

Rules for CTF

(Rules for Capacity Transfer Facility)

TERMS AND CONDITIONS
FOR BILATERAL TRADE OF CAPACITY
IN THE TRANSMISSION SYSTEM

Version 10.0

1 October 2019

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Appendix 1: CTF standard agreement

1. Introduction

The purpose of these Rules for CTF is to create a simple and well-documented capacity transfer facility by means of which certain Capacity in the Transmission System can be transferred from one Shipper to another.

A Capacity Transfer in accordance with these rules will result in a reduction in the Transferring Shipper's Capacity and a corresponding increase in the Receiving Shipper's Capacity.

These Rules for CTF provide opportunities for competition between the primary market (Capacity purchased in accordance with the RfG) and the secondary market (Capacity transferred in accordance with these Rules for CTF). The Capacity Transfer procedures have consequently been prepared on the basis of the procedures for purchase of Capacity in accordance with RfG. These Rules for CTF are a supplement to the applicable version of the RfG.

These Rules for CTF govern all kind of Capacities, excluding Capacity marketed and sold at PRISMA initially (Capacities at the Entry and Exit Points at Ellund and Dragør). PRISMA offers a secondary market functionality for trading of these Capacities (capacity transfer). In the event PRISMA is not available, all Shippers will be informed per email and these Rules for CTF may be used as a default procedure.

1.1 Commencement

These Rules for CTF, version 9.0, enter into force on 1 November 2015, superseding the Rules for CTF, version 8.0, in their entirety from this date.

2. Definitions

Unless otherwise indicated by the context, the following terms shall have the meaning specified below:

Capacity Transfer Order is the order for Capacity Transfer submitted by the Initiating Shipper.

Initiating Shipper is the Shipper, who is initiating a Capacity Transfer by sending a Capacity Transfer Order.

Manual Transfer Procedure is the manual procedure by means of which Capacity Transfer Orders are submitted to Energinet by email.

Online Transfer Procedure is the online procedure by means of which Capacity Transfer Orders are submitted to Energinet by using Energinet Online.

Receiving Shipper is the Shipper, who is receiving Capacity from the Transferring Shipper.

Responding Shipper is the Shipper, who is responding on a Capacity Transfer Order initiated by the Initiating Shipper.

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

Transferring Shipper is the Shipper, who is transferring Capacity to the Receiving Shipper.

All other defined terms shall have the meaning specified in the version of RfG applicable at any time.

3. Capacity Transfer

3.1 Capacity Transfers in the Transmission System

Capacities in one Gas Day or multiples of Gas Days may be transferred from one Shipper (Transferring Shipper) to another Shipper (Receiving Shipper) by means of Energinet's capacity transfer facility (CTF).

3.2 Procedures for Capacity Transfers

The two procedures described below shall apply when Shippers want to transfer Capacity via the CTF. Under both procedures the transfer of Capacity is initiated by the Initiating Shipper sending a Capacity Transfer Order to Energinet, which shall subsequently be confirmed by the other Responding Shipper involved.

Capacity Transfers may be performed in accordance with the Online Transfer Procedure by means of which Capacity Transfer Orders are submitted to Energinet by using Energinet Online.

A description of the Online Transfer Procedure as well as the detailed conditions for using the Online Transfer Procedure are provided in clause 3.5, in the Online Access Agreement and the user manual to Energinet Online found on Energinet's website. In case of any discrepancy between the Rules for CTF, the Online Access Agreement and/or the aforementioned user manual, the Rules for CFT shall prevail and in case of any discrepancy between the Online Access Agreement and the aforementioned user manual, the Online Access Agreement shall prevail.

The Manual Transfer Procedure may be used as a default procedure if the Online Transfer Procedure is not available, cf. clause 3.6. With the Manual Transfer Procedure, Capacity Transfers are executed by the Transferring Shipper sending the Capacity Transfer Order by email to Energinet.

3.3 Conditions for carrying out Capacity Transfers

Before submitting or sending a Capacity Transfer Order in accordance with clause 3.5 or clause 3.6:

- a) the Transferring Shipper shall:
 - (i) have entered into a Shipper Framework Agreement with Energinet; and

- (ii) have a Capacity for the Capacity Period to which the Capacity Transfer relates equal to or greater than the Capacity which the Shipper wants to transfer during the said period; and
- b) the Receiving Shipper shall:
 - (i) have entered into a Shipper Framework Agreement with Energinet; and
 - (ii) have a Credit Limit considered adequate by Energinet, cf. the RfG.

If the Shippers act as both Transferring Shipper and Receiving Shipper to each other during the term of the agreement, the requirements set out in points a) and b) above shall apply to both of them.

If the aforementioned conditions have not been met, the Capacity Transfer Order can be refused. Capacity Transfer Orders may also be refused for the reasons provided in clause 3.6.5.

Regardless of any execution of Capacity Transfers, the Transferring Shipper shall still be liable for his Capacity Charges in the Transmission System, cf. the RfG.

The price and terms of payment for the transferred Capacities and other terms and conditions of the agreement between the Transferring Shipper and the Receiving Shipper are matters to be dealt with exclusively by the Transferring Shipper and the Receiving Shipper.

The Receiving Shipper shall be liable to Energinet for Commodity Charges and any other charges, fees and liabilities resulting from his use of the Capacity received, cf. the RfG.

3.4 Conditions for using the Online Transfer Procedure via Energinet Online

If the Shipper wants to execute Capacity Transfers via Energinet Online, the Shipper shall register one or more Capacity Users in Energinet Online and agree to the standard terms of use by completing and signing the Online Access Agreement, cf. Appendix 6A to RfG.

Upon receipt of a duly completed and signed Online Access Agreement, the Shipper shall receive an email from Energinet with the Shipper's user name. Furthermore, the Shipper's Capacity Users shall receive a notification by email containing user ID and information about receiving of a password, which provides such employees with a personal access to Energinet Online.

For further details regarding liability and security with regard to the use of Energinet Online, reference is made to the Online Access Agreement.

3.5 Online Transfer Procedure

3.5.1 Information to be included in a Capacity Transfer Order

Capacity Transfer Orders shall include the following information:

- (i) the desired Entry Point, BNG Entry Point, Exit Point or Exit Zone;
- (ii) the requested Capacity Period for the Capacity in question;
- (iii) the requested Capacity Transfer's Maximum Hourly Quantity at the Entry Point, expressed in kWh/Hour;
- (iv) the Shippers Codes;
- (v) whether the Shipper is a Transferring Shipper or a Receiving Shipper; and
- (vi) the names of the respective Shippers' contact persons.

If the Receiving Shipper has Capacity Agreements with the same Entry Point, BNG Entry Point, Exit Point or Exit Zone, he may pool the Capacity for those with the transferred Capacity if the Capacity Periods overlap.

3.5.2 Booking of Capacity Transfers

The Initiating Shipper shall dispatch a Capacity Transfer Order by using Energinet Online.

If the Initiating Shipper transfers Capacity, a validation will be performed upon the dispatch of the Capacity Transfer Order in order to verify that the Transferring Shipper has sufficient Capacity available, cf. clause 3.3 a) (ii). If the Capacity is available to be transferred the Transferring Shipper may accept and thereby book the Capacity Transfer Order. If the Capacity booked for transfer is not available, the Capacity Transfer Order will be refused.

If the Initiating Shipper shall receive Capacity, a validation will be performed upon the dispatch of the Capacity Transfer Order in order to verify that the Receiving Shipper has a sufficient Credit Limit, cf. clause 3.3 b) (ii). If the Credit Limit is sufficient, the Receiving Shipper may accept and thereby book the Capacity Transfer Order, cf. clause 3.5.3 below. If the Credit Limit is insufficient, the Capacity Transfer Order will be refused.

3.5.3 Responding to a booked Capacity Transfer Order

If the Responding Shipper wants to accept the booked Capacity Transfer Order, the Responding Shipper shall accept the booked Capacity Transfer Order by using the acceptance procedure at Energinet Online. This requires that the Responding Shipper's employee who is logged on to Energinet Online is authorised as a Capacity User.

If the Responding Shipper is transferring Capacity, a validation will be performed upon the acceptance of the booked Capacity Transfer Order in order to verify that the Transferring Shipper has sufficient Capacity available, cf. clause 3.3 a) (ii). If the Capacity is available to be transferred, the Responding Shipper may accept the booked Capacity Transfer Order. If the Capacity booked for transfer is not available, the booked Capacity Transfer Order will be cancelled, and the Initiating Shipper will receive an email stating that the Capacity Transfer cannot be executed.

If the Responding Shipper is receiving Capacity, a validation will be performed upon the acceptance of the booked Capacity Transfer Order in order to verify that the Responding Shipper has a sufficient Credit Limit, cf. clause 3.3 b) (ii) above. If the Credit Limit is sufficient, the Responding Shipper may accept the booked Capacity Transfer Order. If the Credit Limit is not sufficient, the booked Capacity Transfer Order will be cancelled, and the Initiating Shipper will receive an email stating that the Capacity Transfer cannot be executed.

The Responding Shipper's acceptance of the booked Capacity Transfer Order is deemed to be an offer to the Initiating Shipper to transfer Capacity among the Shippers. Thus, the Responding Shipper is bound by the acceptance of the booked Capacity Transfer Order.

Upon acceptance of the Capacity Transfer Order by a Capacity User of the Responding Shipper's, an email will be sent to the Initiating Shipper.

3.5.4 Deadline

An accepted booked Capacity Transfer Order can be approved by the Initiating Shipper until 03:00 before the first Gas Day in the Capacity Period to which the Capacity Transfer Order relates. It should be noted that it may take a few minutes for Energinet Online to process a Capacity Transfer Order. Energinet thus recommends that Shippers submit Capacity Transfer Orders in good time.

Energinet reserves the right to extend the time for processing Capacity Transfer Orders under special circumstances. In such event, the Shippers will be informed hereof via the e-mail addresses provided in the Shipper Framework Agreement.

3.6 Manual Transfer Procedure

3.6.1 Default procedure

In case the Online Transfer Procedure is not available, the Manual Transfer Procedure may be used as a default procedure. The following shall apply:

- a) If the Initiating Shipper has already booked a Capacity Transfer Order, the Responding Shipper shall contact Energinet in order for Energinet to accept the booked Capacity Transfer Order, after which the Initiating Shipper shall contact

Energinet in order for Energinet to approve the accepted booked Capacity Transfer Order. Only employees of the Shipper's authorised as Capacity Users in accordance with clause 3.4 or otherwise authorised by the Shippers to conclude Capacity Transfer Orders may accept Capacity Transfer Orders in accordance with this clause 3.6.1 a). Such authority shall be evidenced in writing towards Energinet.

- b) If the Initiating Shipper has not booked a Capacity Transfer Order, the Transferring Shipper shall use the Manual Transfer Procedure. In case the time limits as set forth in clause 3.6.3 have lapsed, the following shall apply:
 - (i) The Transferring Shipper shall complete the Capacity Transfer Order form found on Energinet's website and send it by email to anodning@Energinet. Capacity Transfer Orders shall be duly signed by a person employed by each Shipper and authorised to execute Capacity Transfers;
 - (ii) The Capacity Transfer Orders received will be processed in the order in which they are received by Energinet. However, Energinet is not obliged to process the Capacity Transfer Orders if this for any technical reasons whatsoever is not possible;
 - (iii) In case sufficient Capacity is not available or the Receiving Shipper does not have adequate Credit Limit, the Capacity Transfer Order will not be executed; and
 - (iv) Energinet may at its sole discretion prolong any time limits set forth.

3.6.2 Conditions for using the Manual Transfer Procedure

The Manual Transfer Procedure for Capacity Transfer Orders may be used:

- a) if both the Transferring Shipper and the Receiving Shipper have entered into Shipper Framework Agreements and in these have registered e-mail addresses from which binding Capacity Transfer Orders can be sent or confirmed. By registering the e-mail addresses in question, the Shippers accept that all Capacity Transfer Orders sent or confirmed from these e-mail addresses are binding on the Shippers;
- b) if the Capacity Transfer Order is sent or confirmed from the e-mail addresses registered under the Shipper Framework Agreement to the email address provided by Energinet for receiving Capacity Transfer Orders;
- c) if the potential Commodity Charges with full utilisation of the transferred Capacity can be accommodated within the Receiving Shipper's Credit Limit and Energinet finds that there is no need for additional security;
- d) if the Capacity Transfer Order does not entail the registration of new Player Relationships;

- e) if the Capacity Transfer Order is based on the Capacity Transfer Order applicable at any time, which can be found on Energinet's website; and
- f) if the Capacity Transfer Order relates to a Capacity Period commencing 2 Business Days after the date on which Energinet's order confirmation shall be available.

3.6.3 Dispatch of Capacity Transfer Orders – information to be included in Capacity Transfer Orders

Capacity Transfer Orders shall be sent by one of the Shippers to the e-mail address provided by Energinet with a copy ("cc") to the other Shipper and shall contain the information specified in clause 3.5.1.

In addition to the information specified in clause 3.5.1, the notice required in the RfG for changing Player Relationships before the beginning of the Month is also relevant when using the procedure for processing Capacity Transfer Orders.

Capacity Transfer Orders shall only be regarded as having been received by Energinet when Energinet has received confirmation of the Capacity Transfer Order from the other Shipper by e-mail from the address given in the Shipper Framework Agreement.

A discrepant confirmation will result in the Capacity Transfer Order being refused.

If the other Shipper's confirmation of the Capacity Transfer Order is received before 09:00 on a Business Day it will be processed before 17:00 2 Business Days later. If the confirmation of the Capacity Transfer Order is received on a day that is not a Business Day or the confirmation is received later than 09:00 on a Business Day, the Capacity Transfer Order will be processed before 17:00 on the following Business Day.

In certain situations Energinet reserves the right to extend the time for processing Capacity Transfer Order. In such case, the Shippers will be informed hereof via the email addresses provided in the Shipper Framework Agreements.

Upon receiving confirmation of the Capacity Transfer Order, Energinet shall send an acceptance or refusal as specified in clauses 3.6.4 and 3.6.5.

3.6.4 Registration and confirmation of Capacity Transfers

Capacity Transfers concluded by using the Manual Transfer Procedure shall be registered by Energinet upon acceptance of the Capacity Transfer Order.

Irrespective of whether both Shippers request a change in a Capacity Transfer or want to withdraw from it, Energinet may refuse the request.

3.6.5 Refusal of Capacity Transfer Orders

If Energinet is unable to fulfil a Capacity Transfer Order in accordance with this clause 3.6.5, it shall send a refusal within 3 Business Days of receiving the request.

Capacity Transfer Requests may be refused:

- a) if the Capacity Transfer Order is incomplete;
- b) if the Transferring Shipper does not have the necessary Capacity available;
- c) if the Shippers have not concluded the relevant agreements, cf. RfG;
- d) if Energinet considers that acceptance of the Capacity Transfer Order would result in a credit exposure exceeding the Receiving Shipper's Credit Limit, cf. the RfG; or
- e) if the Receiving Shipper has not registered Player Relationships before the commencement of the Capacity Period.

The reasons for refusing Capacity Transfers Requests shall always be stated.

3.7 Overlapping Capacity Transfers or withdrawal from concluded Capacity Transfers

If the Shippers want to change already concluded but not executed Capacity Transfers, they shall send a new Capacity Transfer Order in accordance with clause 3.5 or 3.6, stating how the parties want to change the Capacity Transfer Order already concluded. If the Shippers want to withdraw from the Capacity Transfer to which the Shippers have already agreed, the Shippers shall request new Capacity Transfers with the same Capacity and for the same Capacity Period, but with the original Receiving Shipper as the Transferring Shipper and vice versa.

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3.8 Updating the daily and seasonal quantity profile forms

In connection with their monthly updating of their daily and seasonal quantity profile forms, cf. the RfG, both Shippers shall take into account the possible consequences of their Capacity Transfer Orders.

3.9 Other matters

All other matters shall be regulated in accordance with the current version of RfG applicable at any time.

Appendix 1

CTF standard agreement between [Shipper A] and [Shipper B]

Agreement ID: [to be filled in by Energinet]

1. Contracting parties

This agreement on Capacity Transfers via the CTF has been concluded between the following contracting parties:

Transferring Shipper:

Name: **[Shipper A]**

Shipper Codes: **[Shipper Codes]**

Contact person: **[Name]**

Receiving Shipper:

Name: **[Shipper B]**

Shipper Codes: **[Shipper Codes]**

Contact person: **[Name]**

2. Terms and conditions of agreement

The contracting parties agree that the Capacity Transfers shall be carried out on the following principles:

- a) On the Gas Days specified in clause 3 below, the Transferring Shipper shall assign to the Receiving Shipper all Capacity rights and obligations pertaining to the Capacity also specified in clause 3, cf. clause 3.5 of the Rules for CTF, with the exception of its Capacity Charge obligations.
- b) On the Gas Days specified in clause 3 below, the Receiving Shipper shall accept a Capacity Transfer from the Transferring Shipper of the Transferring Shipper's Capacity rights and obligations pertaining to the Capacity also specified in clause 3 below.
- c) The Receiving Shipper's rights and obligations in relation to the Capacity follow from the RfG.

This agreement on Capacity Transfer shall otherwise be regulated by the Rules for CTF and Rules for Gas Transport applicable at any time.

3. Term of agreement

The Capacity to be transferred between the Shippers mentioned in this agreement is given below:

[Gas Day]; [Month]; [Year] , 06:00 hours - [Gas Day];[Month]; [Year], 06:00 Hours

4. Capacity and quantity

The Capacity Transfer applies to: [insert "X" in one box only]

- Firm Capacity
- Interruptible Level 1 Capacity
- Interruptible Level 2 Capacity

The Capacity Transfer applies to the following point: [insert "X" in one box only]

Entry Point

- Nybro
- Ellund
- Dragør

Exit Zone

- Capacity

Exit Point

- Nybro
- Ellund
- Dragør

BNG Entry Point

- Interruptible Capacity

The Maximum Hourly Capacity: _____ (kWh/Hour)

5. Signatures

Transferring Shipper:

Receiving Shipper:

Name: _____

Name: _____

Title: _____

Title: _____

Place/Date: _____

Place/Date: _____

Signature:

Signature: