approval request stating the desired Credit Limit. The request shall be accompanied by documentation in the form of the Direct Consumer's latest financial statements and all subsequently published financial reports in order to form a true and fair view of the Direct Consumer's creditworthiness. The Direct Consumer warrants that the documentation provided gives a true and fair view of the Direct Consumer's creditworthiness at the time the request is sent and shall provide Energinet with such additional information about matters not appearing from the documentation forwarded as is considered necessary in order to give Energinet a true and fair view of the Direct Consumer's creditworthiness. As soon as Energinet is in possession of information adequate to assess the Direct Consumer's creditworthiness, Energinet will within 5 Business Days inform the Direct Consumer of the result of such assessment, including the Credit Limit and whether security must be provided.

If Energinet has questions relevant for its assessment of the Direct Consumer's creditworthiness, the Direct Consumer shall answer such questions in detail and without undue delay. Should questions arise regarding the Direct Consumer's annual financial statements etc., the Direct Consumer shall permit its external auditor to provide Energinet with the answers.

Energinet may forward and disclose all relevant information and documentation received from the Shipper to a third party, if needed, in order to assess the creditworthiness of the Shipper. The creditworthiness of the Shipper is based on the equity ratio and the equity.

#### **19.2.1 Credit Limit**

The Credit Limit shall apply collectively to all the Direct Consumer's agreements with Energinet.

The Direct Consumer's Credit Limit shall at all times cover the payments in connection with the Security of Supply Charge in consecutive periods of 2 Months. Thus, the Direct Consumers' Credit Limit shall at a minimum cover:

- a) the maximum possible Security of Supply Charge for the current Month;  
plus
- b) the maximum possible Security of Supply Charge for the previous Month.

The minimum Credit Limit in the Transmission System is DKK 2,000,000, and prior to the granting of Credit Limits in excess of DKK 25,000,000, a detailed account of the reasons for such requirement may be solicited.

Notwithstanding the above, the Credit Limit shall always cover the Security of Supply Charge. Energinet may demand that the Credit Limit be increased without notice.

#### **19.2.2 Security**

A request for provision of security shall be made not later than 5 Business Days after receipt of the Direct Consumer's request for a Credit Limit or at the time when Energinet ascertains that the Direct Consumer no longer satisfies the requirements.

The Direct Consumer shall provide the requested security as soon as possible and, in all events, within the time limit set by Energinet.

a) Forms of security

The Direct Consumer shall provide security in DKK in favour of Energinet in one of the following forms:

- i) an unconditional, irrevocable and, in the opinion of Energinet, satisfactory Guarantee Payable on Demand, cf. Appendix 9, provided by a bank acceptable to Energinet;
- ii) an unqualified, unconditional, irrevocable and, in the opinion of Energinet, satisfactory deposit in the equivalent amount of the security and payable on demand in a bank acceptable to Energinet, see Appendix 9;
- iii) an unqualified, unconditional, irrevocable and, in the opinion of Energinet, satisfactory Guarantee Payable on Demand from a third party, see Appendix 9. Energinet shall assess the third party's creditworthiness and shall in the event of changes in the third party's creditworthiness be entitled to demand other security; or

All costs of furnishing the security shall be paid by the Direct Consumer.

Security in the form of a Guarantee Payable on Demand (clause 19.1.2 a) i) and iii) above) or a bank deposit (clause 19.1.2 a) ii) above) shall only be payable on Energinet's written request and without the provision of further documentation.

Energinet may only use amounts paid under the security to settle its claims against the Direct Consumer in accordance with RfG. Energinet shall inform the Direct Consumer of its use of the security and of which claims the amount in question covers. Energinet shall be liable to the Direct Consumer for releasing him from the claims settled by the use of the security.

Notwithstanding the expiry or termination of the Direct Consumer Framework Agreement, the Direct Consumer shall maintain the security until any and all claims against him regarding the payment of Security of Supply Charge have been settled.

b) Failure to provide security

If the Direct Consumer no longer satisfies the requirements concerning the form of security, the Direct Consumer shall be informed accordingly and be given 5 Business Days to comply with the requirements. If the Direct Consumer does not provide documentation within the said 5 Business Days that the requirements concerning security are satisfied, the Direct Consumer shall be regarded as having breached the Direct Consumer Framework Agreement, and the consequences provided in clause 18.7 b) shall apply.

c) Release of security

On expiry or termination of the Direct Consumer Framework Agreement, Energinet shall release the security when all claims against the Direct Consumer regarding the payment of Security of Supply Charge have been settled.

If security has been provided in the form of a deposit, full or partial repayment of any remaining deposit shall be made by Energinet offsetting the remaining deposit against Energinet's outstanding claims. Repayment shall be made in accordance with the rules given in clause 18.

If security has been provided in the form of a bank guarantee, see clause 19.1.2 a) i), bank deposit, see clause 19.1.2 a) ii), or a Guarantee Payable on Demand, see clause 19.1.2 a) iii), Energinet shall be under an obligation to the provider of the security to approve the release of such security.

### **19.2.3 Credit check**

On a regular basis, Energinet will perform a credit check.

### **19.2.4 Insufficient credit**

If the Direct Consumer exceeds its Credit Limit, the Direct Consumer will be limited in its options to supply Natural Gas from the Transmission System to its Direct Sites.

In case of insufficient credit, the following threshold limits and consequences hereof shall apply:

- a) If the Direct Consumer uses more than 110% of its Credit Limit, the Direct Consumer will automatically be limited in its options to supply Natural Gas from the Transmission System to its Direct Sites (insufficient credit level 1, see clause 19.2.5).
- b) If the Direct Consumer uses more than 100% of its Credit Limit during more than 5 Gas Days per Gas Year, the Direct Consumer will automatically be limited in its options to supply Gas from the Transmission System to its Direct Sites (insufficient credit level 1, see clause 19.2.5).
- c) If the Direct Consumer uses more than 110% of its Credit Limit during more than 5 Gas Days per Gas Year, the Direct Consumer will automatically be suspended from supplying Natural Gas from the Transmission System to its Direct Sites (insufficient credit level 2, see clause 19.2.6).

### **19.2.5 Limitations in the Direct Consumer's options in the Transmission System (insufficient credit level 1)**

If the Direct Consumer has insufficient credit as set out in clause 19.2.4 a) and b), the Direct Consumer will receive an email from Energinet informing the Direct Consumer of this.

Furthermore, the Direct Consumer may no longer supply the Direct Site(s) with Natural Gas.

### **19.2.6 Suspension from the Transmission System (insufficient credit level 2)**

If the Direct Consumer has insufficient credit as set out in clause 19.2.4 c), the Shipper will receive an email from Energinet informing the Direct Consumer of this, and the Direct Consumer will immediately be suspended from supplying Natural Gas from the Transmission System to its Direct Sites.



## **20. Assignment and transfer**

Capacity Transfers in the Transmission System can be made in accordance with the Rules for CTF.

Gas Transfers in the Transmission System can be made via Nominations for GTF in accordance with the Rules for GTF.

With the prior written acceptance by Energinet, a Shipper may assign all of its rights and obligations pursuant to a Capacity Agreement to another Shipper. If Energinet does not accept such assignment, it shall state the reasons.

## **21. Venue and applicable law**

### **21.1 Venue**

The parties shall seek to resolve by negotiation all disputes between the parties regarding the interpretation or breach of agreements, including any claims raised as a consequence of disputes.

If the parties are unable to resolve a dispute by negotiation within 20 Business Days of the date on which a request for negotiation was presented by a party, the dispute shall be finally settled by arbitration in accordance with the Rules of Procedure for Arbitration of the Danish Institute of Arbitration, unless the dispute falls within the jurisdiction of another court of law or public authority. The arbitration tribunal shall consist of three arbitrators who shall fulfil the requirement to arbitrators in the abovementioned Rules of Procedure. Each party shall propose an arbitration judge and shall strive to propose an arbitration judge who has knowledge of the natural gas industry. The chairman of the arbitral tribunal shall be proposed by the Danish Institute of Arbitration.

The court of arbitration shall be set in Copenhagen, Denmark.

The arbitration proceedings shall be conducted in the Danish language.

### **21.2 Applicable law**

The agreements shall be governed by Danish law.

### **21.3 Priority**

RfG have been prepared in an English version and a Danish version. The Danish version is a non-legally binding translation. No discrepancies between the two versions are intended. However, if discrepancies are found in the wording of the two versions, the English legally binding version shall prevail.

## **22. Termination and liability**

### **22.1 Termination due to breach of agreement**

In the event of material breach of a party's obligations under a Shipper Framework Agreement, including repeated, material breach of Capacity Agreements, the other party is entitled to terminate the Shipper Framework Agreement.

In the event of material breach of a party's obligations under a Capacity Agreement, the other party is entitled to terminate the Capacity Agreement. If the termination of a Capacity Agreement is due to the Shipper's material breach hereof, the Shipper is no longer entitled to use any Capacity under the terminated Capacity Agreement. Energinet may resell or otherwise dispose of the remaining Capacity under the terminated Capacity Agreement.

Termination of the Shipper Framework Agreement under which a Capacity Agreement has been concluded shall be regarded as material breach of the Capacity Agreement and may lead to termination of the Capacity Agreement.

Failure to pay any outstanding amounts under a Capacity Agreement and lack of or insufficient documentation for a credit approval and/or security under a Shipper Framework Agreement shall be regarded as material breach and may, see clause 18.7 b), lead to termination.

In other cases than failure to pay or lack of or insufficient documentation for a credit approval and/or security, an agreement can only be terminated provided that the party wishing to terminate it has demanded in writing that the material breach be remedied and the other party has not remedied the material breach within 10 Business Days of receiving such demand.

A party is also entitled to terminate one or more of the agreements without notice if the other party is declared bankrupt or becomes insolvent, suspends its payments or is subject to compulsory or voluntary liquidation or similar and the party/estate has not provided the necessary security within a time limit set by the other party.

### **22.2 Liability**

A party which does not satisfy its obligations under one or more of the agreements shall compensate the other party ("Injured Party") for all directly documented losses suffered by the Injured Party as a consequence thereof. The Liable Party cannot be held liable for the Injured Party's operational losses and other indirect losses, including recourse claims from the party's co-contractors unless the Liable Party acted wilfully or grossly negligently.

For the avoidance of doubt it should be noted that in the event of a Capacity Agreement being terminated due to the Shipper's material breach hereof, the Shipper shall be liable to pay damages to Energinet for any loss suffered in this connection. The fact that Energinet sells Capacity for the Capacity Period covered by the terminated Capacity Agreement after its termination, does not exempt the Shipper from liability unless he can document that Energinet has been able to sell the Capacity covered by the terminated Capacity Agreement to another Shipper. However, Energinet shall use reasonable efforts to sell such Capacity.

If Energinet is the Liable Party and assesses that a claim brought against it shall not be covered finally by Energinet but by a liable third party or at an even earlier level, the Injured Party which has brought the claim against Energinet is not entitled to pursue such claim against En-



erginet but shall instead seek recourse against the natural person or persons or legal entity or entities referred to by Energinet.

In such event, Energinet shall assign to the Injured Party any contractual rights against such liable third party, including rights according to RfG. Energinet shall have the right to monitor the case and present comments on the conduct of the case against the party or parties referred to.

If, in a claim raised with the courts against one or more parties referred to Energinet, the court does not fully uphold the Injured Party's claim, the Injured Party is entitled to raise the claim against Energinet, and any statutory limitation rules shall be regarded as suspended in relation to Energinet.

In cases in which an event is subject to fees or charges as described in clause 17.2, a party cannot be held further liable except in the cases described in clauses 17.2 b) and c), 11.3 d), 11.3 e), 11.4 a), 11.4 d), 11.5 b) and 14. In the case of compulsory Capacity Transfers pursuant to clause 5.7.3, the Transferring Shipper may not claim damages unless Energinet, in exercising its powers, has acted in direct violation of the criteria for evaluating the requirement for Capacity, and this has been done wilfully.

Unless the Distribution Company, Gas Storage Denmark or Energinet have acted wilfully or grossly negligent, such parties cannot be held liable for errors in information in the Register of Players, lack of access to the Register of Players, failure to update the Register of Players, failure to back-up the Register of Players or faults in systems used to operate the Register of Players.

If Natural Gas made available in the Domestic Exit Zone, the Storage Point or the Exit Point complies with the Quality and Delivery Specifications, Energinet cannot be held liable for the Natural Gas unless otherwise follows from mandatory legislation.

With respect to liability in connection with incorrect measurements in the Gas Metering System, reference is made to clauses 12.5 and 12.6 above.

Energinet shall incur no liability regarding suspension, alteration or postponement of an Auction in accordance with clause 5.2.4. Energinet is not liable for its estimations of the probability of Interruptible Capacity becoming available in accordance with clause 17.1 b). This applies also if no Backhaul occurs.

### **22.3 Termination without cause of the Shipper Framework Agreement**

A Shipper may terminate the Shipper Framework Agreement giving a notice corresponding to the longest Capacity Period in the Shipper's Capacity Agreements concluded on the basis of the Shipper Framework Agreement plus at least 2 Months. The Shipper Framework Agreement shall always be terminated to the first Gas Day of a Month and always provided that all outstanding payments and obligations remain in force until satisfied in full.

The handling of the Shipper's payables or receivables in relation to clause 7.9.3 may continue for a period of time after the Shipper has ceased to be a Player in the Danish Gas System, see clause 19.1.2 a) concerning maintenance of security after termination of a Shipper Framework Agreement with Energinet.

If, notwithstanding the foregoing, the Shipper still has Capacity Agreements in effect when the Shipper Framework Agreement is terminated, the provisions of the second paragraph of clause 22.1 shall apply.

## **23. General provisions**

### **23.1 Confidentiality**

Unless otherwise stated in the mutual cooperation procedures of the Distribution Company, Gas Storage Denmark and Energinet as well as in RfG, RGS, the Distribution Company Distribution Company's Standard Conditions or legislation, the Distribution Company, Gas Storage Denmark and Energinet shall treat the agreements and information provided by the Players as confidential.

However, the Distribution Company, Gas Storage Denmark and Energinet shall be entitled to publish information anonymously including, but not limited to information about:

- a) the number of Capacity Orders;
- b) available Capacity;
- c) the Capacity for which Capacity Agreements have been concluded;
- d) the number of Shipper Framework Agreements;
- e) the number of Gas Supplier Framework Agreements;
- f) the number of Capacity Agreements;
- g) the number of Shippers; and
- h) the use of the Entry, RES Entry, CTF, GTF, Storage, Transition, Exit, Non-domestic Consumption, Non-domestic Production and Non-domestic Storage Point(s).

### **23.2 Headings**

The headings in RfG and appendices are included only for reasons of clarity and are not part of the agreements.

### **23.3 Passivity**

If, at any time, a party fails to demand the compliance of another party with the provisions contained in these rules, this shall not affect the parties' right to require compliance with such rule at a later stage. Failure by a party on one or more occasion(s) to assert its rights shall not be taken to mean that it relinquishes its rights in similar or other cases.