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Business Terms of OTE, a.s.
for the Gas Sector

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1 GENERAL RULES

1.1 List of abbreviations

1.1.1 CA – certification authority;
1.1.2 CDS – Centre of Data Services, an integral part of CS OTE;
1.1.3 CM – type C metering – monthly readings;
1.1.4 CS OTE – central information system of the Market Operator;
1.1.5 DS – distribution system / distribution systems;
1.1.6 DM – day-ahead gas market organized by the market operator; it comprises morning and afternoon trading sessions;
1.1.7 BC – trade concluded on the basis of a bilateral contract on the gas supply between subjects of settlement pursuant to the Market Rules;
1.1.8 EAN – global system of coding and identification of goods, services and organizations;
1.1.9 EA – Act no. 458/2000 Coll. (Energy Act), on the terms of enterprise and on the execution of the state administration in energy branches, and on amendments of certain acts, in the wording of later regulations;
1.1.10 ERO – Energy Regulatory Office;
1.1.11 FS – financial security of a subject of settlement;
1.1.12 CBTS – cross-border transit station on border points;
1.1.13 HW – hardware for secure access to CS OTE;
1.1.14 PDT – customer points of delivery / transfer pursuant to the Energy Act, or transfer points between the transmission and distribution systems, transfer points between two distribution systems, transfer points between the distribution system on the territory of the Czech Republic and the distribution or transmission systems of the neighbouring states, transfer points between the Czech Republic's and the neighbouring transmission and/or distribution systems and transfer points between gas production facility and the distribution system;
1.1.15 BTG – Business Terms of OTE, a.s., for the Gas Sector (this document);
1.1.16 OTECA – certification authority of the supplier of CS OTE (Logica);
1.1.17 CBGL – cross-border gas line;
1.1.18 TS – transmission system;
1.1.19 UGSF – underground gas storage facility;
1.1.20 RMP – gas market participant registered with the Market Operator;
1.1.21 SW – software;
1.1.22 SS – subject of settlement / subjects of settlement;
1.1.23 LP – load profile;
1.1.24 IT – intra-day gas market organized by the market operator;
1.1.25 VSP – virtual sales point; the volume of gas nominated at the VSP and confirmed by the Market Operator is considered as delivered;
1.1.26 Web OTE – OTE's public website within the domain www.ote-cr.cz;
1.1.27 XML – a data exchange protocol (Extensible Mark-up Language).

1.2 Glossary of used terms not included in the Energy Act and Market Rules

1.2.1 Accepted bids – bids that are
1.2.1.1 in case of DM contained in the final solution in accordance with provisions of Appendix No. 3 to OTE's Business Terms for the Gas Sector (BTG),
1.2.1.2 in case of IM matched in accordance with provisions of Part 4.4 of BTG;

1.2.2 Active bid – a valid bid not excluded from the evaluation process;

1.2.3 Allocation Rules – allocation regimes on TS, UGSF or CBPL's input and output points set forth in the TS or DS Operator's Code; the Market Operator publishes the change of the allocation rule immediately after its acceptance by the TS or DS operator;

1.2.4 OTE's Bank – Komerční banka, a.s.;

1.2.5 Block – segment of a bid representing a block of gas determined by the volume of gas and price, which can be offered in the framework of bid for the respective gas trading day and demanded in the framework of demand in the morning or afternoon DM session; a bid / demand can contain up to 25 blocks with various volume of gas and various prices;

1.2.6 Gas tax – tax on natural gas pursuant to Act No. 261/2007 Coll., on the stabilization of public budgets, part 45;

1.2.7 Tax documents – tax documents under Article 28 of the Value Added Tax Act, or tax documents or sales documents pursuant to Article 17 of the Gas Tax Act;

1.2.8 Supplier – gas market participant with a concluded contract on the gas supply or on combined gas supply services for the respective PDTs;

1.2.9 Supervisor – the subject of settlement (SS), which transferred to another SS the responsibility for an imbalance in a specific PDT and which has access to data of the specific PDT in CS OTE; in case of change of a PDT supplier, the supervisor's access to data of the PDT is automatically cancelled;

1.2.10 EIC code – an alphanumerical code for identification of gas market participants and PDTs;

1.2.11 Contract – the smallest tradable unit in IT; one contract totals 0.1 MWh for the gas trading day;

1.2.12 Limit price – price in the demand in IT (buy order), which the buyers are willing to pay for gas, or the price in the bid in IT (sale order), which the sellers are ready to accept for gas;

1.2.13 Limit time – time period during which complaints concerning results of the Market Operator's individual activities may be submitted in accordance with BTG;

1.2.14 Marginal price – price of gas at the morning or afternoon DM session for a specific gas trading day set by the Market Operator in accordance with Appendix No. 3 to BTG;

1.2.15 Sale bid – an offer for sale of gas at the morning or afternoon DM session or an order for sale of gas in IT;

1.2.16 Inactive bid – a valid bid excluded from the bid evaluation process in the organized short-term gas market in accordance with BTG;

1.2.17 Indivisible condition – a condition of indivisibility of the offered volume in the first bid block at the morning or afternoon DM session, which expresses the interest of the bidder to sell this volume during the specific trading day only as a whole (it cannot be reduced);

1.2.18 Invalid bid– a bid that has not passed the checking process and, in case of the morning or afternoon DM session will not be included in the evaluation process of bids and, in case of IM, will not be offered for matching;

1.2.19 Unsettled preliminary / actual imbalance – the difference between preliminary / actual total imbalance of a subject of settlement and the value nominated for settlement on dates pursuant to the Market Rules;

1.2.20 The Market Operator – OTE;

1.2.21 Organized short-term market – organized short-term gas market;

1.2.22 Valid bid – a bid that has passed the checking process and, in case of morning and afternoon DM session, will be included in the bid evaluation process in DM, and, in case of IM, will be offered for matching;

1.2.23 Valid complaint – a complaint that has successfully passed all checks, and will be subsequently processed by the Market Operator;

1.2.24 Purchase bid – demand to buy gas during morning or afternoon DM session, or a gas purchase order in IM;

1.2.25 Observer – registered gas market participant which concluded a contract with the Market Operator and which has, on the basis of approval of the respective supplier in a specific PDT, or, in case of transfer points between DS, on the basis of approval of the respective DS operator, access to data of the respective PDT; the supplier in the respective PDT, or the TS operator, or the DS operator, takes over responsibility for unauthorized provision of data to a third person; there can be only one observer per PDT; the observer's access to data on such PDT is automatically cancelled in case of change of PDT's supplier;

1.2.26 Market Rules – ERO Decree on the Gas Market Rules set in compliance with the Energy Act, as amended;

1.2.27 Equilibrium – the point of intersection of the supply / demand curves during morning and afternoon DM session;

1.2.28 Matching (coupling) – mutual anonymous automatic assigning of purchase bids (buy orders) and sale bids (sale orders) in IM when terms of the respective purchase bids and sale bids are met;

1.2.29 User interface – OTE's user interface that provides access to the CS OTE with the assigned security elements;

1.2.30 Settlement rate – CZK/EUR exchange rate set by the bank of the Market Operator;

1.2.31 Value Added Tax Act – Act No. 235/2004 Coll., on value added tax as amended;

1.2.32 Gas Tax Act – Act No. 261/2007 Coll., on the stabilization of public budgets, part 45.

1.3 Billing and settlement of prices charged for the Market Operator's services and other payments

1.3.1 For its services the Market Operator charges prices in compliance with the appropriate ERO Price Decision using methods stipulated in the Market Rules.

1.3.2 Other payments which are settled by the Market Operator include:

1.3.2.1 claims for compensation and payment obligations for the gas traded in organized short-term market by participants of the organized short-term market, including regulating (balancing) gas in IM traded when preventing an emergency and during state of emergency, and controlled sale of unexploited gas in DM;

1.3.2.2 claims for compensation and payment obligations for delivery of regulating gas, including regulating gas traded in IM when preventing state of emergency and during state of emergency;

1.3.2.3 claims for compensation and payment obligations for preliminary and metered imbalances of the subjects of settlement that were not settled in kind;

1.3.2.4 claims for compensation and payment obligations for the settlement of differences between metered gas consumption and values set on the basis of load profiles of individual SS,

1.3.2.5 claims for compensation and payment obligations for the settlement of above-limit imbalances of the subjects of settlement,

1.3.3 Tax documents can be issued electronically in accordance with Article 26(4) of the Value Added Tax Act and Article 17(5) of the Gas Tax Act and sent to the e-mail address for communication, or to the e-mail address provided by the recipient of the document (OTE's e-mail address is elfa@ote-cr.cz).

1.3.4 In accordance with Article 35(1)(a) of clause 1 of the Market Rules, the price will be charged and settled during the SS's registration with the Market Operator. The Market Operator will issue a tax document and send it to the registered SS. Based on the tax documents, the SS will pay the price of registration with a payment order to the Market Operator's bank account with due date as stated in the tax document.

1.3.5 In accordance with Article 35(1)(a) of clause 2, (b) and (c) of the Market Rules, the price will be billed and settled within the monthly evaluation and settlement.

1.3.6 In accordance with Article 35(1)(a) of clause 3 of the Market Rules, the price will be billed and settled at the latest by the 15th calendar day after the end of the month: the Market Operator will issue a tax document and send it to the TS operator and to individual DS operators. Based on this tax document, the TS operator and DS operators will pay the price for settlement for gas consumed in their systems, including losses and own consumption, with a payment order to the Market Operator's account by the 10th working day from the date of delivery of the tax document.

1.4 Appendices to the Business Terms

1.4.1 Appendix No. 1 to the Business Terms: Message Formats.

1.4.2 Appendix No. 2 to the Business Terms: Forms.

1.4.3 Appendix No. 3 to the Business Terms: Evaluation Algorithm of the Day-Ahead Gas Market.

2 COMMUNICATION WITH THE MARKET OPERATOR

2.1 Secure access to CS OTE

2.1.1 CS OTE enables mutual communication and automatic data exchange between the Market Operator and registered gas market participants (subjects of settlement, TS operator, DS operators, or eventually other registered gas market participants) and between registered gas market participants themselves. Only registered gas market participants which concluded the respective contract with Market Operator have access to CS OTE.

2.1.2 Communication between CS OTE and the CS OTE user proceeds via internet, unless the Market Operator has agreed otherwise with the CS OTE user.

2.1.3 Secured access to CS OTE is ensured by using the access certificate (for authenticity) and signature certificate (for electronic signing of transactions), which allows the securing of messages sent between CS OTE and the Market Operator so that

2.1.3.1 the content of the message could not be changed without noticing;

2.1.3.2 the content of the message could not be read by an unauthorized person;

2.1.3.3 the identity of both communicating parties was guaranteed;

2.1.3.4 the sender could not deny sending and authoring the message.

2.1.4 Security elements with certificates issued by internal certification authority (OTECA) or public certification authority (CA) are used for access to CS OTE via the user interface; the authorities will ensure the electronic signature, authentication and secured communication with CS OTE.

2.1.5 The access to CS OTE is limited by the scope of user rights that are connected with individual security elements. Only the symmetric encrypting is used for encrypting.

2.1.6 The future CS OTE user is obliged to prepare the settings of the workstation designed for the connection to CS OTE meeting the minimal requirements for HW and certified SW that are specified in the material published on the Market Operator’s website.

2.1.7 The Market Operator is not responsible for damage resulting from unauthorized use of the security elements by the CS OTE user, or from their misuse by third persons, except for misuse by the CS OTE supplier.

2.1.8 For access to CS OTE, SMTP communication channel is used for bidirectional transmission of messages via electronic mail, HTTP(S) communication channel for bidirectional transmission of messages via Internet and the web interface communication channel for interactive work via the user interface and web browser. For more details see documents published on OTE’s website.

2.1.9 Formats of messages (files) for communication with CS OTE, rules for the use of messages, identification of registered market participants, PDT, principles for repeated sending of data, formats of dates, numbers, time, details of change-over to summer time and back, and other details are specified in Appendix No. 1 to these Business Terms.

2.1.10 In case of a failure of the Internet connection, or the method of connection to CS OTE agreed by contractual parties, the CS OTE user on the part of which the connection failed, will arrange a substitute connection to CS OTE.

2.1.11 The Market Operator guarantees that the CS OTE user will have a secured access to CS OTE and will be able to use all CS OTE functionalities that he has a right to accede in accordance with the concluded contract, if he adheres to these Business Terms.

2.1.12 The Market Operator is obliged to provide support with the use of CS OTE in the form of Help Desk to all gas market participants with which it has concluded contracts which contain BTG. The working hours of the Help Desk are published on OTE's website.

2.2 Secure access to CS OTE via internal CA

2.2.1 The future CS OTE user ensures the necessary number of security elements for secure access to CS OTE (and their installation, if needed) at the supplier of CS OTE on the basis of order and a filled-in form "C" pursuant to Appendix No. 2 to the Business Terms, at its own costs. Other conditions are published on OTE's website.

2.2.2 The CS OTE user will receive from CS OTE supplier two certificates and private keys (for access and signature) saved on an issued security element.

2.2.3 CS OTE supplier informs the Market Operator about newly issued certificates and the Market Operator will enter them in CS OTE.

2.2.4 The validity of OTECA digital certificates is two calendar years from their allocation. Before their validity expires, it has to be renewed as follows:

2.2.4.1 the Market Operator, or an institution authorized by the Market Operator, will notify the CS OTE user's authorized person by sending an automatic e-mail message saying that in 30 days the validity of the existing personal certificate will expire, and the electronic message is repeated once more 10 days before the expiration;

2.2.4.2 the CS OTE user's authorized person will apply, as soon as possible, for automatic renewal of the certificate under conditions published on OTE's website, or compile and send an order for the renewal of security elements according to instructions provided in the automatic electronic message in accordance with requirements defined on OTE's website;

2.2.4.3 the CS OTE supplier will send the required security elements with renewed personal certificates, or process the requirement for the automatic renewal of the certificate, and render the public part of the certificate to the Market Operator for registration in CS OTE;

2.2.4.4 the authorized person of the CS OTE user will verify with the use of an automatic renewal the functionality of the sent security elements, as well as of the imported certificates;

2.2.4.5 after successful verification of functionality, the CS OTE user will send the CS OTE supplier the form "Record of verification of the connection to CS OTE", which is placed on OTE's website;

2.2.4.6 the CS OTE supplier will issue and send a tax document for the supplier security elements to the CS OTE user;

2.2.4.7 the CS OTE user will pay the amount stated in the received tax document.

2.2.5 In case of issuance of a digital certificate of a vertically integrated entrepreneur to whom provisions of the Energy Act on the separation of DS operator apply, an application for issuing one digital certificate for distribution and another digital certificate for gas trading must be submitted.

2.2.6 The future user will have secured access to CS OTE in the scope of the contract concluded with the Market Operator after the said contract becomes effective, at the latest however on the first calendar day of the month following after the month in which the respective contract came into force.

2.3 Secure access to CS OTE via public CA

2.3.1 The future CS OTE user will acquire keys for secure access to CS OTE from public certification authority in the Czech Republic – První certifikační autorita, a.s. – on the basis of an application for issue of a certificate that will ensure the electronic signature, authentication and secure communication with CS OTE.

2.3.2 Issue and use of the certificate as defined above in 2.3.1, as well as price conditions, are governed by valid Certification Policy for Issue of Certificates of První certifikační autorita, a.s. The CA is accessible electronically at the address http://www.ica.cz/, or it may be contacted electronically or in writing through an authorized employee of the registration authority.

2.3.3 The CS OTE user has full responsibility for the issue, administration and renewal of certificates in accordance with the contract concluded with public CA.

2.3.4 The CS OTE user with a certificate issued by public CA must apply at the Market Operator for registration of an authorized person in CS OTE pursuant to part 5.4 of the Business Terms and send to the Market Operator the public part of the certificate in the format assigned to the person concerned to the specified e-mail address. The procedure is specified in detail at OTE´s website. Based on these documents, the responsible person of the Market Operator will register the CS OTE user's authorized person to CS OTE.

2.3.5 The validity of digital certificates issued by public CA is governed by terms of contract concluded with the authority. Before termination of their validity, the CS OTE user will renew the certificate and send to the Market Operator the public part of the certificate in line with instructions specified in 2.3.4 at least 5 working days before the validity of the existing certificate is terminated. The export of the certificate is described in the material published on OTE' website.

2.4 Gas supply suspension due to unauthorized consumption / distribution

2.4.1 The TS or DS operator informs the Market Operator about suspension of gas supply to PDTs that are registered in CS OTE through

2.4.1.1 an on-line form via CS OTE web interface, or

2.4.1.2 a PDT registration file which may include more than one PDT, in the format defined in Appendix No. 1 to BTG.

2.4.2 The TS or DS operator specifies the cause of interruption of the gas supply to the respective PDT and the date of the planned PDT interruption.

2.4.3 If the Market Operator discloses a faulty, or incomplete, information, the TS or DS operator is obliged to correct or fill in the missing information. The Market Operator informs the TS or DS operator about the refusal to register the gas supply interruption.

2.4.4 After the interruption of the gas supply to PDTs registered in CS OTE, the respective Operator sends an information about such interruption and gas consumption reading as of the day of the gas supply interruption to the Market Operator. The latter hands it to the respective PDT's gas supplier and to the SS, which takes over responsibility for the imbalance in the respective PDT. In case of PDT with continuous metering a flag "Suspension of Data Sending" is actived at the PDT; in case of PDT with type C metering the yearly consumption estimate is annulled from the data specified by the Operator.

2.4.5 After renewal of the supply to PDTs in periods complying with the Market Rules, the respective Operator sends to the Market Operator information about reconnection of PDT where it states the date of reconnection and the reason for "reconnection". On the basis of this message, the validity of discontinuation of data sending is ended on PDT with continuous metering and on PDTs with type C metering, the yearly consumption estimate valid before discontinuation of this PDT is automatically set.

2.5 Change of supplier or start of delivery

2.5.1 The process of the change of supplier will begin in CS OTE with accepting a request for change of supplier which specifies the type of change of supplier and the communication scenarios (codes of messages exchanged during the change of supplier process). It will be possible to send to CS OTE the proposal for change of supplier, even if another proposal for change of supplier for the same PDT in CS OTE is pending.

2.5.2 The messages will be checked as part of entry checks, namely their format, completeness and validity of dates and time, as well as the authorization to send such message to the defined PDT and the period and choice of scenario according to the fact whether it is a new request for change of supplier, or communication concerning an already existing request for change of supplier.

2.5.3 The following details are checked when accepting a new request for change of supplier:

2.5.3.1 whether the type of contract has been filled in and whether it is a valid value,

2.5.3.2 whether the type of change of supplier has been filled in (in case of a quick change of supplier, the PDT's regime is checked – whether it enables such change),

2.5.3.3 the closing time for sending requests for change of supplier,

2.5.3.4 whether the request for change of supplier has been sent to an already registered PDT in CDS system, whether there hasn't been a change in PDT suppliers in an interval from-to (whether no more than one existing supplier is being replaced),

2.5.3.5 the competence of the new supplier and existence of SS for the provision of the specified services.

2.5.4 If the request for change of supplier is correctly accepted and filed in accordance with Article 52 of the Market Rules, a copy is also sent to:

2.5.4.1 the new supplier,

2.5.4.2 the new subject of settlement,

2.5.4.3 the existing supplier (if none exists, the true copy is sent to suppliers to PDT of customers who did not change supplier in the specific DS),

2.5.4.4 the existing subject of settlement (if none exists, the true copy is sent to the subject of settlement to PDT of customers who did not change supplier in the specific DS) and to all potential supervisors,

2.5.4.5 the TS operator or the respective DS operator.

2.5.5 Change of supplier in CDS system pursuant to Article 52 of the Market Rules will be completed if

2.5.5.1 the request for change of supplier is accepted,

2.5.5.2 the reservation of the transit or distribution capacity is confirmed,

2.5.5.3 the approval of the allocation of responsibility for an imbalance is sent,

2.5.5.4 the PDT is registered for the specified period,

2.5.5.5 no request has been made by the new supplier to suspend change of supplier,

2.5.5.6 the customer's approval with the change of supplier is confirmed, provided that a request has been made by the new supplier to suspend change of supplier.

2.5.6 The delivery to newly established PDT starts with the change of supplier in CDS when the appropriate data are registered in accordance with Article 55 of the Market Rules.

2.6 Transfer of imbalance responsibility between subjects of settlement

2.6.1 The process of change of SS at PDT will begin in CS OTE by acceptance of the request for change of SS at PDT.

2.6.2 As part of entry checks, the format of the request will be checked, as well as completeness and validity of dates and time, the entitlement to send such message to the specified PDT and period (processing of the new request for change of SS, an action in the framework of the existing request for change of SS).

2.6.3 When a new request for the transfer of responsibility is accepted, the following is checked:

2.6.3.1 whether details about the new SS are filled in,

2.6.3.2 the deadline for sending of the request for change of SS,

2.6.3.3 the date from which the change is effective,

2.6.3.4 the date until when the change is effective,

2.6.3.5 the competence of the new SS and existence of the SS for the provision of the specified services.

2.6.4 If the request for change of SS pursuant to the Market Rules has been correctly accepted and filed, a true copy is sent to the new subject of settlement.

2.6.5 Change of SS in the CDS system in accordance with Article 26(6) of the Market Rules is completed if:

2.6.5.1 the application for change of SS is accepted,

2.6.5.2 a cyclical feedback does not occur at SS, if it is not the first change of SS at PDT,

2.6.5.3 the approval of the new SS with the assignment of responsibility for an imbalance in PDT is sent,

2.6.5.4 PDT is registered in CS OTE for the specific period,

2.6.5.5 the period of validity of the new SS is not longer than the period of validity of the replaced SS in the specific PDT,

2.6.5.6 the new SS successfully passes the financial security check.

2.6.6 The SS which transferred in this way responsibility for the imbalance to the new SS becomes the PDT supervisor in the period between the date defined in 2.6.3.4 and the date defined in 2.6.3.5.

2.6.7 There can be no more than 5 supervisors in one PDT at one moment.

2.6.8 If a PDT supervisor, or SS which currently took over responsibility for the imbalance in PDT, is locked, the responsibility for the imbalance is assigned to the supplier and all supervisors in the respective PDT are cancelled. In such case, a message is sent to all supervisors, the supplier and the SS which currently took over responsibility for the imbalance in PDT. In case of locking of the supervisor or SS with the currently assigned responsibility for the imbalance in PDT, the supplier is obliged to ensure by the end of the current gas trading day another SS responsible for the imbalance for this PDT that meets the condition set in 2.6.5.6.

2.6.9 In case of change of a PDT supplier all supervisors at this PDT are cancelled.

2.6.10 All supervisors at a PDT are cancelled if the PDT supplier which is not an SS, realizes a change of SS at this PDT, and if at least one PDT supervisor exists.

2.7 Transfer of total imbalance responsibility between subjects of settlement

2.7.1 The acceptance of the request for transfer of responsibility for an SS's total imbalance to another SS will start the process of responsibility transfer in CS OTE for SS's total imbalance to another SS.

2.7.2 The format, completeness and validity of dates and time, the authorization to sending the message and period (processing of the new request for the transfer of responsibility for total imbalance of an SS, an action in the framework of the already existing request for transfer of responsibility for the SS's total imbalance) will be carried out in the framework of entry checks.

2.7.3 When a new request for transfer of responsibility between subjects of settlement is accepted, the following is checked:

2.7.3.1 whether details of the SS which takes over responsibility are filled in,

2.7.3.2 the deadline for sending of requests,

2.7.3.3 the date, from which the responsibility transfer is effective,

2.7.3.4 the SS's competence to take over responsibility for total imbalance of the specific SS,

2.7.3.5 whether there is no other SS's request in CS OTE for transfer of responsibility to another SS,

2.7.3.6 whether the SS, which transfers its total imbalance, did not take over total imbalance from another SS.

2.7.4 If the request is correctly accepted and filed, a copy is then distributed to the transferring SS and taking over SS.

2.7.5 The change of SS in the CDS system in accordance with Article 36(8) of the Market Rules will take place if:

2.7.5.1 the application for transfer of responsibility for SS's total imbalance to another SS is accepted, 2.7.5.2 the approval of the SS, which takes over responsibility, with the takeover of responsibility for total imbalance of the transferring SS is sent,

2.7.5.3 the accepting SS passes successfully the financial security check.

2.7.6 The SS, which transferred in this way responsibility for imbalance to another SS, can enter nominations and trade in organized short-term market without restrictions.

2.7.7 If the SS, which currently accepted responsibility for another SS's total imbalance, is locked, the transfer of responsibility for total imbalance is cancelled.

2.7.8 Settlement of imbalances, which relate to the period before the transfer of responsibility for total imbalance of the SS, is not transferred to the accepting SS.

3 EVALUATION AND SETTLEMENT

3.1 Stages of evaluation of imbalances

3.1.1 Evaluation of imbalances comprises the following stages:

3.1.1.1 preliminary daily evaluation of preliminary imbalances (hereafter only daily evaluation),

3.1.1.2 actual monthly evaluation of metered imbalances (hereafter only monthly evaluation),

3.1.1.3 evaluation of imbalances after the sending of corrected readings (hereafter only final evaluation).

3.1.2 The daily evaluation means evaluation of preliminary total imbalances of subjects of settlement on a specific gas trading day, which is carried out by the Market Operator using the procedure and in deadlines set by the Market Rules and according to these Business Terms. The imbalances evaluation process includes:

3.1.2.1 evaluation of imbalances, and

3.1.2.2 evaluation of tolerances (a preliminary system imbalance is set on the basis of the SS's preliminary imbalances and, the preliminary above-tolerance imbalance of the specific SS and unused tolerance are evaluated against the direction of this preliminary system imbalance.

3.1.3 The Market Operator carries out the daily evaluation separately for each SS and for each gas trading day on the basis of values received from the TS operator and from individual DS operators pursuant to Article 44(1, 3–5) and Article 45(1, 3 and 9) of the Market Rules, and on the basis of other values set in accordance with the Market Rules.

3.1.4 If the preliminary values of metering are not handed over to the Market Operator in deadlines according to the Market Rules, except for allocations at cross-border points for daily evaluation, the Market Operator will fill in the closest corresponding metered data – based on the proposal of the TS operator or the respective DS operator, and will carry out the daily evaluation at the latest within one hour after the deadline for the daily evaluation set in the Market Rules; in agreement with 8.2.13.1 and 8.2.13.2 of these Business Terms.

3.1.5 If values of allocation on cross-border points are not received in deadlines set in the Market Rules for daily evaluation, but at the latest by 12.30, the closing time and deadlines for evaluation of imbalances is postponed by 30 minutes and the Market Operator will fill in values of the original (previous) nominations at the respective cross-border points.

3.1.6 In the framework of the daily evaluation the Market Operator will determine in deadlines set in the Market Rules the volume of gas from the preliminary imbalance that the SS has the right to settle in kind using the procedure specified in Article 49(2) of the Market Rules. After the deadline for nomination of total preliminary imbalances pursuant to the Market Rules, the Market Operator will determine the volume of gas that was not settled in kind and that the SS has a duty to settle in cash.

3.1.7 On the basis of the daily evaluation, the Market Operator will determine values pursuant to Article 49(1) of the Market Rules for the previous gas trading day; it notifies about them the subjects of settlement via CS OTE.

3.1.8 The monthly evaluation means evaluation of total metered imbalances of the subjects of settlement in specified gas trading days of the gas trading month after the end of the specified gas trading month, which is carried out by the Market Operator using the procedure and in deadlines set in the Market Rules and these Business Terms for the entire gas distribution system. The imbalance evaluation system includes:

3.1.8.1 evaluation of imbalances, and

3.1.8.2 evaluation of tolerances (actual size of the system imbalance is set on the basis of SS's total metered imbalances and the above-tolerance imbalance of the specific SS and unused tolerance are evaluated against the direction of this metered system imbalance).

3.1.9 The monthly evaluation is carried out by the Market Operator separately for each SS and for each gas trading day and month on the basis of values obtained from the TS operator and individual DS operators pursuant to Article 44(2) and (6) of the Market Rules and on the basis of other values set in accordance with the Market Rules.

3.1.10 Based on the monthly evaluation the Market Operator will determine values pursuant to Article 49(4) of the Market Rules; the subjects of settlement are then informed about them via CS OTE.

3.1.11 In the framework of the monthly evaluation the Market Operator will determine from the metered imbalance the volume of gas that SS has the right to settle in kind using the procedure defined in Article 50(2) of the Market Rules. After the deadline for the nomination of one tenth of metered imbalances pursuant to the Market Rules, the Market Operator will determine the volume of gas that was not settled in kind, that the SS has a duty to settle in cash. Cash settlement is carried out as part of the daily settlement.

3.1.12 In the framework of the monthly settlement, the Market Operator will determine for each gas trading day of the previous month the size of the above-tolerance imbalance, the price of the above-tolerance imbalance and the size of the unused tolerance, which is traded on the unused tolerance market.

3.1.13 The Market Operator informs via CS OTE within deadline specified in Article 50(1) of the Market Rules for the respective gas trading month for each gas trading day for every SS about adjusted values of total SS's tolerances and adjusted values of the metered above-tolerance imbalances, if the SS traded on the market with unused tolerance pursuant to Article 39(9) of the Market Rules.

3.1.14 The Market Operator carries out the monthly evaluation of SS's metered above-tolerance imbalances after the termination of the market with unused tolerance.

3.1.15 The Market Operator does not carry out evaluation of imbalances for gas transit transport.

3.1.16 The Market Operator carries out final evaluation after correction values are sent to it in the way and in deadlines specified in Article 51 of the Market Rules and these Business Terms.

3.2 Settlement of daily evaluation of imbalances and the organized short-term market

3.2.1 For the purpose of settlement of imbalances of an SS, the SS is obliged to establish in favour of the Market Operator the right of collection from the bank account defined in the Agreement on Settlement of Imbalances opened with a bank or its branch operating in the Czech Republic. Each SS's imbalance which was not settled in kind will result in a payment obligation, or a claim for compensation resulting from the imbalance.

3.2.2 For the purpose of settlement of trades concluded on organized short-term market, the SS (participant of organized short-term market) is obliged to establish in favour of the Market Operator the right of collection from the CZK account as defined in the Agreement on Settlement of Imbalances. For the settlement of organized short-term market in EUR, the gas market participant must open an account with the right of collection in favour of the Market Operator with the Market Operator's bank. If the short-term organized market participant does not open such account, the Market Operator settles the short-term organized market with it in CZK.

3.2.3 Daily settlement of imbalances concerns settlement in cash with SS of SS's imbalances which were not settled in kind in accordance with 3.1.6 and 3.1.11 and cash settlement with TS operator in accordance with provisions of Article 43(3) and Article 49(9) of the Market Rules.

3.2.4 The Market Operator will carry out daily settlement of imbalances and trades concluded on organized short-term market (hereinafter "daily settlement") by midnight (24.00) of the working day, during which the daily evaluation of imbalances was carried out, or, in case of a non-working day by midnight of the first following working day. In case of CS OTE failure the Market Operator is entitled to postpone the daily settlement by the time CS OTE was not working.

3.2.5 The daily settlement results in issuing a payment order to SS's account, or a collection order is charged to SS's account and:

3.2.5.1 the due date of the collection order for daily settlement will be the 1st working day after the termination of the gas trading day for which the settlement is carried out, with the exception of late sending of metered values by the TS or DS operator, and failed communication with the Market Operator's bank. In such cases the due date of collection orders will be the 2nd working day after the termination of the gas trading day for which the settlement is carried out; collected payments will include the value added tax in the amount set by law,

3.2.5.2 the due date of the Market Operator's payment orders for daily settlement will be the 5th working day after the termination of the day that is being settled, with the exception of failed communication with the Market Operator. In such case the due date of payment orders will be the 6th working day after the termination of the day that is being settled. The Market Operator will make the payments without the value added tax required by law, and it will pay the value added tax in the framework of monthly evaluation.

3.2.6 If the collection or payment order is given to the SS's bank account kept in another bank than the Market Operator's bank, it applies that the respective deadline set in Act No. 284/2009 Coll. on the Payment System will be added to the due date.

3.2.7 In case of payments from abroad to the Market Operator's CZK account, the payee will pay all charges related to the payment.

3.3 Settlement of monthly evaluation of imbalances and the organized short-term market

3.3.1 The Market Operator carries out the monthly settlement at the latest by midnight (24.00) of the 15th calendar day after the termination of the evaluated month; the settlement concerns

3.3.1.1 differences between paid and received payments from daily settlement of imbalances,

3.3.1.2 differences between paid and received payments from daily settlement of organized short-term market,

3.3.1.3 payments from evaluation of above-tolerance imbalances.

3.3.2 Together with the monthly settlement the Market Operator settles prices for the Market Operator's activities in accordance with Article 35(1)(a), (2), and (c) of the Market Rules in compliance with the Price Decision of ERO (hereinafter "monthly settlement*").*

3.3.3 The participant of the organized short-term market will confirm to the Market Operator the adjusted results of daily settlement of trades concluded in organized short-term market, which serve as a basis for the monthly evaluation until the end of the last gas trading day of the evaluated month. If the organized short-term market participant does not comment on adjusted values by the last trading day of the evaluated month, is assumed that the market participant agrees with the adjusted values.

3.3.4 The monthly settlement will result in issuing of payment or collection orders to all SSs, and:

3.3.4.1 the day of monthly evaluation will be set as the due date of collection orders for tax documents issued by the Market Operator, with the exception of failed communication with the Market Operator's bank: in this case the 1st working day after the termination of the monthly evaluation will be set as the due date of collection orders,

3.3.4.2 the 4th working day after the termination of monthly evaluation will be set as due date of payment orders for tax documents issued by the Market Operator,

3.3.4.3 the 1st working day after the Market Operator receives the tax documents issued by SS, TS or UGSF operator will be set as due date for the Market Operator's collection orders,

3.3.4.4 the 4th working day after the Market Operator receives the tax documents will be set as due date of the Market Operator's payment orders for tax documents issued by SS, TS or UGSF operator.

If the collection or payment order is placed through the SS's bank account in another bank than the Market Operator's bank, then the due date is extended by the appropriate deadlines stipulated in Act No. 284/2009 Coll. on the Payment System.

3.3.5 If a SS, TS or UGSF operator have liabilities towards the Market Operator, the Market Operator will make out and dispatch tax documents to the subject of settlement, TS or UGSF operator at the latest by the end of the 15th calendar day after the end of the month for which the tax documents are made out (i.e. month in which the taxable supply was completed);

3.3.6 If the Market Operator has a liability to SS

3.3.6.1 the Market Operator will issue and make accessible via user interface data necessary for the issue of tax documents by an SS, TS or UGSF operator by the end of the 15th calendar day after the end of the month for which the tax documents are made out (i.e. month in which the taxable supply was completed); the data for the issue of tax documents include information on received payments that relate to the evaluated month;

3.3.6.2 the SS, TS or UGSF operator will send the tax documents issued on the basis of data provided by the Market Operator by the 15th calendar day after the end of the month for which the tax documents are issued (i.e. month in which the taxable supply was completed) unless it was agreed that the Market Operator would issue the tax documents on behalf of the SS, TS or UGSF operator on the basis of an authorization in accordance with Article 26(3) of the Value Addex Tax Act.

3.3.7 Individual gas supplies traded in organized short-term market and delivered on the same day (for the purpose of this paragraph "Day of delivery") by the Market Operator are considered as repeated supply in compliance with the Value Added Tax Act. Solely for the purpose of the Value Added Tax Act this repeated supply is considered as completed on the Day of Delivery. A summarizing tax document will be issued in compliance with the Value Added Tax Act for this repeated supply completed in one calendar month. For the purpose of tax on gas, the volume of gas supplied by the Market Operator, that was traded in organized short-term market, is established for a calendar month, always on the last day of the calendar month. Based on the established volume of gas supplied in a calendar month a proof of sale (sales slip), or a tax document, will be issued in compliance with the Gas Tax Act. The relevant information from the summarizing document and the relevant information from the proof of sale, or tax document, shall be stated on the joint document if possible.

3.3.8 Multiple supply in the framework of imbalances identified for individual gas trading days (for the purpose of this paragraph "Day of delivery") are considered as repeated supply in compliance with the Value Added Tax Act. Solely for the purpose of the Value Added Tax Act this repeated supply is considered as completed on the Day of delivery. In compliance with the Value Added Tax Act, a summarizing tax document will be issued for this repeated supply completed in one calendar month. For the purpose of tax on gas, the volume of gas traded in the framework of imbalances coverage is established for one calendar month, always on the last day of the calendar month. In compliance with the Gas Tax Act, a proof of sale, or a tax document will be issued on the basis of imbalances identified in the calendar month. The relevant information from the tax document and from the sales slip, or the tax document, will be stated on the joint document, if possible. If the identified amounts are subsequently changed, in compliance with the rules stipulated for the settlement of imbalances, the correction will be made as follows: by issuing a tax credit note, or a debit note in accordance with the Value Added Tax Act or by issuing a tax document, or a proof of sale. Details relevant for a tax credit note or a tax debit note, and for a proof of sale or a tax document, will be supplied on a joint document, if possible.

3.3.9 The Market Operator and participant of the organized short-term market will issue tax documents related to the organized short-term market separately and in the currency of settlement. If the market participant makes in line with 4.5.10 bids in EUR as well as in CZK in a calendar month, two tax documents will be made out for this particular month on behalf of each of the parties. If the bids are entered with settlement in CZK, then it applies that these transactions have been agreed in CZK.

3.3.10 Should an SS, TS, UGSF or Market Operator enrich itself unjustly, it is obliged to return to the counterparty the respective amount corresponding to the amount of the unjust enrichment within ten working days after it learned about the groundless enrichment. This does not affect general provisions on compensation of damage and groundless enrichment.

3.3.11 If the amount of the payment or collection order issued on the basis of monthly settlement and the tax document issued by the Market Operator, and which takes into consideration the difference between payments received by the Market Operator on the basis of daily settlement results, as well as results of the monthly settlement, does not exceed CZK 25, or 1 EUR, the Market Operator is entitled to round up the amount and not to issue the payment or collection order.

3.3.12 If the amount of the payment or collection order issued on the basis of monthly settlement and a tax document issued by an SS, TS or UGSF which takes into consideration the difference between payments which the SS, TS or UGSF received on the basis of daily settlement results, and results of the monthly settlement, does not exceed CZK 25, or 1 EUR, the SS is entitled to round up the amount and not to issue the payment or collection order.

3.3.13 The Market Operator‘s tax documents are issued on the basis of information on received payments related materially to the evaluated, their amounts and date of receipt of the payment at the Market Operator’s account.

3.3.14 The SS’s, TS‘s or UGSF’s tax documents are issued on the basis of information on payments made which are related materially to the evaluated month, their amounts and date of release of the payment from the Market Operator’s account.

3.3.15 In case of payments made to the Market Operator’s CZK account from abroad, all charges connected with the payment will be covered by the payee.

3.4 Settlement of final monthly evaluation of imbalances

3.4.1 The Market Operator will carry out the settlement of final monthly evaluation (hereinafter “final monthly settlement“) by midnight of the 11th working day of the 4th month after the end of the evaluated month. The settlement involves billing for the difference

3.4.1.1 between the final monthly evaluation and the monthly settlement;

3.4.1.2 between the final monthly evaluation of an SS and monthly settlement of SS’s above-tolerance imbalances, if the difference is negative;

3.4.1.3 between the final monthly evaluation for the TS operator and the monthly settlement of above-tolerance imbalances for the TS operator, if the difference is positive.

3.4.2 The final monthly settlement will result in an issue of payment or collection orders to all SSs, TSs and UGSFs, where

3.4.2.1 the due date of collection orders for tax documents issued by the Market Operator will be the date of final monthly settlement, with the exception of failed communication with the Market Operator’s bank, when the due date of the collection orders will be the 1st working day after the termination of the final monthly settlement;

3.4.2.2 the due date of collection orders for tax documents issued by the Market Operator will be the 4th working day after the termination of the final monthly settlement;

3.4.2.3 the due date of the Market Operator’s collection orders for tax documents issued by SS, TS of UGSF operator will be the 1st working day after the Market Operator receives the tax document;

3.4.2.4 the due date of the Market Operator’s payment orders for tax documents issued by SS, TS of UGSF operator will be the 4th working day after the Market Operator receives the tax document.

If the collection or payment order is made out to SS’s bank account in another bank than the Market Operator’s bank, the due date will be extended by the respective deadline set in Act

No. 284/2009 Coll., on the Payment System.

3.4.3 Final monthly settlement serves as a basis for issuing a tax document – a credit note or debit note.

3.4.4 In case of liabilities of the SS, TS or UGSF operator to the Market Operator, the Market Operator will issue and dispatch tax documents to the SS by the end of the 11th working day of the 4th month after the termination of the evaluated month.

3.4.5 In case of the Market Operator's liabilities to the SS, TS or UGSF operator:

3.4.5.1 the Market Operator will issue and make accessible via user interface information for the issuance of tax documents of the SS, TS or UGSF operator by the end of the 11th working day of the 4th month after the termination of the evaluated month;

3.4.5.2 the SS, TS or UGSF operator will dispatch tax documents issued on the basis of information provided by the Market Operator by the end of the 20th calendar day of the 4th month after the termination of the evaluated month, unless it was agreed that the Market Operator will issue tax documents on behalf of the SS, TS or UGSF operator on the basis of authorization in accordance with Article 26(3) of the Value Added Tax Act.

3.4.6 If the amount of settlement of the difference between the final monthly evaluation and the monthly settlement, representing the Market Operator's liability to or receivable from the SS, TS or UGSF operator, does not reach CZK 25, or 1 EUR, the Market Operator is entitled not to issue the tax document – credit note or debit note.

3.4.7 If the amount of settlement of the difference between the final monthly evaluation and the monthly settlement, representing the SS's, TS or UGSF operator's liability to or receivable from the Market Operator, does not exceed CZK 25, or 1 EUR, the SS, TS or UGSF operator is entitled not to issue the tax document – credit note or debit note.

3.4.8 In case of unjust enrichment of the SS, TS or UGSF operator, or the Market Operator, the entity concerned is obliged to return to the counterparty the respective amount corresponding to the amount of the unjust enrichment at the latest within 10 working days after it has learned of the unjust enrichment. This does not affect general provisions governing the compensation of damage and unjust enrichment.

3.4.9 In case of payments from abroad to the Market Operator's CZK account, all charges connected with the payment will be covered by the payee.

3.5 Settlement of differences between meter readings and values based on load profile (LP)

3.5.1 The Market operator evaluates differences between meter readings of gas consumption in supply points with type C metering and consumption values determined on the basis of load profiles at these points and notifies about them the subjects of settlement responsible for the imbalance at these points using the methods and in deadlines stipulated in Article 48 of the Market Rules.

3.5.2 The Market Operator settles the difference according to 3.5.1 with the subjects of settlement for the gas settlement price determined by the procedure defined in ERO's Price Decision in effect for the period in which the difference is evaluated. If the price, or the method of its fixing is changed, the differences before and after the change are settled separately.

3.5.3 The Market Operator settles differences according to 3.5.1 but with the opposite sign with the subjects of settlement that are responsible for the imbalances of customers who did not change the supplier, in compliance with Article 48(3) of the Market Rules.

3.5.4 Separate tax documents are issued by the Market Operator for the settlement of differences between metered consumption based on readings and values for the settlement of imbalances specified according to load profiles by the 12th working day of the 4th month after the termination of the evaluated month on the basis of information provided by the Market Operator. The supply date is the day when the Market Operator issues the tax documents. If the SS authorizes the Market Operator to issue tax documents in accordance with Article 26(3) of the Value Added Tax Act, the Market Operator will also issue tax documents for differences arising from load profile settlement on behalf of the SS.

3.5.5 The due date of collection orders for tax documents issued by the Market Operator will be the day when the Market Operator has carried out the settlement, with the exception of failed communication with the Market Operator's bank; in such case the due date of the collection orders will be the 1st working day after the termination of the settlement.

3.5.6 The due date of payment orders for tax documents issued by an SS will be the 4th working day after the Market Operator has received the tax document.

3.6 Settlement of differences between preliminary and metered losses in the distribution system (DS)

3.6.1 After the DS operator submits actual (metered) losses in the distribution system for the previous calendar year in accordance with Article 48(8) of the Market Rules, the Market Operator notifies the respective subjects of settlement, which took over responsibility for imbalance in DS losses, of the difference between the planned losses and metered losses in the specific calendar year at the latest by 14 April.

3.6.2 The Market Operator settles the difference between preliminary and metered losses in the specific calendar year at the latest on the next working day after the latest deadline for submission in accordance with 3.6.1 to the subject of settlement which took over responsibility for imbalance in DS losses at the settlement gas price set using the method stipulated in the ERO's Price Decision in effect in the period in which the difference is evaluated. If the price, or the methodology, is changed, the differences before and after the change are settled separately.

3.6.3 The Market Operator bills the difference in accordance with 3.6.2, but with an opposite sign, to the subject of settlement which took over responsibility for the imbalance at customers in the specific DS which did not change the supplier, however at the latest by the next working day after the latest deadline for the submission in accordance with 3.6.1.

3.6.4 The settlement of differences in accordance with 3.6.2 and 3.6.3 of the Business Terms for the Gas Sector will be included in the settlement of difference in accordance with 3.5 of BTG in the specific month.

3.7 Settlement of differences during the state of emergency and when preventing the state of emergency

3.7.1 When preventing the state of emergency the Market Operator proceeds in accordance with Article 37 of the Market Rules.

3.7.2 During state of emergency the Market Operator proceeds in compliance with Article 38 of the Market Rules.

3.7.3 During state of emergency, all preliminary imbalances arisen are settled with the Market Operator in accordance with the respective provisions of part 3.2 of BTG.

4 THE ORGANIZED SHORT-TERM MARKET

4.1 General rules

4.1.1 Sale bids and purchase bids on organized short-term market are placed and browsed in the environment of CS OTE website via user interface or with the help of automatic communication (every request can contain only one bid or one demand, or eventually an order).

4.1.2 After the subject of settlement is logged in CS OTE, it has the opportunity to place bids,

4.1.2.1 via web form on the user interface monitor created for this purpose, or

4.1.2.2 using a document for placement of bids in format defined in Appendix No. 1 to the Business Terms.

4.1.3 A code is allocated to every placed bid in CS OTE.

4.1.4 The subject of settlement can place bids only if the financial security in accordance with part 6 of BTG is sufficient, and if the subject of settlement has not been locked.

4.1.5 Bids can be placed in individual markets of the organized short-term market at the latest by the close of the specific market. CS OTE will not enable registration of any bid placed later, and CS OTE's system time is the decisive time.

4.1.6 The Market Operator will enable the subject of settlement to access the existing review of its bids.

4.1.7 In case of CS OTE failure which prevents timely registration of bids, the Market Operator has to postpone the time by the time of failure. The Market Operator informs the subjects of settlement about the postponement of the closing time via user interface or in another way. The postponement of the closing time must not exceed one hour.

4.1.8 In case of CS OTE failure, the deadlines for evaluation and publication of the specific DM session evaluation results are postponed by the time of postponement of the close of the specific DM session.

4.1.9 Valid and invalid bids in DM and IM will be stored in CS OTE for at least 6 months together with the respective validity "flag", and in case of an invalid bid in DM and IM the cause of refusal will also be stated.

4.1.10 The subject of settlement can immediately verify via user interface the registration of bids and success of the checking of a bid (including checking of its registered valid and invalid bids).

4.1.11 Invalid bids in DM and IM are announced to the subject of settlement via user interface.

4.2 Submission of bids to the intra-day gas market (IM) and their modification

4.2.1 Contracts are traded in IM, where the period of supply is a gas trading day.

4.2.2 The opening and closing times of trading in IM for the specific gas trading day are stipulated in the Market Rules.

4.2.3 The Market Operator will enable the IM participant to access the existing review of 5 most advantageous sale bids price-wise and 5 most advantageous purchase bids price-wise (orders). If there are more bids (orders) with the same limit price, they are depicted in the above mentioned review in a summarized way.

4.2.4 The Market Operator will enable the IM participant to modify its bids (orders) if they were not partially or fully matched in the modification process. The IM participant will be able to look at the modification result immediately in the existing review of bids.

4.2.5 The Market Operator will enable the IM market participant to cancel its accepted bids in the list of bids if they were not yet fully matched. The IM market participant will be able to look at the result of the cancellation of a bid immediately in the existing review of bids. Financial security will be checked in case of cancellation of bids in IM in order to remove tied financial security means.

4.2.6 Bid is specified by the volume of gas, limit price and gas trading day.

4.2.7 The price stated in the bid does not include gas tax and value added tax.

4.2.8 The price of gas is entered in EUR/MWh with two decimal places, while the minimum price is 0.01 EUR/MWh.

4.2.9 The gas volume is expressed by whole number of contracts. The minimum volume is one contract and maximum volume for one bid totals 99,999 contracts.

4.3 Review of bids on IM

4.3.1 An automatic check is initialized during registration of bids in IM; it establishes whether the bid in IM is classified as valid or invalid. The following is checked

4.3.1.1 correctness of registration of IM participant; it must be a subject of settlement which is not locked;

4.3.1.2 financial security balance of the IM participant in compliance with part 6 of BTG;

4.3.1.3 whether the registration of the bid was accepted in deadline set in the Market

Rules;

4.3.1.4 minimum and maximum limit prices for bids;

4.3.1.5 minimum and maximum offered and demanded gas volume for the gas trading day expressed as number of contracts;

4.3.1.6 price pursuant to 4.2.8.

4.4 Matching of bids on IM

4.4.1 Every new valid bid initializes in CS OTE the matching process, during which it is established whether another bid matches the terms of the new bid and whether they can be matched.

4.4.2 In the matching of volume (contracts) it applies that bids are divisible and the smallest tradable unit is one contract, which means that the valid bid can be satisfied only partially and the unsatisfied remaining contracts will be included in the matching process.

4.4.3 The following terms apply in the matching of bids

4.4.3.1 the new sale bid is matched with the existing purchase bid with a higher or the same limit price as the new sale bid;

4.4.3.2 the new purchase bid is matched with the existing sale bid with a lower or the same limit price as the new purchase bid;

4.4.3.3 purchase bids with the highest price and sale bids with the lowest price have priority in matching of bids; if two or more purchase bids or sale bids have the same limit price, then the earlier registered bid has priority;

4.4.3.4 in matching of new bids with the limit price, the price of trade is the limit price of the existing matched bid; if they are matched with several existing bids with differing prices, then the prices of trade are the limit prices of individual existing matched bids – while the matched volume of individual bids is respected, if two or more purchase bids or sale bids have the same limit price, then the earlier registered bid has priority.

4.4.4 The IM participant can verify each matching of bids by looking at its registered valid bids via user interface.

4.4.5 After conclusion of the trade in the IM the Market Operator will adjust total agreed gas volume in the framework of nomination of the respective subject of settlement at virtual sales point (VSP) for the respective gas trading day in deadline set in the Market Rules.

4.4.6 The IM participant has the option to select the settlement currency on IM for every gas trading day via web form created for this purpose on the user interface screen. If the IM settlement currency is not selected for the specific gas trading day, the currency which the IM participant selected as its pre-set currency during data registration or data change registration will be used for IM settlement. The IM participant can choose settlement in EUR only if it has a euro account open with the Market Operator‘s bank.

4.5 Submission of bids to the day-ahead gas market (DM) and their modification

4.5.1 The Market Operator will enable the DM participant until the close of the DM at 10.45 for the morning session and at 16.45 for the afternoon session

4.5.1.1 to place bids,

4.5.1.2 to access the existing review of its bids and modify these bids,

4.5.1.3 to make queries concerning the review of its bids for the purpose of their checking,

4.5.1.4 to repeatedly use information from its previous bids for the definition of new bids,

4.5.1.5 to cancel its registered bids in the list of bids.

4.5.2 The already registered bids can be modified

4.5.2.1 by directly editing already existing demands,

4.5.2.2 by sending a new form or file that will automatically rewrite the last bid in the specific session for the same DM participant in the specific gas trading day.

4.5.3 A bid can be cancelled by marking the respective bid for deletion.

4.5.4 The DM participant can place just one sale bid and one purchase bid for each session. In the framework of the bid it can offer / demand up to 25 blocks of gas for the respective gas trading day. For each of them it offers a certain gas volume for a certain price.

4.5.5 The DM participant can mark the indivisibility condition only in case of the first bid block for the gas trading day.

4.5.6 The price given in the bid does not include the gas tax and the value added tax. The price expresses the maximum amount that the buyers are willing to pay for the gas and the maximum amount that the sellers are willing to accept for the gas. The sale price in individual blocks must have an upward tendency, while the purchase price must have a downward tendency.

4.5.7 The price of gas is entered in EUR/MWh with two decimal places, while the minimum price is 0.01 EUR/MWh.

4.5.8 The volume of gas is entered in MWh with one decimal place. The decimal place is divided by a comma or by a dot. The minimum volume is 0.1 MWh and the maximum volume amounts to 99,999 MWh.

4.5.9 CS OTE enables viewing, change and cancellation of bids only to the DM participant which registered them and will not enable the DM participant to view, change and cancel bids registered by other DM participants.

4.5.10 Every bid contains the currency (EUR or CZK) selected by the DM participant during placement for settlement. The DM participant can choose settlement in EUR only if it has an EUR account open with the Market Operator’s bank.

4.6 Review of bids on DM

4.6.1 An automatic check is initialized during registration of a bid in DM; it establishes whether the bid in DM is classified as valid or invalid. The following is checked

4.6.1.1 format of dates and validity of dates in separate spaces of the form, namely

4.6.1.1.1 upward development of sale bid prices and downward development of purchase bid prices,

4.6.1.1.2 the number of blocks, i.e. maximum 25 offered blocks and maximum 25 demanded blocks for each gas trading day and session,

4.6.1.1.3 correctness of specification of indivisibility of a sale bid in the 1st block, if it was part of registered sale bids,

4.6.1.2 correctness of DM participant’s registration and correctness of the entered data compared with other values in CS OTE database, namely

4.6.1.2.1 correctness of DM participant’s registration; it must be a subject of settlement which is not locked,

4.6.1.2.2 financial security balance pursuant to part 6 of BTG,

4.6.1.2.3 whether the registration of the bid was accepted before the close of the specific DM session,

4.6.1.2.4 minimum and maximum prices of bids,

4.6.1.2.5 minimum and maximum offered and demanded gas volume for the gas trading day and session,

4.6.1.2.6 offered / demanded volume in MWh with one decimal place,

4.6.1.2.7 price in EUR/MWh with two decimal places.

4.7 Evaluation of bids on DM

4.7.1 The agreed gas volume of DM participants will be evaluated and placed in CS OTE within 15 minutes after the close of the morning and afternoon DM sessions on the day preceding the gas trading day to which the evaluated bids relate.

4.7.2 The evaluation process comprises the following steps:

4.7.2.1 Generation of the list of bids valid for session of the gas trading day that is to be evaluated.

4.7.2.2 Creation of the offer and demand curves, determination of the accepted bids and computation of the marginal price.

4.7.2.3 The marginal price will always be the price of the last accepted sale bid which equals to or is lower than the price of the last accepted purchase bid. It may result in a situation when a purchase bid with price higher than the marginal price will not be accepted, and even such final solution is binding for DM participants.

4.7.2.4 The final solution will include all valid purchase bids with prices higher or equal to the price in equilibrium. In accordance with the Business Terms the bid can be shortened.

4.7.2.5 Allocation of the accepted volume of gas to each bid accepted in the specific gas trading day and session.

4.7.3 The algorithm for allocation of the accepted gas volume for each accepted bid in the respective gas trading day is contained in Appendix No. 3 to BTG.

4.7.4 The final solution will be available within 15 minutes after the close of the morning DM session and for the afternoon DM session of the preceding gas trading day via the same user interface of the DM participant as in the case of placement of bids.

4.7.5 After publication of results of the respective DM session, these results will be immediately placed as nomination of the respective subject of settlement at VSP. These nominations cannot be renominated or cancelled.

4.7.6 DM results will be subsequently published on OTE's website and, potentially, also on other web pages open to the public.

4.7.7 Values of payments in CZK and the CZK/EUR settlement exchange rate used for the settlement of bids in morning and afternoon DM sessions, IM (organized short-term market) in CZK will be available via the DM participant user interface no sooner than at 14.30, after the publication of the CNB exchange rate on the working day which follows immediately after the gas trading day to which the evaluated bids relate. The settlement rate will be available without undue delay after it is set by the Market Operator's bank, at the latest by 15.30, with the exception of failed communication with the Market Operator's bank; in this case the rate will be published the next day by 15.30.

4.7.8 The Market Operator's bank will set the CZK/EUR settlement for the specific gas trading day and it will differ from the CNB exchange rate of the day when the Market Operator publishes pursuant to 4.7.7 the payments in CZK, by no more than 0.05 CZK. If the total value of the Market Operator's liability in EUR is higher than total value of receivables in EUR during settlement of the organized short-term market for the specific gas trading day, the Market Operator will exchange CZK for EUR and the value of the settlement rate will be higher than the ČNB exchange rate by no more than 0.05 CZK. If the total value of the Market Operator's payable in EUR is lower than the total value of receivables in EUR during settlement of the specific gas trading day, the Market Operator will exchange EUR for CZK and the value of the exchange rate will be lower than the CNB exchange rate by no more than 0.05 CZK.

4.8 The unused tolerance market

4.8.1 Trade transactions with unused tolerance are registered separately on each gas trading day of the preceding month in deadlines complying with the Market Rules, where it applies:

4.8.1.1 both subjects of settlement negotiate and settle the registered transactions without involvement of the Market Operator,

4.8.1.2 both subjects of settlement place and confirm registration of transactions on unused tolerance market in CS OTE where they are matched,

4.8.1.3 registrations are not financially secured.

4.8.2 The same communication scenario as for the nomination of the obligation to supply/consume will be used for submission and confirmation of registration of transactions on unused tolerance market, with the use of messages pursuant to Appendix No. 1 to BTG.

4.8.3 Registered transactions will be accepted on a standard basis as a nomination of obligation to supply/consume, the date and time of acceptance will be checked during acceptance of the registration and if it arrives out of the stipulated period, it will be refused by the Market Operator.

4.8.4 During registration of transactions on the unused tolerance market by the respective subjects of settlement, the check also involves checking whether the sum of the subjects' of settlement registered sales values does not exceed total unused tolerance of this selling SS.

4.8.5 Registered transactions submitted by both SSs are matched in CS OTE. If the values in both registered transactions do not match, the higher registered value will be lowered to match the lower registered value. If the specific registered transaction is not matched until the end of the unused tolerance market, it is decreased to zero value.

4.8.6 Registered transactions are matched every hour.

4.8.7 Checked and matched transactions on unused tolerance market enter in the computation of above-tolerance imbalances.

4.8.8 Transactions on unused tolerance market are registered via web interface.

4.8.9 Transactions on unused tolerance market are registered on a monthly basis. In deadlines defined by the Market Rules, a review of above-tolerance imbalances in individual days of the specific gas trading day will be available for the subjects of settlement together with unused tolerance values. The SS will be able to register on individual gas trading days the purchase (transaction) of unused tolerance and the sale (transaction) of the unused tolerance, if it is at its disposal on the specific day.

4.8.10 During registration of transaction on the unused tolerance market the second SS is entered (selection) and value of the transaction in kWh.

4.8.11 More transactions are possible on a specific gas trading day (concluding of a trade with unused tolerance with more than one SS).

5 REGISTRATION OF DS, PDT AND GAS MARKET PARTICIPANT

5.1 Registration of DS

5.1.1 Before registration of the distribution system (DS) with the Market Operator (in particular because of the first change of supplier of a customer whose point of delivery / transfer is connected to this DS), the registration of the respective DS operator in CS OTE is necessary, as well as conclusion of an Agreement on Submission of Data with the Market Operator. This agreement enters into effect at the moment of handover of a confirmed document about transfer of responsibility for imbalance and the handover of the DS operator EIC codes. The specified documents will be handed over to the Market Operator by the DS operator. Subsequently, the DS operator's activities involving provision of metered values will be registered and the specific DS will be set up in CDS.

5.1.2 The day following after the DS was set up in CDS

5.1.2.1 CS OTE will generate an unequivocal identifier of the specific DS,

5.1.2.2 the operator of the DS, to which the registering DS is connected, will register in CDS the point of transfer between the DS operated by it and the DS which registers itself on the basis of unequivocal identifier assigned to the DS by the Market Operator and, if the registering itself DS was until now registered as a production of consumption type PDT, the DS operator will terminate the validity of this PDT as of the date of the new DS registration in CDS,

5.1.2.3 The Market Operator will set values of losses in the specific DS, computation methods (with load profile, without load profile) and the supplier of last resort,

5.1.2.4 the gas supplier / suppliers in the specific DS will take over responsibility for imbalance in the respective virtual PDTs.

5.2 Registration of PDT

5.2.1 The registration of PDTs in CDS, as well as changes in the PDTs registration, including cancellation of existing PDTs, is carried out by the PS operator, or the respective DS operator which provides metered values of deliveries / consumption. The PS or DS operator registers in CDS

5.2.1.1 PDTs of gas producing facilities,

5.2.1.2 PDTs of customers which changed supplier,

5.2.1.3 summarized PDTs of customers which did not change supplier by the type of metering, and in case of type C and type CM metering by the load profile (LP) category,

5.2.1.4 PDTs between PS/DS operated by it and the neighbouring DS,

5.2.1.5 PDTs on cross-border gas lines (CBGL),

5.2.1.6 PDTs between underground gas storage facility (UGSF) and TS,

5.2.1.7 PDTs on cross-border transit station (CBTS).

5.2.2 The Market Operator uses virtual PDTs particularly for

5.2.2.1 the application of LP / results of computation of the residual DS diagram,

5.2.2.2 filing of loss values for DSs (for each DS, the Market Operator will register a virtual PDT for losses),

5.2.2.3 filing of gas supply values of customers in a specific DS which did not change supplier,

5.2.2.4 virtual sales point (VSP) registration,

5.2.2.5 registration of mirror point of transfer between systems,

5.2.2.6 provision of summarized data for the other PDTs in compliance with the Market Rules (summary PDT, to which the DS operator sends summarized data for the other PDTs, according to the type of metering and, in case of type C metering also LP categories).

5.2.3 Registered data (details) on a PDT are either obligatory, or voluntary (optional). Obligatory data include:

5.2.3.1 unequivocal identifier of the PDT (EIC code),

5.2.3.2 date of establishment of the PDT,

5.2.3.3 name of the PDT,

5.2.3.4 type of the PDT (production, consumption, transfer,…),

5.2.3.5 type of metering (A, B, CM, C),

5.2.3.6 PDT's domestic zone,

5.2.3.7 DS's operator's domestic zone for the point of transfer,

5.2.3.8 estimate of yearly consumption for the consumption type PDT with type C and CM metering,

5.2.3.9 transit or distribution capacity for the consumption type PDT with type A or B metering,

5.2.3.10 type of source (natural gas, bio-gas,...) – in case of gas producing facility

5.2.3.11 LP category – in case of PDT with type C and CM metering.

5.2.4 Data on a PDT in accordance with 5.2.3.1, 5.2.3.4, 5.2.3.6, 5.2.3.7 cannot be changed after registration.

5.2.5 A PDT registration is valid from the date determined by the Market Operator which is binding and decisive. The message on the registration (containing data on the PDT) is sent to the TS operator or the respective DS operator in the format defined in Appendix No. 1 to BTG.

5.2.6 New PDTs are registered in CDS by TS or DS operator in deadlines complying with the Market Rules in case that a PDT supplier in its system changes, or if supply to a new PDT in its system begins. The TS or DS operator can specify data on a PDT

5.2.6.1 using an on-line form via CS OTE web interface, or

5.2.6.2 using the file for PDT registration, which can include more than one PDT, in format defined in Appendix No. 1 to BTG.

5.2.7 Registered PDTs represent a summary of points of delivery / transfer of a subject of settlement, for which the specific SS took over responsibility for imbalance.

5.2.8 The TS or DS operator is responsible for the maintenance and update of core records on PDTs according to reality.

5.2.9 Changes at existing PDTs are registered by TS or DS operator at the latest by 16.00 hours of the day preceding to the day of the required change, i.e. it informs the Market Operator about all required changes at PDTs. The TS or DS operator specifies changes in data on PDTs in the same way as described in 5.2.6 of BTG.

5.2.10 The Market Operator is obliged to check whether data sent by the TS or DS operator during registration of a new PDT or change in registration of an existing PDT in CDS are correct and complete, in particular whether the obligatory data in submitted forms have been filled. The Market Operator also verifies whether a SS responsible for the imbalance of the gas market participant, to which the PDT has been assigned, has been determined. This is not checked in case of transfer points between TS and DS, and in case of transfer points between DSs, in case of UGSF, CBTS and CBGL.

5.2.11 If the Market Operator discloses deficiencies during checks, it will send via CS OTE to the TS or DS operator a message about the reason why the new PDT was not registered, or change in an already registered PDT made, with a request for remedy. If the Market Operator does not disclose any deficiencies, it is obliged to register the new PDT, or make a change in the already existing PDT’s registration and send to the TS or DS operator a message about the new PDT registration, or about the change in the existing PDT’s registration, including the date from which the registration or change in registration is effective.

5.2.12 The Market Operator will enable via CS OTE access to the PDT’s data, including the status of requests for change, to all suppliers of the specific PDT for the time when they were this PDT‘s suppliers.

5.3 Cancellation of PDT

5.3.1 Registration of a PDT’s cancellation is used by the respective TS or DS operator in case the transfer of responsibility for imbalances is terminated. The TS or DS operator will register the PDT‘s cancellation by shortening the PDT’s validity.

5.3.2 The TS or DS operator can specify data on the PDT in the process of cancellation

5.3.2.1 using an on-line form via CS OTE web interface, or

5.3.2.2 using the file for PDT registration.

5.3.3 If the TS or DS operator does not proceed in compliance with the Market Rules and 5.3.1 of BTG when terminating the transfer of responsibility for imbalances, the Market Operator will register cancellation of the respective PDT as of the moment when the validity of transfer of responsibility for imbalances was terminated. The Market Operator will also inform without delay the TS or DS operator and the affected market participants about the cancellation of the specific PDT’s registration.

5.3.4 Renewal of a cancelled PDT is carried out in the same way as registration of a new PDT, i.e. “renewal of validity“ flag is not entered. When renewing the validity of a cancelled PDT, the respective operator can indicate the last valid supplier of the PDT before its previous cancellation, if it was assigned there on the basis of accepted request for change: in this case the SS for which the supplier implicitly submits responsibility for imbalances is assigned to the specific PDT.

5.4 Registration of gas market participant

5.4.1 In compliance with valid legislation and BTG, the gas market participant (hereinafter also “market participant“) has the right to decide

5.4.1.1 whether it will become a registered market participant (RMP),

5.4.1.2 whether it will become a subject of settlement.

5.4.2 The market participant will fill in the appropriate registration forms in accordance with Appendix No. 2 to BTG, namely

5.4.2.1 Application for registration of market participant (RMP) – Form A, if it decides in accordance with 5.4.1.1,

5.4.2.2 Application for registration of subject of settlement – Form B, if it decides in accordance with 5.4.1.2,

5.4.2.3 Application for registration of the market participant's authorized person – Form C; the market participant which concludes an agreement with the Market Operator will fill in this application for all its authorized persons who are supposed to have access to CS OTE.

5.4.3 The market participant will send the filled in form(s) electronically to the Market Operator's e-mail address registrace@ote-cr.cz. The assigned EIC Code is part of the form and the market participant will obtain it from ČEPS, a.s. (the Czech transmission system operator)

5.4.4 The Market Operator will check whether the data in submitted forms are complete (i.e. contain all obligatory data) and clear (i.e. unambiguous) within 5 working days from the day it obtained the forms; if deficiencies are disclosed, the Market Operator will send an electronic message to the market participant asking it for correction and completion of data. The Market Operator will than wait for the corrected version of form(s) and will again check the completeness of data in submitted form(s). In the electronic version of registration forms submitted via website the completeness of obligatory data is checked automatically. If no deficiencies are disclosed by the Market Operator, it is obliged to register the SS (participant of organized short-term market) / RMP within two weeks after it receives the respective forms and after duties arising from the provisions below are met. The deadlines defined in this clause apply to new gas market participants that registered no sooner than in January 2010.

5.4.5 In case of successful registration, the Market Operator will allocate to the new market participant registration numbers ID RMP and EAN (13), that are subsequently published on OTE's website together with EIC Code.

5.4.6 The RMP that will be registered as an SS, will discuss with the Market Operator the method of handover and subsequently will ensure the handover of

5.4.6.1 a verified copy of the assigned licence,

5.4.6.2 a verified copy of the extract from the Commercial Register in Czech language, in case of an individual (natural person) an original or a verified copy of the trade licence,

5.4.6.3 an original of filled-in registration form (confirmed by the market participant's authorized representative),

5.4.6.4 a copy of the permit for acquiring tax exempt gas or a copy of permit for acquiring gas without tax on gas in case its application is required,

5.4.6.5 a copy of the document on VAT registration. If the RMP is not registered for VAT in the Czech Republic, it will conclude the respective type Agreement on Settlement of Imbalances.

5.4.7 The Market Participant is obliged to notify the Market Operator of all changes in registration and contractual data at least five working days before they come into effect.

In the registration form the Market Participant will indicate in what activities it will engage on the gas market, i.e. whether it will require to obtain rights to active access to CS OTE for change of supplier.

5.4.9 In case of change in registration of the market participant with responsibility for imbalance transferred to SS, the responsibility for imbalance automatically expires as of the effective date of the change in registration.

5.4.10 In case of registration of data on the transfer of responsibility for imbalances (on the basis of an Agreement on Submission of Data, on access to CS OTE) the market participant will hand over to the Market Operator a filled in and confirmed "Protocol on transfer of responsibility for imbalances to the subject of settlement", at the latest 10 working days before the first day of the month in which the responsibility for imbalances transfer is to become effective.

5.4.11 The licence holder submits to the Market Operator a verified copy of the extended or a new licence no later than 10 working days before the validity of the licence expires. In the opposite case, the Market Operator will terminate all activities of the respective licence holder in CS OTE, as well as related activities, as of the date of expiration of the licence. OTE also informs affected subjects of settlement and operator of TS or DS, to which the separate points of delivery are connected, that the gas supply to this point of delivery will be ensured by the supplier of last resort or that the gas supply will not be ensured to this point of delivery, if the customer is not within competence of the supplier of last resort, from the first day following after the last day of the licence's validity.

5.4.12 The market participant which is registered as subject of settlement, will pay the SS registration fee in line with the ERO's Price Decision. The respective SS will cover the prescribed amount to the Market Operator's account specified in the Agreement on Settlement of Imbalances concluded between the Market Operator and the respective SS. The subject of settlement must have a settlement account open with a bank or its branch on the territory of the Czech Republic.

5.5 Cancellation of gas market participant's registration

5.5.1 When the validity of a gas market participant's registration (RMP) in CS OTE is terminated, OTE checks whether the RMP is not responsible for imbalances. It also checks whether the RMP in the process of cancellation is not a subject of settlement, and whether valid nominations of an obligation to supply / consume are not registered in its name, as well as nominations of transit, distribution, storage or valid bid on organized short-term market. If results of the checks are negative, the Market Operator will terminate the registration as described below.

5.5.2 The Market Operator sends to RMP / SS a message about the result of the check to the e-mail for communication. If evidence preventing the termination of the registration was disclosed during the check, the Market Operator will inform in the same way RMP / SS about the reasons for which the validity of registration was not terminated.

5.5.3 If the validity of RMP's registration is terminated as SS's registration, the Market Operator will return to this SS financial security it provided in the following way:

5.5.3.1 in case of accepted bank guarantee, the Market Operator will return to SS the valid guarantee deed within 5 working days after the liabilities arising from final monthly evaluation for the month, in which the termination notice period of the Agreement on Settlement of Imbalances was pending, were paid,

5.5.3.2 in case of cash accepted to the Market Operator's account, the cash is sent to the SS account specified in the Agreement on Settlement of Imbalances within 5 working days after the liabilities arising from final monthly evaluation for the month in which the termination notice period of the Agreement on Settlement of Imbalances was pending, were paid.

5.5.4 In case of termination of validity of an SS's registration it is necessary that the collection right of the Market Operator's to the SS's account remained active for 5 days after completion of final monthly settlement for the month, in which the termination notice period of the Agreement on Settlement of Imbalances was pending.

5.5.5 In case of termination of validity of an SS's registration, fees for the Market Operator's activities will be billed and invoiced for the last time for the month in which the termination notice period of the Agreement on Settlement of Imbalances was pending.

5.5.6 Increases related to deposited cash are settled in the framework of the financial security in compliance with part 6.5. of BTG.

5.5.7 In case of an RMP / SS which was responsible for imbalances in PDTs, change of registration at these PDTs must be ensured and evidenced by the specific RMP / SS at least 7 working days before end of the month in which the notice period of the Agreement on Settlement of Imbalances is pending. The change of registration rests in particular in transfer of responsibility for these PDTs to another SS.

5.5.8 The validity of an SS registration is terminated by the Market Operator in several phases.

5.5.8.1 The SS is prevented from the possibility to submit nomination of the obligation to supply / consume and nomination to transport, distribute and store for gas trading days in the month which follows after the month in which the termination notice period of the Agreement on Settlement of Imbalances is pending.

5.5.8.2 The SS is prevented from the possibility to take over responsibility for imbalances for gas trading days in the month which follows after the month in which the termination notice period of the Agreement on Settlement of Imbalances is pending. This does not affect provisions specified in 5.5.7 of BTG.

5.5.8.3 The SS is prevented from the possibility to place bids and demands on organized short-term market for gas trading days in the month, which follows after the month in which the termination notice period of the Agreement on Settlement of Imbalances was pending.

5.5.8.4 The RMP / SS is prevented from the possibility to submit complaints after the 15th calendar day of the month in which final monthly settlement was carried out of the month in which the termination notice period of the Agreement on Settlement of Imbalances was pending.

5.5.9 The Market Operator will not take into account during evaluation of imbalances and the organized short-term market the nomination of the obligation to supply / consume, nomination of transport, distribution and storage, bids / demands in organized short-term market and unused tolerance market, transfer of responsibility for imbalances and allocations of PDTs that are carried out after the check as defined in 5.5.1 of BTG.

5.5.10 If the Market Operator does not terminate the registration of an SS because the SS breached its obligations arising under the Agreement on Settlement of Imbalances, the SS's registration can be terminated without the checks defined in 5.5.1 of BTG.

5.5.11 The termination of registration of an SS is published on OTE‘s website and, at the same time, all subjects of settlement that are contractual counterparties of the SS in bilateral contracts registered with the Market Operator.

5.5.12 The procedure described in the paragraphs above is specified in detail in the closing memorandum (protocol) which the Market Operator concludes with the registered gas market participant whose registration as SS was terminated by OTE on the basis of a proper termination notice of the Agreement on Settlement of Imbalances.

6 FINANCIAL SECURITY

6.1 Financial security

6.1.1 All subjects of settlement will provide to the Market Operator sufficient financial security to cover their liabilities to the Market Operator arising from their activities on the gas market. For the purpose of this part of BTG, liabilities to the Market Operator (hereinafter also “payables“), or financial claims to the Market Operator (hereinafter “receivables“), related to the activities on the gas market, comprise of all payables and receivables arising under concluded contracts.

6.1.2 Financial security required by the Market Operator from the SS is provided in CZK.

6.1.3 To cover payables of individual subjects of settlement, the Market Operator also uses

6.1.3.1 the right to defer – on the basis of insufficient financial security of a subject of settlement – payments to this SS,

6.1.3.2 the right to set off receivables and payables on the basis of insufficient financial security of a subject of settlement; the Market Operator shall inform the SS about the set-off by sending a message to the e-mail for communication,

6.1.3.3 the locking instrument.

6.1.4 The deferred payment will be paid when the financial security remaining after the deduction of the amount corresponding to the deferred payment is higher of equal to zero. After the deferred payment is paid, the financial security balance will be decreased by the amount corresponding to the amount of the deferred payment.

6.1.5 The Market Operator is entitled to cover from the provided financial security of the respective SS any due receivables or their parts from the respective SS which were not paid in due time. The Market Operator will inform without delay about the use of the financial security.

6.1.6 The information about the use of financial security containing the amount of the used financial security and the current amount of the financial security is sent to the SS to the e-mail for communication and, at the same time, a registered letter is sent to the SS.

6.1.7 The SS can provide financial security in several ways, or their combination:

6.1.7.1 a bank guarantee with a bank or its branch on the territory of the Czech Republic and the set current long-term rating at least at the level BBB+ (S&P, Fitch) or Baa1 (Moody´s) on the basis of

6.1.7.1.1 standardized guarantee deed issued by the Market Operator's bank, or

6.1.7.1.2 standardized guarantee deed issued by other than the Market Operator's bank, or

6.1.7.1.3 other than standardized guarantee deed – in this case the Market Operator has the right not to accept this guarantee and to substantiate its refusal,

6.1.7.2 a deposit of cash in the Market Operator's account open for the purpose of financial security as specified in the Agreement on Settlement of Imbalances,

6.1.8 The minimal financial security that an SS has to provide in line with 6.1.7.2 is 10% of the SS's total financial security, not more than CZK 20 million. If the SS does not provide minimal financial security as defined in this clause pursuant to 6.1.7.2, the Market Operator will recognize only the part of the financial security that will meet the terms defined in this clause.

6.1.9 The Market Operator will publish standardized guarantee deeds on OTE's website. The Market Operator cannot refuse the already accepted guarantee deed because of a new standardized guarantee deed published on OTE's website, except for the case when an SS asks for the extension of the accepted guarantee deed.

6.1.10 The bank guarantee will be recognized as financial security only if it is valid, as stated in the guarantee deed, at least until the 30th calendar day after the last gas trading day of the month to which the financial security applies, and if the guarantee is accompanied by a certificate of the bank‘s rating as required in 6.1.7.1 issued by the bank‘s which issued the guarantee; the financial security can be proved by bank guarantees succeeding in time without overlap.

6.1.11 If a financial institution, from which the Market Operator accepted the bank guarantee, no longer meets terms set in 6.1.7.1, the Market Operator has the right not to accept the bank guarantee from this financial institution any longer and to ask the SS which provided proof of financial security backing by the bank guarantee from this financial institution, to change the financial security backing. The request has to be done in writing. The SS is obliged to change the financial security provision within 30 calendar days after the day when it received the request.

6.1.12 The amount of financial security is proved as follows:

6.1.12.1 in case of a bank guarantee, the SS hands over to the Market Operator the original of the guarantee deed. OTE will submit it for scrutiny to its bank that will check whether the wording is correct and the deed is signed by bank‘s authorized representatives. After the guarantee is approved, OTE will recognize it as the financial security. Standardized wording of the bank guarantee of the Market Operator's bank must be submitted at the latest 5 working days before the Agreement on Settlement of Imbalances comes into effect; standardized wording of the bank guarantee of another bank and other than standardized wording of the bank guarantee must be submitted no later than 10 working days before the Agreement on Settlement of Imbalances comes into effect;

6.1.12.2 in case of deposit of the amount in the Market Operator's bank account, the amount of financial security will be checked against the statement of this account that will be at the Market Operator's disposal. The amount has to be deposited in the Market Operator's account at the latest 5 days before the Agreement on Settlement of Imbalances comes into effect.

6.1.13 Subjects of settlement can increase the amount of their financial security. An SS must inform the Market Operator about the increase of financial security in writing using the Form for definition of change of financial security placed on OTE's website. The Market Operator confirms the wording of the Form for definition of change of financial security. Each increase of financial security comes into effect at the latest on the 1st working day after the day when the financial security increase was properly proved in line with 6.1.12.

6.1.14 The amount of financial security can be decreased only to the amount still allowing proper securing of all current and potentially in the future incurred liabilities of the SS to the Market Operator related to concluded agreements / contracts, including all possible liabilities of the SS ensuing from the monthly evaluation and final monthly evaluation for the month when the financial security was decreased.

6.1.15 The SS's request for a decrease in financial security must be in writing, and include as its inseparable part a filled in draft Form for definition of change of financial security which is placed on OTE's website. The Market Operator confirms the wording of the Form for definition of change of financial security.

6.1.16 The decrease of the financial security becomes effective on the day when the amount of financial security in CS OTE was changed by the Market Operator, in case that the new FS amount is sufficient to cover all liabilities pursuant to 6.1.14.

6.1.17 If the SS provided financial security to the Market Operator by depositing financial means in OTE's account, and if it asks for a decrease in the form of return of the financial means, the Market Operator is obliged to transfer the amount corresponding to the required decrease of financial security to the account of the specific SS on the day when the financial security decrease comes into effect, at the latest on the 3rd working day after it (OTE) obtained the request in line with 6.1.15 unless the Market Operator and the SS have agreed otherwise, and if the condition of minimal financial means deposited in OTE's account in line with 6.1.8 has been met, and if the new financial security amount is sufficient for the coverage of all liabilities pursuant to 6.1.14.

6.1.18 In case of change of the amount of financial security, the reason for the change in the amount of financial security must be stated in the notification about its increase, or in the request for its decrease.

6.1.19 The SS can use any of the permitted methods of financial security in line with 6.1.7 to change the financial security, considering the condition set in 6.1.8 is met.

6.1.20 If the financial security is spent, the SS is notified about it by a message automatically generated by CS OTE. The SS is also notified about depletion of the financial security in cases when the financial security balance in line with 6.4.1 is not sufficient for the registration of a bid / demand on organized short-term market, and also in cases when the insufficient financial security results in the cancellation of registered bids / demands and in the reduction of

6.1.20.1 nomination of transport at the exit point of an UGSF,

6.1.20.2 nomination of transport at the exit cross-border point and nomination of distribution at the exit point of the CBGL,

6.1.20.3 nomination of obligation to supply in accordance with BC.

6.1.21 If PDTs are transferred to the supplier of last resort, the latter is obligated to ensure within a +č days the sufficient amount of financial security to cover the anticipated consumption of these PDTs.

6.1.22 In case of payments in favour of the Market Operator from abroad to the CZK account, all charges related to the payment shall be borne by the payee.

6.2 Determining financial security

6.2.1 The SS determines the initial amount of financial security through the Form for Determining Financial Security, comprised of

6.2.1.1 projected daily volume of trading in terms of gas supply and consumption which, for purposes of determining the required FS, is defined as a total of projected volumes of the relevant SS's supply and consumption ensuing from BC, and projected trades on the organized short-term market, projected transmission, distribution, storage nominations, and also projected volume of consumption by SS customers, and

6.2.1.2 projected daily risk exposure pertaining to balancing gas which, for purposes of determining the required FS, is defined as a sum of supply obligation nominations arising from BC and trade on the organized short-term market, nominations of preliminary and metered negative imbalance, nominations of transmission at exit points including storage, nominations of distribution at exit points, expected volume of consumption by SS customers reduced by a sum of take obligation nominations arising from BC, trade on the short-term organized market, and nominations of preliminary and metered positive imbalance, as depicted in the formula below:

$$\begin{aligned} RE_D = {} & NomHPS_{exit\,D} + NomPZP_{exit\,D} + NomPPL_{exit\,D} + NomVPBdodat_{DVS\,D} \\ & + NomVPBdodat_{DT\,D} + NomVPBdodat_{VDT\,D} \\ & + NomVPBdodat_{ODCH\,D} + Spotřeba_D - NomVPBodebrat_{DVS\,D} \\ & - NomVPBodebrat_{DT\,D} - NomVPBodebrat_{VDT\,D} \\ & - NomVPBodebrat_{ODCH\,D} \end{aligned}$$

where

RE_D is daily risk exposure pertaining to balancing gas for the specific gas trading day in MWh

$NomHPS_{exit\,D}$ is a sum of nominations of gas transmission of the subject of settlement for the specific gas trading day at CBTS exit points in MWh,

$NomPZP_{exit\,D}$ is a sum of nominations of gas transmission of the subject of settlement for the specific gas trading day at UGSF exit points in MWh,

$NomPPL_{exit\,D}$ is a sum of nominations of gas distribution of the subject of settlement for the specific gas trading day at CBGL exit points in MWh,

$NomVPBdodat_{DVS\,D}$ is a sum of nominations of the subject of settlement's obligation to supply to VSP from BC in MWh,

$NomVPBdodat_{DT\,D}$ is a sum of nominations of the subject of settlement's obligation to supply to VSP from trades on DM for the specific gas trading day in MWh,

$NomVPBdodat_{VDT\,D}$ is a sum of nominations of the subject of settlement's obligation to supply to VSP from trades on IM for the specific gas trading day in MWh,

$NomVPBdodat_{ODCH\,D}$ is nomination of the subject of settlement's obligation to supply to VSP for purposes of balancing of imbalances for the specific gas trading day in MWh, including differentiation of preliminary and metered imbalances,

$Spotřeba_D$ is projected consumption determined by the Market Operator of the subject of settlement's end consumers for the specific gas trading day in v MWh,

$NomVPBodebrat_{DVS\,D}$ is a sum of nominations of the subject of settlement's obligation to take at VSP from BC in MWh,

$NomVPBodebrat_{DT\,D}$ is a sum of nomination of the subject of settlement's obligation to take at VSP from trades on DM for the specific gas trading day in MWh,

$NomVPBodebrat_{VDT\,D}$ is a sum of nominations of the subject of settlement's obligation to take at VSP from trades on IM for the specific gas trading day in MWh,

$NomVPBodebrat_{ODCH\,D}$ is nomination of the subject of settlement's obligation to take at VSP for purposes of balancing of imbalances for the specific gas trading day in MWh, including differentiation of preliminary and metered imbalances.

6.2.2 To evaluate daily risk exposure and determine the required FS, the CS OTE system uses parametric price of missing balancing gas, which the Market Operator shall determine as the value of 75th fractile of previous values of the price of missing balancing gas in CZK in compliance with ERO's Price Decision issued in the preceding calendar month and the first 14 calendar days of the current month, and published in the CS OTE system not later than on the 16th calendar day of the month for the following calendar month.

6.2.3 Financial security for imbalances is determined with regard to the projected daily risk exposure, the projected price of balancing gas, and volume of projected liabilities arising from imbalances not settled in kind for the period corresponding to the period needed to settle potential liabilities of the SS to the Market Operator. Settlement of liabilities is defined, for purposes of determining the required FS, as crediting cash to the Market Operator's bank accounts.

6.2.4 Financial security for securing off-tolerance imbalances is determined as a total of projected liabilities arising from off-tolerance imbalances for the period from the first gas trading day of the month to the 13th gas trading day of the following month, and also the period needed to settle liabilities of the SS to the Market Operator arising from settlement of off-tolerance imbalances. Settlement of liabilities is defined, for purposes of determining the required FS, as crediting cash to the Market Operator's bank accounts.

6.2.5 The SS determines financial security for transactions executed on the organized short-term market in proportion to the volume of its projected bids on the organized short-term market which may, following bid matching in the event of IM or evaluation in the event of DM, result in liabilities for the relevant SS, and the volume of projected liabilities arising from settlement of the organized short-term market for the period corresponding to the period needed for settlement of the organized short-term market and settlement of liabilities of the SS to the Market Operator arising from the foregoing settlement. Settlement of liabilities is defined, for the purposes of determining the required FS, as crediting cash to the Market Operator's bank accounts.

6.2.6 The volume of a bid on the organized short-term market is defined, for purposes of determining the required FS, as a sum of multiples of offered / demanded volumes of gas on the organized short-term market and of prices quoted in registered purchase bids increased by VAT.

6.2.7 The Market Operator has the right to reject the provided FS amount if the amount is not sufficient for securing the projected liabilities arising from agreements made between the SS and the Market Operator. In such event, the Market Operator notifies the relevant SS without delay via the e-mail designated for communication.

6.2.8 The Market Operator may grant the SS relief from the total required amount of FS.

6.2.9 FS relief under Article 6.2.8 refers to the rate by which the Market Operator shall reduce the required FS amount based on submission of an economic report no older than six months by Creditreform stating the relevant SS's financial standing index, or based on submission of documents proving the SS has been rated by the Standard & Poor's, Moody's or Fitch rating agencies.

6.2.10 The amount of the granted relief is determined as a percentage part of the total required FS amount as per the table below, but not in excess of CZK 10 million.

Rating				Relief rate
S&P	Moody's	Fitch	Creditreform	
AAA to A-	Aaa to A3	AAA to A-	100–190	15%
BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	191–240	10%

6.2.11 After the expiry of the six-month period from the date of submission of the required financial standing index by Creditreform, the SS must submit a new economic report by the said company with an updated financial standing index no older than six months under Articles 6.2.9 and 6.2.10 of BTG hereof, or submit documents proving the SS has been rated by the Standard & Poor's, Moody's or Fitch rating agencies under Articles 6.2.9 and 6.2.10 of BTG hereof. In the event of change to the SS's financial standing index or rating, a new rate of FS relief shall be determined for the respective SS under Article 6.2.10. If the SS fails to submit a new economic report by Creditreform containing the financial standing index no older than six months, or to submit documents proving that the SS has been rated by the Standard & Poor's, Moody's or Fitch rating agencies, under Articles 6.2.9 and 6.2.10, FS relief shall no longer be granted until the relevant submissions are made. In the event of proven rating by the Standard & Poor's, Moody's or Fitch rating agencies, the SS is obligated to notify the Market Operator about any rating change that would result in FS relief reduction under Article 6.2.10.

6.2.12 In the event the SS has been rated by the Standard & Poor's, Moody's or Fitch rating agencies, and in addition can submit the financial standing index from Creditreform under Articles 6.2.9, 6.2.10 and 6.2.11 of BTG hereof, the granted FS relief rate is governed by the ratings from Standard & Poor's, Moody's or Fitch under Articles 6.2.9, 6.2.10 and 6.2.11. In the event the SS has been rated by more than one rating agency, whereby these ratings are assigned different relief rate according to the table in Article 6.2.10, the rating generating greater relief rate is used.

6.3 Financial security balance

6.3.1 The FS balance is defined, for purposes of securing current and future liabilities of the SS to the Market Operator, as the total amount of provided FS reduced by:

6.3.1.1 a multiple of parametric price of missing balancing gas increased by the VAT price and daily risk exposure for the preceding and current gas trading day (until the close of nominations in compliance with the Market Rules), as depicted in the formula below:

$$PC_{D-1} \times DPH \times RE_{D-1} + PC_{D} \times DPH \times RE_{D},$$

a multiple of parametric price of missing balancing gas increased by the VAT rate and daily risk exposure for the current and following gas trading day (after the close of nominations in compliance with the Market Rules), as depicted in the formula below:

$$PC_{D} \times DPH \times RE_{D} + PC_{D+1} \times DPH \times RE_{D+1},$$

whereas daily risk exposure includes the projected volume of customer consumption, nominations of supply obligations from BC and trades on the organized short-term market, nominations of preliminary and metered negative imbalance, nominations of transmission at exit points including storage, nominations of distribution at exit points, nominations of take obligations from BC and from trades on the short-term organized market and from nominations of preliminary and metered positive imbalances of the imparting SS in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof and, in the event of the SS in the role of last resort supplier, also including the projected volume of consumption of customers, which were transferred to the last resort supplier as of the 14th gas trading day following the day of coming into force of the PDT transfer to the last resort supplier,

6.3.1.2 a sum of multiples of parametric price of missing balancing gas increased by the VAT rate and the offered volume of gas of all valid, non-evaluated sale bids on DM, including the sum of multiples of parametric price of missing balancing gas increased by the VAT rate and the offered volume of gas of all valid, non-evaluated sale bids on DM of imparting SSs in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof, as depicted in the formula below:

$$\sum_{j=1}^{n} PC_{D+j} \times NabídkaDT_{prodej_{D+j}} \times DPH$$

where

$NabídkaDT_{nákup_{D}}$ is the offered volume of gas of all valid, as non-evaluated sale bids on DM for the specific gas trading day and session in MWh,

$D + j$ are separate gas trading days,

6.3.1.3 a sum of multiples of parametric price of missing balancing gas increased by the VAT rate and the offered volume of gas of all valid, non-matched sale bids on IM, including a sum of multiples of parametric price of missing balancing gas increased by the VAT rate and the offered volume of gas of all valid, non-matched sale bids on IM of imparting SSs in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof, as depicted in the formula below:

$$\sum_{j=0}^{1} PC_{D+j} \times NabidkaVDT_{prodej_{D+j}} \times DPH$$

where

$NabidkaVDT_{prodej_D}$ is the offered volume of gas of all valid, as non-matched sale bids on IM for the specific gas trading day in MWh,

$D+j$ are separate gas trading days,

6.3.1.4 a sum of multiples of volumes of gas and prices increased by the VAT rate in all registered and non-evaluated purchase bids on DM converted to the CZK currency using the Market Operator's latest available CZK/EUR exchange rate, from which, following evaluation, liabilities may arise for the SS, as depicted in the formula below:

$$\sum_{j=1}^{n} \sum_{i=1}^{25} CenaNabidkyDT_{D+j,i} \times NabidkaDT_{nákup_{D+j,i}} \times Kurs\ Kč/EUR \times DPH$$

where

$CenaNabidkyDT_D$ is the price in registered and as non-evaluated purchase bids on DM per separate bid blocks for the specific gas trading day in EUR/MWh,

$NabidkaDT_{nákup_D}$ is the offered volume of gas in registered and non-evaluated purchase bids on DM for the specific gas trading day per separate bid blocks in MWh,

$D+j$ are separate gas trading days,

i are separate bid blocks to buy on DM DT,

6.3.1.5 a sum of multiples of volumes of gas and prices increased by the VAT rate in registered and non-matched purchase bids on IM converted to the CZK currency using the Market Operator's latest available CZK/EUR exchange rate, from which, following matching, liabilities may arise for the SS, as depicted in the formula below:

$$\sum_{j=0}^{1} \sum_{i=1}^{n} CenaNabidkyVDT_{D+j,i} \times NabidkaVDT_{nákup_{D+j,i}} \times Kurs\ Kč/EUR \times DPH$$

where

$CenaNabidkyVDT_D$ is the price in registered and as non-matched purchase bids on IM for the specific gas trading day in EUR/MWh,

$NabidkaVDT_{nákup_D}$ is the offered volume of gas in registered and non-matched purchase bids on IM for the specific gas trading day in MWh,

$D+j$ are separate gas trading gays,

i is the volume of purchase bids on IM per one gas trading day,

6.3.1.6 a sum of multiples of parametric price of missing balancing gas increased by the VAT rate and the projected volume of consumer consumption for the following three days (until the close of nominations), as depicted in the formula below:

$$(PC_{D+1} \times Spotřeba_{D+1} + PC_{D+2} \times Spotřeba_{D+2} + PC_{D+3} \times Spotřeba_{D+3}) \times DPH,$$

a sum of multiples of parametric price of missing balancing gas increased by the VAT rate and the projected volume of consumer consumption for three days following the following day (after the close of nominations), as depicted in the formula below:

$$(PC_{D+2} \times Spotřeba_{D+2} + PC_{D+3} \times Spotřeba_{D+3} + PC_{D+4} \times Spotřeba_{D+4}) \times DPH,$$

Including the projected volume of customer consumption of imparting SSs in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof, and in the event of the SS in the role of last resort supplier, also including the projected volume of consumption of customers, which were transferred to the last resort supplier as of the 14th gas trading day following the day of coming into force of the PDT transfer to the last resort supplier, whereby the Market Operator posts on its Web site the method of determining the volume of projected consumption for purposes of determining FS balance,

6.3.1.7 a sum of multiples of the off tolerance imbalance price increased by the VAT rate and the SS's preliminary or metered off-tolerance imbalances for all preceding gas trading days on which the off-tolerance imbalance has not been settled,

6.3.1.8 a sum of all other unsettled liabilities including liabilities arising from transactions executed on the organized short-term market.

6.3.2 Approximate calculation of the required FS can be carried out by using a table calculator available on OTE's Web site.

6.4 Sufficient FS balance

6.4.1 In the event of insufficient FS balance of the subject of settlement at the time of close of nominations, the Market Operator shall cancel any of the SS's non-matched bids on IM and any non-evaluated bids on DM, including all non-matched bids on IM and all non-evaluated bids on DM of the imparting SS in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof, or if applicable, shall reduce nominations of transmission, distribution, storage and supply obligation from BC of the imparting SS in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof, according to priorities defined in the Market Rules, or proceeds in compliance with the Market Rules.

6.4.2 The Market Operator shall register the SS's bids on the organized short-term gas market only in the event the SS has sufficient FS balance corresponding to a sum of multiples of the offered volume of gas on the organized short-term market and parametric price of missing balancing gas increased by the VAT rate, including a sum of multiples of the offered volume of gas on the organized short-term market and parametric price of missing balancing gas increased by the VAT rate of the imparting SS in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof.

6.4.3 The Market Operator shall register the SS's bids on the organized short-term market from which, following evaluation in the event of DM or matching in the event of IM, liabilities may arise for the SS, only in the event the SS has sufficient FS balance corresponding to a sum of multiples of the offered volume of gas and prices increased by VAT in all bid blocks adjusted using OTE's latest available CZK/EUR exchange rate.

6.4.4 In the event of insufficient FS balance of the subject of settlement during the next forthcoming check of FS after input of transmission, storage and distribution renominations, the Market Operator shall cancel any of the respective SS's non-matched bids on IM and any non-evaluated bids on DM, including all as non-matched bids on IM and all non-evaluated bids on DM of the imparting SS in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof, or if applicable, shall reduce transmission, storage and distribution renominations of the imparting SS in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof, according to priorities defined in the Market Rules.

6.4.5 The Market Operator shall register supply obligation renominations or take obligation renominations solely in the event the SS shows sufficient FS balance during the next forthcoming FS check, while including the volume of supply obligation renominations or take obligation renominations together with the volume of supply obligation renominations or take obligation renominations of the imparting SS in the event of transfer of imbalance responsibility pursuant to Part 2.7 of BTG hereof, into respective risk exposure of the SS multiplied by parametric price of missing balancing gas, increased by the VAT rate.

6.4.6 Update of FS balance is routinely carried out after:

6.4.6.1 close of nominations,

6.4.6.2 top of each hour in the course of the relevant day in the event of renominations,

6.4.6.3 registration of a bid on the organized short-term market,

6.4.6.4 each adjustment of bids on DM and IM and liabilities/receivables arising from transactions on DM and IM using the Market Operator's settlement CZK/EUR exchange rate,

6.4.6.5 cancellation of bid registration on the organized short-term market,

6.4.6.6 matching of bids on IM,

6.4.6.7 determining current prices of balancing gas in CZK unless preliminary or metered imbalance has been nominated for in-kind settlement,

6.4.6.8 daily processing of bank statements pertaining to the Market Operator's accounts, which show crediting cash to the Market Operator's accounts,

6.4.6.9 adjustment of off-tolerance imbalances within monthly evaluation of metered imbalances,

6.4.6.10 final monthly evaluation in compliance with Part 3 of BTG hereof,

6.4.6.11 evaluation and settlement of differences between metered consumption values acquired through meter readings and values for settlement of imbalances determined according to LPs and differences between values of metered losses acquired through meter readings and values of planned losses,

6.4.6.12 close of the unused tolerance market,

6.4.6.13 change of registration of imbalance responsibility.

6.5 Settlement of accruals of cash deposited with the Market Operator

Cash deposited into the Market Operator's account in terms of provision of financial security under Article 6.1.7.2 of BTG hereof is in the ownership of the SS which has deposited the cash with the Market Operator. This cash serves to secure ongoing and timely settlement of imbalances and the organized short-term market and to secure potential future liabilities to the relevant SS. In administering the cash, the Market Operator is obligated to provide professional care aimed to secure best possible protection of the entrusted funds.

6.5.1 After the end of each calendar quarter, the Market Operator is obligated to pay out accruals related to the deposited cash under Article 6.1.7.2 of BTG hereof. For purposes of payment of accruals related to the deposited cash, calendar quarter refers to the period of January to March inclusive, April to June inclusive, July to September inclusive, and October to December inclusive. The SS accepts the Market Operator's options in administering the cash and agrees with an annual accrual of:

$\Sigma_{m=1\ldots3} \Sigma_{d=1\ldots31}$ (cash$_{m,\,d}$ * (market yield$_{m,\,d}$ – 0,940%) / 360),

6.5.2 whereas cash is defined as the balance of cash provided to the Market Operator under Article 6.1.7.2 of BTG hereof at the end of the relevant day, and market yield is defined as the one-day PRIBID rate on the inter-banking deposit market for the respective day. In the event the one-day PRIBID rate on the inter-banking deposit market falls under 0.940%, the market yield is deemed to stay at the 0.940% rate. The amount is rounded up to whole crowns.

6.5.3 The Market Operator is obligated to issue and send to the SS documentation for settlement of cash accruals under Article 6.1.7.2 of BTG hereof within 11 calendar days after the end of the relevant calendar quarter. The documentation must include the variable symbol for executing payment of the cash accrual. Payment of the accrual into the SS's bank account shall be made within five calendar days after provision of the documentation by the Market Operator. In the event of disagreement with the calculated amount of the accrual, the SS has the right to send by registered mail an objection to the calculated accrual within 60 calendar days after the end of the relevant calendar quarter. If such case occurs, both parties acknowledge they shall make an utmost effort to come to an agreement within 90 calendar days after the end of the respective calendar quarter. Settlement payment shall be made into the SS's bank account within 10 calendar days after reaching an agreement.

6.5.4 The amount of accrual calculated by the Market Operator is deemed agreed upon on the part of the SS unless the SS sends via registered mail an objection to the calculated accrual within 60 calendar days after the end of the calendar quarter.

6.5.5 The Market Operator undertakes to relinquish any claims toward the SS arising from the Market Operator' costs reasonably incurred in administering cash under Article 6.1.7.2 of BTG hereof.

6.6 Lock-out of subject of settlement

6.6.1 The Market Operator has the right to lock-out a subject of settlement due to insufficient financial security in compliance to Part 6 of BTG hereof.

6.6.2 Lock-out of a SS refers to restriction of the SS's activities on the gas market and is effected to reduce financial risk of the Market Operator and other gas market participants.

6.6.3 Following lock-out of the SS, the Market Operator may rescind contractual relations with the respective SS. In the event of rescinding the agreements, mutual receivables shall be settled no later than in final monthly settlement for the month in which the SS was locked-out.

6.6.4 At the time of lock-out, access of the relevant subject of settlement (its staff) to CS OTE shall be restricted to prevent registration of new supply obligation and take obligation nominations and renominations, transmission, distribution and storage nominations and renominations, including nominations and renominations registered with the TS Operator and relevant DS and UGSF Operator, and to prevent registration of new imbalance responsibility assumption and new bids on the organized short-term market. The Market Operator shall further proceed in compliance with the Market Rules.

6.6.5 The Market Operator immediately notifies the respective SS via a message to the e-mail designated for communication about the lock-out, including the time of lock-out and reasons for its execution. Information about the lock-out is also distributed to all relevant SSs and RMPs to emails designated to communication and is posted on OTE's Web site. The notification about the lock-out shall immediately be made available via user interface.

6.6.6 The Market Operator is obligated to unlock the SS immediately after finding out that the lock-out was groundless. The Market Operator is obligated to notify the relevant SS without delay about unlocking and the time of unlocking. Information about unlocking the SS is sent to the respective SS's e-mail designated for communication and is also immediately made available via user interface.

7 CLAIMS

7.1 Claim filing procedure

7.1.1 Claims are filed through the CS OTE Web site via user interface of the CS OTE user (organized short-term market participant, SS, RMP) whereas the CS OTE user manually inputs data referring to the claim, primarily:

7.1.1.1 date of the gas trading day to which the claim pertains,

7.1.1.2 indicator of confidentiality; unlike the confidential document indicator, the public document indicator allows other CS OTE users to view the claim and its settlement,

7.1.1.3 class of claim (e.g. "Bid registration", "Result of evaluation of imbalances", etc.),

7.1.1.4 "brief" and "detailed" description of the claim (unattached text),

7.1.1.5 code of bid or BC nomination, or identification number (EIC) of the PDT to which the claim pertains (optional information),

7.1.1.6 attached file with additional data explanation (optional information); only one file can be attached, in the event of more files they have to be compressed first into one ZIP file.

7.1.2 Prior to settlement of all types of claims, the Market Operator first checks claims and then reviews valid claims and issues an opinion.

7.1.3 When checking a claim, the Market Operator verifies whether the relevant CS OTE user has complied with all registration requirements and obtained user authorization to file claims; subsequently, data of the claim are being checked as follows:

7.1.3.1 brief description of the claim; the respective box must be filled out,

7.1.3.2 detailed description of the claim; the respective box must be filled out,

7.1.3.3 specified trading day to which the claim pertains; the date must precede the current date/hour, whereby in the event of a claim concerning settlement of imbalances or the results of the organized short-term market, the specified day must pertain to the gas trading day evaluation of which has already been carried out and results published,

7.1.3.4 code of bid, nomination or identification number (EIC) of the PDT or customer, if specified (a check is run whether it matches any valid code / EIC and whether the bid, BC or PDT pertain to the CS OTE user that submits the claim),

7.1.3.5 time of filing a claim; it must precede the limit time for submitting the relevant type of claim,

attached file, if available.

7.1.4 After running the check, claims are marked as valid or invalid. The checking process includes an automatically generated electronic message sent to the e-mail designated for communication, confirming that the Market Operator has received the claim filed by the CS OTE user. The CS OTE user also receives the result of the check via user interface.

7.1.5 The Market Operator reviews valid claims pertaining to the organized short-term market and nominations.

7.1.6 Valid claims pertaining to transmission nominations and renominations shall be reviewed by the respective TS Operator, valid claims pertaining to distribution nominations and renominations shall be reviewed by the DS Operator, valid claims pertaining to storage nominations and renominations shall be reviewed by the UGSF Operator.

7.1.7 For claims related to DM, IM, and the unused tolerance market, it applies that a valid claim does not revoke already closed trades. This provision does not affect general rules about damage compensation and gratuitous enrichment.

7.1.8 All claims are filed in CS OTE.

7.1.9 All valid claims filed by the CS OTE user and valid claims with the public indicator filed by other CS OTE users can be viewed by CS OTE users via their user interface.

7.1.10 For viewing claims, the CS OTE user can define narrowing the list of viewed claims according to selection criteria (claims with defined status, made on a specific trading day or interval of days, modified in the past N days).

7.1.11 The CS OTE user that has filed claims may modify or cancel those claims. Once the modification or cancellation is executed, the respective CS OTE user is notified by a message.

7.1.12 CS OTE shall make it possible for the CS user that has filed the claim to:

7.1.12.1 add a new paragraph with an explanation note or comment or attach an additional file with explanation or calculations,

7.1.12.2 change the confidentiality indicator from “Public” to “Confidential” and vice versa,

7.1.12.3 close the claim, i.e. change its status from “Open” to “Closed”,

7.1.12.4 state at any time in closing the claim whether it agrees with the Market Operator’s reply or not.

7.1.13 To settle claims, the CS OTE user is obligated to cooperate at the request of the Market Operator (provide an explanation or additional information). In the event the CS OTE user has not responded to the Market Operator’s request for cooperation or refused to provide cooperation, the Market Operator has the right to settle the claim without the required explanation or additional information, whereby it is obligated to notify the respective CS OTE user.

7.1.14 In the event the CS OTE user seeks settlement, for instance in a court, of an unsuccessful claim that was filed in a timely fashion, and the Market Operator then deems the claim justified after the expiry of the limit time, all other repercussions of the settled claim shall affect solely the relevant CS OTE user and the Market Operator (without having any impact on the other

CS OTE users). This provision does not affect general rules concerning damage compensation and gratuitous enrichment.

7.1.15 In the event the CS OTE user seeks settlement, after the expiry of the limit time, of a claim that the Market Operator then deems justified, the claim shall be settled in a manner so no CS OTE user gets gratuitously enriched. All damage including profit loss is borne by the CS OTE user which breached obligations arising from generally binding regulations and contractual obligations. The Market Operator reserves the right to reject a claim (even a justified one) in the event it was filed later than within a three-month period after the day the relevant CS OTE user may have identified the reasons for filing a claim. This provision does not affect general rules about damage compensation and gratuitous enrichment.

7.2 Claims related to the organized short-term market

7.2.1 The SS (organized short-term market participant) has the right to file a claim related to:

7.2.1.1 rejection of registration and the right to participate in the organized short-term market or the unused tolerance market within 14 business days after notification about the registration rejection; the Market Operator is obligated to settle the claim within 14 business days after its receipt,

7.2.1.2 lock-out within two business days after notification about the lock-out; the Market Operator is obligated to settle the claim immediately,

7.2.1.3 failure to register a bid for a specific DM session no later than 15 minutes prior to the close of the respective session; the Market Operator is obligated to settle the claim without delay.

7.2.1.4 failute to register a bid on IM; the Market Operator is obligated to settle the claim without delay.

7.3 Claims related to evaluation of metered imbalances

7.3.1 The SS has the right to file a claim related to metered imbalances by the end of the third month following monthly evaluation of imbalances. The Market Operator is obligated to settle the claim no later than by 4.00 p.m. on the 10th business day of the fourth month following the month in which monthly evaluation of imbalances was performed.

7.4 Claims related to receipt and provision of data, nominations and renominations, change of supplier

7.4.1 The CS OTE user has the right to file a claim immediately after identifying reasons for filing a claim related to:

7.4.1.1 failure to register a nomination and a renomination; the Market Operator is obligated to settle this claim immediately, in the event of transmission, distribution, storage nominations and renominations in cooperation with the respective TS or DS or UGSF Operator,

7.4.1.2 rejection of change of supplier, but no later than within one business day after the respective TS or DS Operator has reviewed whether the data on change of supplier is correct and complete; the Market Operator is obligated to settle this claim immediately,

7.4.1.3 rejection of registration as RMP / SS, but no later than within 14 business days after notification about non-registration; the Market Operator is obligated to settle this claim within 14 business days after its receipt,

7.4.1.4 lock-out, but no later than within two business days after notification about the lock-out; the Market Operator is obligated to settle the claim immediately after its receipt,

7.4.1.5 rejection of registration of PDT, but no later than by 4.30 p.m. on the first business day before the date of coming into force of the registration; the Market Operator is obligated to settle the claim immediately, 7.4.1.6 preliminary values from metering used in daily evaluation, whereas passing the claim on to the TS or DS Operator that has provided the preliminary values from metering is also deemed claim settlement,

7.4.1.7 metered values used in monthly evaluation, whereas passing the claim on to the TS or DS Operator that has provided the metered values is also deemed claim settlement,

7.4.1.8 documentation for billing supply and distribution, but no later than within three months after the end of the month to which the claim pertains; the Market Operator is obligated to settle the claim by 4.00 p.m. on the eight business day of the fourth month following the month subject to evaluation, whereas passing the claim on to the respective DS Operator is deemed claim settlement. The DS Operator shall provide new documentation for billing through CS OTE. The CS OTE user has the right to ask the Operator to revise documentation for billing after the deadline; the DS Operator provides new documentation for billing supply and distribution via CS OTE.

7.4.2 The Market Operator is not responsible for accuracy and completeness of the primary data that data providers put in the system. In the event of a claim arising from this matter (accuracy and completeness of the primary data), the claim shall be passed on to the respective data provider to settle.

8 RECEIPT AND PROVISION OF DATA

8.1 Receipt and review of nominations and renominations

8.1.1 Subjects of settlement shall submit planned gas supply and consumption in the form of nominations and renominations. Nomination/renomination refers to:

8.1.1.1 nomination/renomination of supply obligation or take obligation, or

8.1.1.2 nomination/renomination of gas transmission, or

8.1.1.3 nomination/renomination of gas distribution, or

8.1.1.4 nomination/renomination of gas storage, or

8.1.1.5 registration of transactions pertaining to unused tolerance trading.

8.1.2 The Market Operator processes nominations in the timeframe and manner pursuant to Section 28-32 of the Market Rules, and renominations pursuant to Section 33–34 of the Market Rules.

8.1.3 Nomination/renomination is a value in kWh, rounded to integers, sent by one SS, for one gas trading day, one PDT (entry or exit point), and for one counterparty. This applies to all supply obligation and take obligation nominations/renominations, and also to transmission, distribution and storage nominations/renominations at entry and exit points of the gas network.

8.1.4 If the Market Operator is not the primary recipient of transmission, distribution or storage nominations/renominations, it need not confirm these nominations/renominations to the submitting SS.

8.1.5 Formats of messages for nominations/renominations are governed by Appendix No. 1 of BTG hereof.

8.1.6 Supply obligation and take obligation nominations may be filed in OTE CS any time in advance. Supply obligation and take obligation nominations/renominations are being received on an ongoing basis.

8.1.7 Each nomination/renomination differentiates by a time indicator assigned on receipt. Following evaluation of imbalances, only the last registered and confirmed nomination/renomination shall be taken into account.

8.1.8 Transmission, distribution and storage nominations/renominations are immediately after receipt forwarded to the respective recipient (TS or DS or UGSF Operator).

8.1.9 All supply obligation nominations/renominations shall carry the nomination/renomination subtype indicator, which refers to:

8.1.9.1 BC,

8.1.9.2 handover of gas,

8.1.9.3 settlement of the SS' preliminary imbalance,

8.1.9.4 settlement of the SS's metered balance,

8.1.9.5 flexibility service.

8.1.10 Trades executed on the organized short-term market shall be automatically transferred on behalf of the SS to supply obligation and take obligation nominations with a special indicator after evaluation of the market.

8.1.11 Nominations created under Article 8.1.10 and nominations under Articles 8.1.9.3 and 8.1.9.4 cannot be renominated.

8.1.12 Nominations under Articles 8.1.9.1 and 8.1.9.5 are carried out in a manner that one SS sends a supply obligation nomination to CS OTE and the other SS sends a take obligation nomination to CS OTE. On receipt these nominations are matched and confirmed. In the event the two nominations differ, in the timeframe for processing nominations the value of the supply obligation nomination or the take obligation nomination is adjusted in that the lesser of the two values is registered.

8.1.13 In the event of supply obligation and take obligation renominations, the rule that the lesser of the two values gets registered does not apply.

8.1.14 The Market Operator is the exclusive recipient of supply obligation and takes obligation nominations and renominations.

8.1.15 All received supply obligation and take obligation renominations are checked in terms of financial security. In the event of insufficient financial security, the renominations are rejected.

8.1.16 All received transmission and distribution renominations are checked in terms of financial security. In the event of insufficient financial security, the renominations are reduced.

8.1.17 Checks of financial security of renominations are carried out after the end of each hour.

8.1.18 If a renomination has not been matched before the deadline for submitting supply obligation and take obligation renominations on the specific gas trading day, the renomination is rejected.

8.1.19 The received nomination/renomination is checked whether

8.1.19.1 the message contains all mandatory data,

8.1.19.2 the SS is permitted to submit nominations/renominations,

8.1.19.3 the counterparty SS has been duly filled out in the event of supply obligation and take obligation nomination/renomination,

8.1.19.4 the relevant PDT exists in the CS OTE system,

8.1.19.5 the date, to which the nomination/renomination pertains, is correct,

8.1.19.6 the date and time of registration receipt is correct in the event of registrations of transactions executed on the unused tolerance market,

8.1.19.7 the nomination/renomination subtype is correct in the event of supply obligation and take obligation nomination/renomination.

8.1.20 Nominations under Articles 8.1.9.3 and 8.1.9.4 shall be pre-filled in CS OTE. Unless the SS submits a nomination explicitly differently, it shall be deemed valid and confirmed. This automatic nomination process does not apply to locked-out SSs.

8.1.21 Nominations under Articles 8.1.9.3 and 8.1.9.4 must not exceed the maximum permitted amount for this nomination on the specific gas trading day.

8.1.22 Supply obligation and take obligation nominations/renominations under Article 8.1.9.2 must be equal.

8.1.23 For all nominations/renominations, or their division into separate participants in compliance with the procedures hereunder, the SS always enters the code of the market participant to which the relevant nomination/renomination pertains.

8.1.24 The Market Operator shall facilitate receipt of BC nominations/renominations by the deadline pursuant to the Market Rules.

8.1.25 If the subject of settlement for any reason does not submit the daily nomination in compliance with the timetable set forth in the Market Rules, the Market Operator shall deem nominations submitted within weekly nominations binding daily nominations for the respective gas trading day.

8.1.26 In the event of gas supply or consumption carried out through TS, the SS shall submit transmission nominations/renominations up to the level set forth in Appendix No. 4 of the Market Rules.

8.1.27 In the event of gas supply or consumption carried out through DS, the SS shall submit transmission nominations/renominations up to the level set forth in Appendix No. 4 of the Market Rules.

8.1.28 In the event of gas storage nominations/renominations, the SS shall submit storage nominations/renominations up to the level set forth in Appendix No. 4 of the Market Rules.

8.1.29 The SS shall nominate/renominate at the gas system points as follows:

8.1.29.1 At the CBTS point, transmission nominations/renominations for the relevant border entry point shall be divided into separate importers/buyers to facilitate for the TS Operator to perform the matching procedure with the foreign TS of DS Operator on the other side of the respective border point,

8.1.29.2 at the UGSF point, transmission and storage nominations/renominations for the UGSF relevant point are submitted to facilitate for the transmission system operator and the underground gas storage facility operator to perform the matching procedure,

8.1.29.3 at the CBGL point, distribution nominations/renominations for the relevant CBGL point are divided into separate importers/buyers to facilitate for the DS Operator to perform the matching procedure with the foreign DS or TS Operator on the other side of the respective CBGL point,

8.1.29.4 distribution nominations/renominations are submitted at each point of the gas production facility.

8.2 Receipt of values from TS, DS and UGSF Operators and their correction, including billing information

8.2.1 Preliminary and metered values of specific registered PDTs with interval metering are provided for separate gas trading hours

8.2.1.1 in the event of a customer point of delivery for one direction of gas flow,

8.2.1.2 in the event of production transfer point or aggregate production transfer points or between two DSs, in the form of values for both directions of gas flow (in the event of gas supply to a neighbouring DS, the values are deemed negative, and in the event of gas consumption from a neighbouring DS, the values are deemed positive),

8.2.1.3 in the event of a UGSF transfer point, in the form of values for both directions of gas flow (for filling gas into the UGSF, the values are deemed negative, and for extracting gas from the UGSF, the values are deemed positive).

8.2.2 Metered values sent to registered PDTs with non-interval metering are provided, in the event of a customer point of delivery, in the form of a file comprised of the meter reading value and additional data for billing distribution.

8.2.3 The TS or DS Operator is not permitted to provide metered or preliminary data of an unregistered PDT prior to the time of registration.

8.2.4 Deadlines for provision of metered and preliminary gas values for each type of PDT by the TS or DS Operator to the Market Operator are set forth by the relevant provisions of the Market Rules. The TS Operator or respective DS Operator is responsible for correct assignment of the PDT type in the CS OTE system.

8.2.5 In compliance with the deadline set forth by the Market Rules, the TS or DS Operator ensures daily provision of preliminary values at PDTs with Type A metering, provided the relevant PDT is specified in the CS OTE system accordingly. In the event the values have not been provided, the deadline for daily evaluation of imbalances shall be extended under Article 3.1.4 of BTG hereof.

8.2.6 In the event of failure of the metering equipment, the TS or DS Operator is obligated to perform calculation of substitute valid values for the duration of the failure of the metering equipment. Substitute valid values of supply/consumption at PDTs with interval metering are specified.

8.2.7 The TS or DS Operator provides the Market Operator with metered or preliminary gas values with regard to the PDT type in a file and format defined in Appendix No. 1 of BTG hereof. CS OTE shall attach a time indicator to the provided values. The files can be sent repeatedly, whereby the last received file substitutes sending a new file before the deadline defined in the relevant provisions of the Market Rules.

8.2.8 The TS or DS Operator sends to CS OTE additional data for billing distribution of the customer that has changed supplier, or billing consumption at a production transfer point, in a file and format defined in Appendix No. 1 of BTG hereof. The files can be sent repeatedly, whereby the last received file substitutes sending a new file before the deadline defined in the relevant provisions of the Market Rules.

8.2.9 The TS or DS Operator sends to CS OTE data on combustion heat, change of accumulation, reserved distribution or transmission capacity in a file and a format defined in Appendix No. 1 of BTG hereof. The files can be sent repeatedly, whereby the last received file substitutes sending a new file before the deadline defined in the relevant provisions of the Market Rules.

8.2.10 All received data (correct and erroneous) are filed in CS OTE including the date and time of receipt, version and sender's identification.

8.2.11 On receipt, the Market Operator is obligated to review metered or preliminary values and other data provided by the TS or DS Operator, in particular

8.2.11.1 whether the data sender is identical with the TS or DS Operator defined as the provider of metered or preliminary values for the respective PDT,

8.2.11.2 compatibility of the data format and the file format,

8.2.11.3 units of metered values of gas supply and consumption (kWh integers), and units of values of combustion heat, change of accumulation, reserved distribution or transmission capacity,

8.2.11.4 complete set of values of the relevant PDT.

8.2.12 In the event of identified discrepancies or if the data provided by the TS or DS Operator is not complete, the CS OTE system automatically generates and sends a message to the respective Operator via the e-mail designated for communication for purposes of filing shared data and gathering metered values.

8.2.13 Provision of data to CS OTE is governed by the following measures:

8.2.13.1 When sending data to the Market Operator, the TS or DS Operator observes the rule of preferential data sending for daily evaluation of imbalances pursuant to Section 44 (1, 5) of the Market Rules. The TS Operator and DS Operators transmit corrected data for the other gas trading days and other data and messages after the deadline for daily data sending pursuant to Section 44 of the Market Rules,

8.2.13.2 while observing the foregoing rules applying to provision of data for daily evaluation of imbalances, on the ninth calendar day the TS or DS Operator preferentially sends to the Market Operator also data for monthly evaluation of imbalances pursuant to Section 44 (6, 12) of the Market Rules.

8.2.14 In the event the TS or DS Operator identifies an error in the provided data, it is obligated to send corrected data immediately but no later than by 12.00 noon on the ninth calendar day of the fourth month following the month subject to evaluation. In addition, the TS or DS Operator is obligated to send the Market Operator corrected data that were a cause for a claim by the same deadline at the latest.

8.2.15 The TS or DS Operator is obligated to provide the Market Operator with the corrected data in the same manner as the original data, whereby the Operator is obligated to transmit all data contained in the file, i.e. both corrected and unchanged correct data.

8.2.16 The TS or DS Operator may provide corrected data repeatedly.

8.2.17 The Market Operator shall not register corrected data sent by the TS or DS Operator after the deadline for evaluation and settlement of imbalances pursuant to Section 51 of the

Market Rules, with the exception of new documentation for billing supply and distribution under Article 7.4.1.8.

8.2.18 Damage compensation and/or gratuitous enrichment arising from erroneous data are settled in compliance with applicable general regulations after the deadline for evaluation and settlement of imbalances pursuant to Section 51 of the Market Rules.

8.2.19 To round metered values, the following rules apply:

8.2.19.1 combustion heat in kWh/m^3 to four decimal places,

8.2.19.2 energy volume in kWh to integers,

8.2.19.3 volume in m^3 to integers.

8.2.20 Other metered values are rounded in compliance with applicable legal and binding technical regulations and rules.

8.2.21 The Market Operator shall make a substitute estimate of expected consumption at points of delivery with Type B metering in a manner set forth in the Market Rules.

8.2.22 In the event of transfer points between UGSF and TS, the TS Operator provides data from the transfer points to the Market Operator.

8.2.23 In the event of transfer points between DS and DS, the Market Operator receives data from these transfer points from the DS Operator, which operates metering equipment at the relevant transfer point, unless the DS Operators have agreed otherwise.

8.3 Provision of data from CS OTE, including billing documentation

8.3.1 Immediately after receipt and successful input of data from metering, documentation for billing distribution of interval-metered consumption and documentation for billing distribution and supply of non-interval-metered consumption, CS OTE forwards the data to entities authorized to obtain it (according to the relationship between the registered market participant and the respective PDT, to which the data was forwarded).

8.3.2 The Market Operator provides documentation for billing gas supply and documentation for billing distribution, based on the latest available metered values of gas consumption at respective PDTs.

8.3.3 In addition, a request for relevant data may be sent to CDS. The SS/RMP submits the request (for metered data, data for billing distribution of interval-metered consumption and data for billing distribution and supply of non-interval-metered consumption, and its aggregate values of supply and consumption) either via an online form or by sending a file in a format defined in Appendix No. 1 of BTG hereof, attached to a signed e-mail message. The structure of files for submitting the request is identical for all types of request, whereas the request code and period and, if applicable, the relevant PDT's EIC is subject to change. The RMP in the request defines

8.3.3.1 date of the gas trading day from-to (for period identification),

8.3.3.2 PDT identifier (if not stated, the requested data is generated for all PDTs assigned to the respective RMP),

8.3.3.3 type of data,

8.3.3.4 indicator of request for periodical data distribution; in the event of request for periodical distribution, the applicant receives all relevant types of data pertaining to the specific data processing day after all data has been received and processed,

8.3.3.5 format of the output file (XML),

8.3.3.6 type of communication.

8.3.4 Following receipt of the request for data and information, the Market Operator shall verify whether the sender is authorized to submit such request in terms of access to the requested data.

8.3.5 Entities having access to metered data at PDTs:

8.3.5.1 DSO, whose system includes the relevant PDT (transfer points between systems can be always accessed by both parties), 8.3.5.2 supplier to the PDT,

8.3.5.3 observer,

8.3.5.4 supervisor,

8.3.5.5 SS.

8.3.6 Entities having access to metered data on flexibility service:

8.3.6.1 SS providing flexibility service,

8.3.6.2 TS Operator.

8.3.7 Entities having access to documentation for billing distribution at PDTs with interval metering or billing supply and distribution at PDTs with non-interval metering:

8.3.7.1 DSO, whose system includes the relevant PDT (transfer points between systems can be always accessed by both DSOs),

8.3.7.2 supplier,

8.3.7.3 observer,

8.3.7.4 supervisor,

8.3.7.5 SS.

8.3.8 Suppliers have access to their aggregate values of supply/consumption and also to subdivision according to type of metering, LP class and, in the event of Type C metering, system.

8.3.9 In the event the applicant has no access to data of some PDT, the Market Operator notifies the applicant about rejection of request processing and specifies reasons for rejection. In approved cases, the Market Operator shall dispatch a file containing the requested data within 12 hours after receipt of the request.

8.3.10 The Market Operator shall allow access to data on PDTs via CS OTE, including the status of change requests, to all suppliers to respective PDTs for a specified time period.

8.4 Suspension of data distribution to PDTs with interval metering

8.4.1 The TS or DS Operator notifies the Market Operator without delay, but at least one business day prior to requested suspension of data distribution to the PDT, about suspension of data distribution to the PDT with interval metering. The TS or DS Operator may specify suspension of data distribution to the PDT via

8.4.1.1 an on-line form using CS OTE user interface, or

8.4.1.2 a file for registration of PDT in formats defined in Appendix No. 1 of BTG hereof, which may comprise of more than one PDT.

8.4.2 Suspension of data distribution to PDTs is carried out by filling out the box: “Suspension of data distribution – YES”. After executing the change, the TS or DS Operator shall not send data to the relevant PDT. As a result of the “suspension of data distribution” indicator, checking receipt of sent data is deactivated in CDS, whereas the other processes using the PDT’s primary records remain intact.

9 FINAL PROVISION

The Business Terms for the Gas Sector (BTG) and their Appendices hereof are an integral part of contractual relations in electronic form. The original copy of BTG in paper form is deposited at the registered office of the Market Operator. BTG including Appendices No. 2 and No. 3 were approved by the Energy Regulatory Office (ERO) on 14 December 2009. The Business Terms and their Appendices hereof come into force on 1 January 2010. Stamp