

# **Business Terms of OTE, a.s. for the Gas Sector (\*)**

## **Revision 21 – September 2022**

(\*) Please note that this translation is provided for convenience only. In case of any discrepancies, the Czech version shall prevail.

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## MARKET OPERATOR IDENTIFICATION

OTE, a.s. is a commercial company entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 7260.

- Business Registration Number (IČ) 26463318, Tax Identification Number (DIČ) CZ26463318,
- Registered office: Prague 8, Karlín, Sokolovská 192/79, postal code 186 00, (Operátor trhu – Market Operator)
- EIC: 27XGOTE-CZ-GAS-R

Market Operator's Help Desk for the gas sector:

- Email: [plyn@ote-cr.cz](mailto:plyn@ote-cr.cz)
- Telephone: +420 234 686 200

Market Operator's Help Desk for organized short-term markets in the gas sector:

- E-mail: [market@ote-cr.cz](mailto:market@ote-cr.cz),
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Market Operator's Help Desk for Producers

- E-mail: [poze@ote-cr.cz](mailto:poze@ote-cr.cz),
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Market Operator's Help Desk business hours are posted on OTE's website (<http://www.ote-cr.cz>).

Calls to phone numbers posted on OTE's website are recorded and records are processed in order to improve the quality of services, protect legitimate interests, execute contracts and fulfill the legal obligations of the Market Operator.

To access the public website for the Market Operator's information regarding the gas sector, go to <http://www.ote-cr.cz>.

CS OTE users can access the CS OTE secure website at <https://portal.ote-cr.cz/>.

EIC VOB (CZ Virtual Trading Point) for the purposes of REMIT reporting:

[21Y---A001A001-B](#)

EIC VOB CZ for XML message exchange between gas market participants and the Market Operator:

27ZG---VPB-----E

# Contents

MARKET OPERATOR IDENTIFICATION.....	2
OTE, A.S. IS A COMMERCIAL COMPANY ENTERED IN THE COMMERCIAL REGISTER MAINTAINED BY THE MUNICIPAL COURT IN PRAGUE, SECTION B, INSERT 7260. ....	2
CONTENTS.....	4
<b>1 GENERAL RULES.....</b>	<b>6</b>
1.1 LIST OF ABBREVIATIONS.....	6
1.2 GLOSSARY OF USED TERMS NOT INCLUDED IN THE ENERGY ACT AND MARKET RULES .....	7
1.3 BILLING AND SETTLEMENT OF PRICES CHARGED FOR THE MARKET OPERATOR'S SERVICES AND OTHER PAYMENTS .....	10
1.4 PERSONAL DATA PROCESSING AND PROTECTION.....	12
1.5 APPENDICES TO BTG.....	12
<b>2 COMMUNICATION WITH THE MARKET OPERATOR .....</b>	<b>13</b>
2.1 SECURE ACCESS TO CS OTE .....	13
2.2 SECURE ACCESS TO CS OTE VIA CERTIFICATES ISSUED BY SUPPORTED CAS .....	15
2.3 GAS SUPPLY SUSPENSION .....	16
2.4 CHANGE OF SUPPLIER OR START OF SUPPLY .....	16
2.5 REDUCTION AND EXTENSION OF SUPPLY TO PDTS.....	20
2.6 CHANGE OF BALANCE RESPONSIBLE PARTY (BRP) AT POINTS OF DELIVERY/TRANSFER (PDT).....	21
2.7 TRANSFER OF TOTAL IMBALANCE BETWEEN BRPS .....	22
2.8 BUSINESS COMPANY TRANSFORMATION.....	24
<b>3 EVALUATION AND SETTLEMENT .....</b>	<b>24</b>
3.1 STAGES OF EVALUATION OF IMBALANCES.....	24
3.2 SETTLEMENT OF DAILY EVALUATION OF IMBALANCES, DAILY SETTLEMENT OF THE INTRADAY MARKET AND THE UNUSED FLEXIBILITY MARKET .....	26
3.3 SETTLEMENT OF MONTHLY EVALUATION OF IMBALANCES, MONTHLY SETTLEMENT OF THE INTRADAY MARKET AND THE UNUSED FLEXIBILITY MARKET.....	27
3.4 SETTLEMENT OF FINAL MONTHLY EVALUATION OF IMBALANCES .....	29
3.5 SETTLEMENT OF DIFFERENCES BETWEEN METER READINGS AND CONSUMPTION VALUES BASED ON LP .	30
3.6 SETTLEMENT OF DIFFERENCES DURING THE STATE OF EMERGENCY AND WHEN PREVENTING THE STATE OF EMERGENCY.....	31
<b>4 THE INTRADAY GAS MARKET .....</b>	<b>32</b>
4.1 GENERAL RULES OF THE INTRADAY GAS MARKET.....	32
4.2 INTRA-DAY MARKET – SUBMISSION OF OFFERS AND THEIR MODIFICATION .....	33
4.3 OFFERS ON IM AND THEIR RESTRICTIONS.....	35
4.4 REVIEW OF OFFERS ON IM.....	35
4.5 MATCHING OF OFFERS ON IM (INITIATION OF A TRADE).....	36
4.6 TRADING ON IM USING MOBILE APPLICATION IM .....	36
<b>5 THE UNUSED FLEXIBILITY MARKET .....</b>	<b>37</b>
5.1 GENERAL RULES OF THE UNUSED FLEXIBILITY MARKET.....	37
5.2 SUBMISSION OF OFFERS TO THE UNUSED FLEXIBILITY MARKET AND THEIR MODIFICATION .....	38
5.3 REVIEW OF OFFERS ON THE UNUSED FLEXIBILITY MARKET .....	38
5.4 EVALUATION OF OFFERS ON THE UNUSED FLEXIBILITY MARKET.....	39

<b>6</b>	<b>REGISTRATION OF DS, PDT, OTE'S CONTRACTUAL PARTNER AND ITS CS OTE USERS AND AUTHORIZED PERSONS.....</b>	<b>40</b>
6.1	REGISTRATION OF DS.....	40
6.2	REGISTRATION OF PDT .....	40
6.3	CANCELLATION OF PDT REGISTRATION.....	42
6.4	REGISTRATION OF OTE'S CONTRACTUAL PARTNER.....	42
6.5	CANCELLATION OF OTE'S CONTRACTUAL PARTNER.....	44
6.6	REGISTRATION OF NEW CS OTE USERS AND AUTHORIZED PERSONS OF OTE'S CONTRACTUAL PARTNER ..	46
6.7	CHANGE IN EIC OF OTE'S CONTRACTUAL PARTNER .....	46
6.8	RESTRICTION OF ACCESS RIGHTS FOR OTE'S CONTRACTUAL PARTNER WHICH HAS CONCLUDED THE AGREEMENT ON ACCESS TO CS OTE WITH THE MARKET OPERATOR.....	46
<b>7</b>	<b>FINANCIAL SECURITY .....</b>	<b>47</b>
7.1	FINANCIAL SECURITY .....	47
7.2	DETERMINING FINANCIAL SECURITY .....	50
7.3	FINANCIAL SECURITY (FS) BALANCE AND FS BALANCE FOR IM.....	55
7.4	SUFFICIENT FS BALANCE AND SUFFICIENT FS BALANCE FOR IM .....	58
7.5	SETTLEMENT OF ACCRUALS OF FUNDS DEPOSITED WITH THE MARKET OPERATOR.....	60
7.6	LOCK-OUT OF BALANCE RESPONSIBLE PARTY .....	60
7.7	GAS SUPPLY BY THE LAST RESORT SUPPLIER.....	62
<b>8</b>	<b>CLAIMS.....</b>	<b>62</b>
8.1	CLAIM FILING PROCEDURE .....	62
8.2	CLAIMS RELATED TO THE INTRADAY MARKET .....	64
8.3	CLAIMS RELATED TO THE UNUSED FLEXIBILITY MARKET.....	64
8.4	CLAIMS RELATED TO EVALUATION OF IMBALANCES .....	64
8.5	CLAIMS RELATED TO RECEIPT AND PROVISION OF DATA, NOMINATIONS AND RENOMINATIONS, CHANGE OF SUPPLIER.....	65
<b>9</b>	<b>RECEIPT AND PROVISION OF DATA.....</b>	<b>66</b>
9.1	RECEIPT AND REVIEW OF NOMINATIONS AND RENOMINATIONS .....	66
9.2	RECEIPT OF VALUES FROM TSO AND DSO AND THEIR ADJUSTMENT, INCLUDING BILLING INFORMATION .....	69
9.3	PROVISION OF DATA FROM CS OTE, INCLUDING BILLING DOCUMENTATION... ..	71
9.4	SUSPENSION OF DATA DISTRIBUTION TO PDTS.....	73
<b>10</b>	<b>TRANSPARENCY, PREVENTION OF MARKET ABUSE AND MANIPULATION.....</b>	<b>74</b>
10.1	COMPLIANCE WITH REMIT.....	74
10.2	GOOD BUSINESS CONDUCT .....	74
10.3	TREATMENT OF INSIDE INFORMATION .....	74
10.4	PROHIBITION OF MARKET MANIPULATION.....	75
10.5	REGISTRATION AND PROVISION OF TRADE DATA FROM CS OTE.....	75
10.6	TRADE DATA REPORTING.....	76
10.7	REGISTRATION AND CHANGE OF ACER CODE IN CS OTE .....	76
10.8	FEES FOR TRADE DATA REGISTRATION, PROVISION AND REPORTING.....	77
10.9	OVERSIGHT OF THE MARKET OPERATOR .....	77
<b>11</b>	<b>BIOMETHANE PRODUCER.....</b>	<b>78</b>
11.1	REGISTRATION OF THE PRODUCER .....	78
11.2	REGISTRATION OF NEW CS OTE USERS AND AUTHORIZED PERSONS OF THE PRODUCER.....	78

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11.3 REGISTRATION OF AN INTERMEDIARY..... ■■■ .....	79
11.4 SETTLEMENT PERIODS ..... ■■■■ .....	79
11.5 DUE DATES OF PAYMENT..... ■■■■ .....	80
11.6 METHOD OF PAYMENT OF SUPPORT..... ■■■ .....	80
11.7 METHOD OF HANDLING COMPLAINTS CONCERNING SETTLEMENT.....	80
12 FINAL PROVISION .....	81

## 1 GENERAL RULES

### 1.1 List of abbreviations

- 1.1.1 ATS - Act on Trust Services for Electronic Transactions;
- 1.1.2 CA – certification authority; OTE provides access to CS OTE via certificates issued by internal CAs and other supported CAs pursuant to Chapter 2 of BTG;
- 1.1.3 CDS – Centre of Data Services, an integral part of CS OTE;
- 1.1.4 PD – applicable Price Decision promulgated by the Energy Regulatory Office regarding prices of regulated services related to gas supply;
- 1.1.5 CM – non-interval metering without adjustment of values and monthly data readings<sup>1</sup>;
- 1.1.6 CS OTE – central information system of OTE, a.s. or parts thereof. OTE-COM user application and mobile application IM are also parts of CS OTE;
- 1.1.7 CZK – Czech currency code (Kč);
- 1.1.8 ČHMÚ – Czech Hydrometeorological Institute
- 1.1.9 CNB – Czech National Bank;
- 1.1.10 VAT – Value Added Tax, Act No. 235/2004, on Value Added Tax, as amended
- 1.1.11 DSO – distribution system/s or network/s;
- 1.1.12 BC – trade carried out under a bilateral contract for gas supply between BRPs under the Market Rules;
- 1.1.13 EAN – global system of coding and identification of goods, services and organizations; EAN-13 – identification numerical code for the gas and/or electricity market participant (GLN coding);
- 1.1.14 EIC – Energy Identification Code; EIC is used for identifying gas market participants and PDTs;
- 1.1.15 eIDAS - Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC;
- 1.1.16 ERO – Energy Regulatory Office;
- 1.1.17 EU – European Union;
- 1.1.18 EA - Act No. 458/2000 Coll., on Business Terms and Public Administration in the Energy Sectors and on amending selected acts (Energy Act), as amended;
- 1.1.19 FOK - type of execution restriction for bids on IM;
- 1.1.20 FS – financial security of a balance responsible party;
- 1.1.21 GDT – type of time restriction for bids on IM;
- 1.1.22 GFS – type of time restriction for bids on IM;
- 1.1.23 BDS – border delivery station in the transmission system or virtual interconnection points;
- 1.1.24 HW – hardware for secure access to CS OTE;
- 1.1.25 ID RMP – registration number of the gas and/or electricity market participant in CS OTE;
- 1.1.26 IOC - type of execution restriction for bids on IM
- 1.1.27 NON – type of execution restriction for bids on IM
- 1.1.28 PDT – customer points of delivery/transfer, pursuant to the Energy Act, or transit points between the transmission and distribution systems, transit points between two distribution systems, transit points between the Czech Republic's distribution system and the neighbouring countries' distribution or transmission systems, transit points between the Czech Republic's transmission system and the neighbouring countries' transmission or distribution systems, and transit points between the gas production facility and the distribution system;
- 1.1.29 BTG – Business Terms of OTE, a.s., for the Gas Sector (this document);

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<sup>1</sup> Section 2, Par. 1, Letter c), Article 1 of Decree No. 108/2011 Coll.

- 1.1.30 CGD – cross-border gas duct in the distribution system;
- 1.1.31 TSO – transmission system operator/s;
- 1.1.32 POZE – Act No. 165/2012 Coll., on Supported Energy Sources and on amendments to certain acts, as amended;
- 1.1.33 RMP – gas market participant registered with the Market Operator pursuant to applicable provisions of the Energy Act and Market Rules;
- 1.1.34 SW – software;
- 1.1.35 SE – state of emergency in the gas sector;
- 1.1.36 BRP – balance responsible party/ies, registered gas market participant which has entered into a valid and effective Agreement on Settlement of Imbalances with the Market Operator;
- 1.1.37 LP – load profile;
- 1.1.38 IM – intra-day gas market organized by the Market Operator;
- 1.1.39 VTP – virtual trading point; where it applies that volumes of gas nominated at VTP and confirmed by the Market Operator are deemed delivered;
- 1.1.40 OTE’s website – public web pages of OTE, a.s. ([www.ote-cr.cz](http://www.ote-cr.cz));
- 1.1.41 XML – data exchange protocol (eXtensible Mark-up Language);
- 1.1.42 GSF – gas storage facility;

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

- 1.2.1 ACER Code – Registration code of the market participant issued by ACER;
- 1.2.2 ACER – Agency for the Cooperation of Energy Regulators;
- 1.2.3 Accepted Offers – offers that are
  - 1.2.3.1 in the event of IM matched pursuant to the provisions of Part 4.4 of BTG,
  - 1.2.3.2 in the event of the unused flexibility market confirmed after matching in in full or in part;
- 1.2.4 Active Offer – a valid offer not excluded from the evaluation process;
- 1.2.5 Allocation Rules – allocation regimes at entry and exit points of the TSO, GSF or CBPL, set forth in the TSO or DSO Code; the Market Operator discloses any change in the allocation rule immediately after its acceptance by the TSO or DSO;
- 1.2.6 ARIS – information system of ACER
- 1.2.7 Market Operator’s Bank – Komerční banka, a.s.;
- 1.2.8 Block – segment of an offer representing an order to trade unused flexibility determined by the volume and price of unused flexibility, which can be offered or demanded within the scope of purchase bids for the relevant gas trading day on the unused flexibility market;
- 1.2.9 Certificate – digital certificate compliant with the X.509 standard for electronic signature, encryption or authentication;
- 1.2.10 Commercial Certificate – certificate issued by a supported certification authority under Article 2.3 of BTG that does not meet the requirements for a qualified certificate;
- 1.2.11 Qualified Certificate – qualified certificate for electronic signatures as defined in eIDAS that is required for recognized electronic signatures of legal actions toward public law signatories pursuant to Section 6(2) of ATS;
- 1.2.12 Exchange – legal entity established pursuant to Act No. 229/1992 Coll., on commodity exchanges, as amended, to organize Exchange Transactions with gas;
- 1.2.13 Exchange Transactions – futures transactions executed at the Exchange by balance responsible parties and filed with CS OTE by the Exchange as nominations of BC at VTP;
- 1.2.14 Gas Tax – tax levied on natural gas pursuant to Act No. 261/2007 Coll., on Public Finance Stabilization, Part 45;
- 1.2.15 Tax Documents – tax documents pursuant to Section 26 of the Value Added Tax Act, or tax documents or sale documents pursuant to Section 17 of the Gas Tax Act;

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- 1.2.16 Daily evaluation – evaluation of daily imbalances according to the Market Rules;
  - 1.2.17 Supplier – gas market participant that has entered into an agreement on gas supply or on aggregate gas supply services for respective PDTs;
  - 1.2.18 Supervisor – balance responsible party (BRP) that is not a supplier at the relevant PDT and that has transferred imbalance responsibility to another BRP and has access to data of the specific PDT in CS OTE; in the event of change of a PDT supplier, the supervisor’s access to data of the respective PDT is automatically cancelled;
  - 1.2.19 FS for IM - a portion of the provided financial security designated for submitting offers on IM;
  - 1.2.20 Help Desk - service provided by the Market Operator within the scope of support for CS OTE users when using CS OTE; the Help Desk is operated in hours posted on OTE’s website;
  - 1.2.21 Contract – date of delivery for which bids to buy or sell gas may be submitted;
  - 1.2.22 Short-term Market – markets organized by the Market Operator pursuant to the Energy Act and the Market Rules; intraday gas market or unused flexibility market;
  - 1.2.23 Limit Price – price in the offer to buy on IM that buyers are willing to pay for gas, or price in an offer to sell on IM that sellers are willing to accept for gas;
  - 1.2.24 Exchange Rate CZK/EUR IMFS - CZK/EUR exchange rate determined by the Market Operator under Article 1.1.1
  - 1.2.25 Limit Time – time period during which claims can be submitted regarding the results of the Market Operator’s specific activities pursuant to BTG hereof;
  - 1.2.26 Market Clearing Price – price of unused flexibility on the unused flexibility market for a specific gas trading day determined by the Market Operator pursuant to Appendix 3 to BTG;
  - 1.2.27 Monthly Evaluation – evaluation of monthly imbalances according to the Market Rules;
  - 1.2.28 Mobile Application IM - CS OTE application for Android and iOS platforms installed on the CS OTE User’s mobile device as an alternative tool for trading on the intraday gas market (IM) according to BTG and User Manual available in CS OTE;
  - 1.2.29 “POZE” Module – a section of CS OTE for Producers;
  - 1.2.30 Iceberg Offer – type of an offer used on IM defined by quantity, quantity step, price and price step;
  - 1.2.31 REMIT Regulation – Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency;
  - 1.2.32 Inactive Offer – valid offer excluded from the offer evaluation process on the unused flexibility market pursuant to BTG;
  - 1.2.33 Invalid Offer – an offer that failed the review process; in the event of the unused flexibility market, it shall not be included in the offer evaluation process; in the event of IM, it shall not be offered for matching;
  - 1.2.34 Unsuccessful Offer - an offer that failed the review process and, in the event of IM, shall not be offered for matching;
  - 1.2.35 Normal climatic conditions - arithmetic mean of daily air temperatures in the period 1971 - 2000 (in effect until 31 December 2019) or in the period 1989 - 2018 (in effect as of 1 January 2020) for calendar days in the whole country, calculated from data collected at all ČHMU measuring stations located below 700 metres above sea level;
  - 1.2.36 Trade data - data on orders for trading and transactions provided in the Implementing Regulation REMIT (Appendix Table No. 1 Data on standard contracts for gas supplies subject to reporting) and further described in the TRUM manual;
  - 1.2.37 Market Operator / OTE – Company OTE, a.s.;
  - 1.2.38 Valid Offer – an offer that has passed the review process and, in the event of the unused flexibility market, shall be included in the offer evaluation process; in the event of IM, it shall be offered for matching;
  - 1.2.39 Valid Claim – a claim that has successfully passed all checks and reviews and, subsequently, will be processed by the Market Operator;
  - 1.2.40 Purchase Bid – an order for gas purchase on IM, or an offer to buy unused flexibility on the unused flexibility market;



- 1.2.41 Authorized person – a CS OTE user which is authorized to edit the central settings of email addresses in CS OTE for sending notifications and to administer user accounts of OTE’s contractual partner. Administration of user accounts means opening new user accounts including registration of access certificates, their editing and deactivation. Authorized person may be appointed only by a person authorized to act on behalf of OTE’s Contractual Partner.
- 1.2.42 Intermediary – a legal entity or a natural person that is an authorized representative of the Producer for data administration in CS OTE;
- 1.2.43 Observer – OTE’s contractual partner that is permitted access to data of the relevant point of delivery / transfer BRP to approval of the respective BRP at the respective customer PDT or, in the event of transit points between distribution systems, BRP to approval by the respective DSO; the supplier or the respective DSO of the relevant point of delivery / transfer assume responsibility for any unauthorized provision of data to a third party;
- 1.2.44 Market Rules – Public Notice No. 349/2015 Coll., on Gas Market Rules;
- 1.2.45 Product – a set of all types of products tradable on the intraday market;
- 1.2.46 Producer – electricity producer, heat producer, or biomethane producer who is a registered market participant pursuant to applicable regulations;
- 1.2.47 Implementing Regulation REMIT - Commission Implementing Regulation REMIT (EU) No 1348/2014 of 17 December 2014 on data reporting implementing Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency;
- 1.2.48 Accepting BRP – a BRP that has accepted total imbalance responsibility of another BRP
- 1.2.49 Transferring BRP – a BRP that has transferred its total imbalance responsibility to the accepting BRP;
- 1.2.50 Orders to trade – offers submitted by balance responsible parties to IM, including their lifecycles;
- 1.2.51 Equilibrium – cross-point of the supply and demand curve on the unused flexibility market;
- 1.2.52 SANDBOX – CS OTE testing environment provided by the Market Operator to OTE’s Contractual Partners;
- 1.2.53 Single-sided nomination/renominations – a transmission nomination/renomination registered with only one transmission system operator, which is regarded as the volume nominated/renominated on both sides of the border point; the option of registering such nominations/renominations requires an agreement between the BRP and TSO and an agreement between two neighbouring TSOs;
- 1.2.54 Agreement on Access to CS OTE – an agreement concluded with the Market Operator by the gas trade licence holder, which is not a BRP, in order to meet the requirement to register with the Market Operator within 30 days of being awarded the licence;
- 1.2.55 OTE’s Contractual Partner – registered gas market participant that has signed with the Market Operator one or more standardized agreements posted on OTE’s website that define its position on the gas market, or another entity that has established contractual relations with the Market Operator;
- 1.2.56 Matching (coupling) – mutual anonymous automated assigning of offers to buy and offers to sell on IM under the terms attached to the respective purchase bids and sale bids;
- 1.2.57 Transaction - successfully traded offers on IM;
- 1.2.58 Unused Flexibility Market – positive unused flexibility market and negative unused flexibility market organized by the Market Operator;
- 1.2.59 TRUM - Transaction Reporting User Manual published by ACER, available on ACER’s REMIT web pages in the Documents section;
- 1.2.60 Successful Offer – an offer that passed the review process and, in the event of IM, shall be offered for matching;
- 1.2.61 CS OTE User – a person with access to CS OTE on behalf of OTE’s contractual partner or OTE’s contractual partner accessing CS OTE under an agreement with the Market Operator;
- 1.2.62 User Application - CS OTE system application installed at the user workstation of OTE’s contractual partner, which provides access to IM;

- 1.2.63 User Interface – OTE’s user interface allowing secure interaction of CS OTE users with the CS OTE system via certificates;
- 1.2.64 User Manual – a manual for OTE’s contractual partners for specific sections of CS OTE, stored and available in CS OTE;
- 1.2.65 Virtual PDT – PDT for storing values calculated by the Market Operator on the basis of daily, monthly and final monthly evaluation;
- 1.2.66 Settlement Rate – conversion rate for CZK/EUR determined by the Market Operator’s bank (Komerční banka);
- 1.2.67 Foreign Participant – foreign participant according to the Market Rules;
- 1.2.68 Report Decree – Decree No. 145/2016 Coll., on reporting and recording of electricity and heat from supported energy sources and implementation of certain provisions of the Act on Supported Energy Sources;
- 1.2.69 Value Added Tax Act – Act No. 235/2004 Coll., on Value Added Tax, as amended;
- 1.2.70 Gas Tax Act – Act No. 261/2007 Coll., Public Finance Stabilization, Part 45, as amended;
- 1.2.71 Act on Payment System – Act No. 284/2009 Coll., on the Payment System, as amended;
- 1.2.72 Personal Data Processing Act - Act No. 110/2019 Coll., On Personal Data Processing;
- 1.2.73 “POZE” Act – Act No. 165/2012 Coll., on Supported Energy Sources (SES) and on amendments to certain acts, as amended;
- 1.2.74 Final Monthly Evaluation – evaluation of adjusted monthly imbalances according to the Market Rules;
- 1.2.75 Life Cycle - modification, cancellation, matching (partial matching) or non-matching of offers.

Other abbreviations and terms, such as obligation, used but not defined in the Business Terms herein, are interpreted pursuant to the provisions of the Energy Act and Market Rules, as amended at the date of the publication of the Business Terms.

### **1.3 Billing and settlement of prices charged for the Market Operator’s services and other payments**

- 1.3.1 The Market Operator charges and settles prices for its services pursuant to the relevant PD in compliance with procedures set forth in the Market Rules.
- 1.3.2 The Market Operator also ensures the settlement of:
  - 1.3.2.1 claims for compensation and payment obligations arising from the volume of gas traded by Balance Responsible Parties on the intraday market, and from the volume of unused flexibility traded by Balance Responsible Parties on the unused flexibility market;
  - 1.3.2.2 claims for compensation and payment obligations arising from the daily Imbalance quantity;
  - 1.3.2.3 claims for compensation and payment obligations arising from evaluation of differences between metered gas consumption values and values determined on the basis of LPs of specific BRPs;
  - 1.3.2.4 claims for compensation and payment obligations arising from evaluation of differences between the values of daily and monthly imbalances and from the settlement of differences between the values of monthly and adjusted monthly imbalances of specific BRPs;
  - 1.3.2.5 claims for compensation and payment obligations arising from registration and provision of trade data from CS OTE under Article 10.5;
  - 1.3.2.6 claims for compensation and payment obligations arising from reporting of trade data under Article 10.6.
- 1.3.3 Tax documents can be issued electronically pursuant to Section 26 (3) of the Value Added Tax Act and Section 17 (5) of the Gas Tax Act and sent to the e-mail designated for communication,

or to the e-mail provided by the tax document recipient (OTE's e-mail address is [elfa@ote-cr.cz](mailto:elfa@ote-cr.cz)).

- 1.3.4 Pursuant to Appendix 19, Part C, Par. I, Article 1, Letter a) (1) of the Market Rules, price billing and settlement shall be carried out upon the BRP's registration with the Market Operator. The Market Operator shall issue a tax document and send it to the BRP subject to registration. Based on the tax documents, the BRP shall make a payment of the registration fee into the Market Operator's bank account through a payment order in accordance with the due date stated in the tax document.
- 1.3.5 Pursuant to Appendix 19, Part C, Par. I, Article 1, Letter a) and d) to f) of the Market Rules, price billing and settlement shall be carried out within monthly evaluation and settlement.
- 1.3.6 Pursuant to Appendix 19, Part C, Par. I, Article 1, Letter c) and g) of the Market Rules, price billing and settlement shall be carried out within 15 calendar days after the end of the month; the Market Operator shall issue a tax document and send it to the TSO and to DSOs. Based on this tax document, the TSO and DSOs shall make a payment of the price for settlement of all gas distributed in their systems, including losses and their own consumption, into the Market Operator's account through a payment order within 10 business days after the delivery of the tax document.
- 1.3.7 In the event of payments crediting the Market Operator made from abroad into an account maintained in the Czech currency (CZK), all fees related to the relevant payment are borne by the payer.
- 1.3.8 In the event a foreign BRP deals in with the Market Operator through its branch in the CR and is registered for VAT payment in the CR, and the foreign BRP does not notify the Market Operator in writing that the branch is not a permanent establishment pursuant to the Added Value Tax Act, the branch is deemed a permanent establishment pursuant to the Value Added Tax Act, where the place of taxable supply of gas delivered within the scope of imbalance settlement and the intraday market is in the Czech Republic.
- 1.3.9 In the event the Market Operator applies a special method of securing tax liability in connection with securing the recipient's taxable supply pursuant to the Value Added Tax Act, or if information is published in a manner allowing remote access that OTE's Contractual Partner is an unreliable tax payer pursuant to the Added Value Tax Act, the Market Operator, who is the recipient of the taxable supply, is entitled to pay the value added tax from the taxable supply on behalf of the Contractual Partner that is the provider of the taxable supply, pursuant to the relevant provisions of the Value Added Tax Act. Payment of the amount corresponding to the amount of the value added tax to the tax administrator's account on behalf of OTE's Contractual Partner shall be deemed in this scope the fulfilment of the Market Operator's obligation to pay value added tax in addition to the price agreed with OTE's Contractual Partner. In the event the tax administrator initiates proceedings to declare OTE's Contractual Partner an unreliable tax payer pursuant to the Value Added Tax Act, OTE's Contractual Partner is obligated to notify the Market Operator about the proceedings within 5 days of the date when it was informed or was scheduled to be informed about launching of the proceedings. OTE's Contractual Partner shall pay the Market Operator a fine in the amount of CZK 100,000 (one hundred thousand Czech crowns) for any breach of this obligation. In the event the tax administrator decides to declare OTE's Contractual Partner an unreliable tax payer pursuant to the Value Added Tax Act, OTE's Contractual Partner is obligated to notify the Market Operator accordingly within 3 days.
- 1.3.10 In the event at the time of taxable supply information is published in a manner allowing remote access that OTE is an unreliable tax payer pursuant to the Added Value Tax Act, the Contractual Partner, who is the recipient of the taxable supply, is entitled to pay the value added tax from the taxable supply on behalf of OTE that is the provider of the taxable supply, pursuant to the relevant provisions of the Value Added Tax Act. Payment of the amount corresponding to the amount of the value added tax to the tax administrator's account on behalf of OTE shall be deemed in this scope the fulfilment of the Contractual Partner's obligation to pay value added tax in addition to the price agreed with OTE. In the event the tax administrator initiates proceedings to declare OTE an unreliable tax payer pursuant to the Value Added Tax Act, OTE is obligated to disclose this information via CS OTE within 5 days of the date it was informed or was scheduled to be informed about launching of the proceedings. In the event the tax administrator decides to declare OTE an unreliable tax payer

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pursuant to the Value Added Tax Act, OTE is obligated to disclose this information via CS OTE within 3 days.

- 1.3.11 The Contractual Partner of OTE, which is the provider of the taxable supply, shall be obligated to use the bank account published by the tax administrator pursuant to the provision of Section 98 of the Value Added Tax Act for the settlement of this supply.

#### **1.4 Personal data processing and protection**

- 1.4.1 The Market Operator processes personal data provided by the Registered Market Participants pursuant to relevant legislation and for the purposes of exercising its powers under the Energy Act and the related applicable regulations, and also for the purposes of executing contracts with data subjects (e.g. the Agreement on Settlement of Imbalances). More detailed information on personal data processing required by applicable legislation is posted on OTE's website.<sup>2</sup> The Market Operator shall process personal data in compliance with European Parliament's and the Council's (EU) 2016/679 (GDPR) Regulation. The Personal Data Processing Act and the relevant implementing regulations .
- 1.4.2 The Market Operator is authorized to provide, in compliance with applicable legislation, the necessary information to the authorized entities, in particular the Energy Regulatory Office and the Ministry of Industry and Trade, to exercise their powers or on the basis of a court or other decision of the state administration bodies.

#### **1.5 Appendices to BTG**

- 1.5.1 Appendix 1 to BTG: XML Message formats.
- 1.5.2 Appendix 2 to BTG: Forms.
- 1.5.3 Appendix 3 to BTG: Unused Flexibility Market Evaluation Algorithm document.

## 2 COMMUNICATION WITH THE MARKET OPERATOR

### 2.1 Secure access to CS OTE

- 2.1.1 CS OTE facilitates mutual communication and automated data exchange between the Market Operator and OTE's contractual partner and between OTE's contractual partners themselves. CS OTE is shut down on a regular basis due to technical maintenance and development of its functionalities. The scheduled shut-downs are posted on OTE's website. Under extraordinary circumstances, the Market Operator reserves the right to shut down CS OTE due to operational reasons for a short period of time. OTE's contractual partners shall be notified about any such unscheduled shut-down in a way allowing remote access. During the shut-down, CS OTE users have no access to CS OTE and are not able to send data and make any changes to data in CS OTE.
- 2.1.2 Communication between OTE's Contractual Partner and the Market Operator is conducted via CS OTE in a manner and message formats defined by the Market Operator.
- 2.1.3 Access to CS OTE via a website is secured with an electronic signature of the visible text, using a qualified certificate.
- 2.1.4 Access to CS OTE via user application for the intraday market is enabled by using commercial certificates in order to ensure authentication and secure communication with CS OTE. Electronic signature is secured by using a qualified certificate.
- 2.1.5 Access to IM via mobile application IM is enabled after activation of the mobile device on the CS OTE website. Access to the mobile application is secured by a password, which also serves to encrypt user data and can be entered automatically using biometrics.
- 2.1.6 By installing the mobile application IM, users agree to use a screen lock on their mobile devices and will not allow any other person to add their biometric features to the device, nor will allow them to access the device, or disclose to them the security features of the device or the mobile application IM (mobile app IM password, mobile device screen PIN, mobile device screen pattern, etc.) that could lead to misuse or improper use of the mobile application IM, or an unintended business transaction.
- 2.1.7 Data submitted via mobile application IM must be electronically signed using a qualified certificate, which the user has registered with his/her account on the CS OTE website. The mobile application IM allows for secure import of the certificate to the mobile device.
- 2.1.8 Access to CS OTE and communication with the CS OTE system are secured in such manner that the following applies
- 2.1.8.1 the data message integrity is ensured,
  - 2.1.8.2 the message cannot be purloined by a third party. Encryption is ensured for
    - user access
    - automated communication
    - sending data via secure email
  - 2.1.8.3 identities of both communication parties are verified,
  - 2.1.8.4 the sender cannot deny composing and sending the message.
- 2.1.9 CS OTE users shall sign all actions and data sent via CS OTE with their respective certificates.
- 2.1.10 Electronic signature in CS OTE and its user application is secured by using a qualified certificate.
- 2.1.11 Commercial server certificates for electronic mark creation (automated signature), qualified system certificates or qualified certificates for electronic seals<sup>3</sup> can be used for electronic signature in automated communication (electronic mark creation) through web services or AMQP.
- 2.1.12 Message encryption in automated communications via web services, secure email or AMQP is secured by OTE's commercial server certificate. In case of sending a message to the web

<sup>3</sup> The use of qualified certificates for electronic seals by the Market Operator is governed by Act No. 297/2016 Coll., on Trust Services for Electronic Transactions.

- service by a participant and in case of sending a secure e-mail from CS OTE, the message is encrypted with the relevant OTE's contractual partner's commercial certificate.
- 2.1.13 Access of the CS OTE user to CS OTE is restricted by the scope of user rights pertaining to the relevant certificate.
  - 2.1.14 CS OTE users are required to ensure that settings of the workstation designated for access to CS OTE comply with minimum requirements for HW and certified SW specified in documents posted on OTE's website.
  - 2.1.15 The Market Operator is not liable for any damage arising from unauthorized use of the security features and certificates by any CS OTE user or persons that are not holders of the relevant certificates, or any damage arising from non-compliance with the terms of secure access to CS OTE and communication with the CS OTE system under Article 2.1.3 and 2.1.4 of BTG, or as a result of their misuse by persons that are not holders of the relevant certificates, except for potential misuse by the CS OTE supplier.
  - 2.1.16 Access to CS OTE, except for the IM market section, is permitted through automated communication, using the SOAP web services, secure email within the SMTP protocol, the S/MIME protocol for messages sent to csote@csote.ote-cr.cz, and the HTTPS secure business website CS OTE, or for the IM market section, through automated communication, using AMQP. In line with the requirements of OTE's contractual partner, outgoing messages from CS OTE are sent via automated communication or secure e-mail in a format defined in Appendix 1 to BTG. The method of sending specific types of messages can be set individually. For more details, see documents posted on OTE's website.
  - 2.1.17 Access to IM is enabled via the CS OTE user application, mobile application IM and automated communication, using AMQP, in formats defined in Appendix 1 to BTG.
  - 2.1.18 Formats of messages (files) for communication with CS OTE, rules for use of messages, RMP identification, PDTs, rules of recurrent data transfers, date formats, numerical data formats, time formats, , and other details are included in Appendix 1 to BTG.
  - 2.1.19 In the event of Internet connection failure or failure of any other connection to CS OTE agreed upon by the contractual parties, the CS OTE user experiencing the failure shall secure an alternative connection to CS OTE. The Market Operator is not responsible for any technical failures of CS OTE Users that may hinder access to and data entry in CS OTE
  - 2.1.20 The Market Operator shall ensure that any OTE's contractual partner is able to use all functionalities of the system to which he has the right of access under the signed agreement, provided the CS OTE user complies with the Business Terms thereof and its conduct does not jeopardize CS OTE operation or activities of other OTE's contractual partners.
  - 2.1.21 In the event of accessing the secure CS OTE trading website, users are required to avoid any automated or machine-operated access. The Market Operator has the right to restrict access of OTE's contractual partner to CS OTE for the duration of the breach of this requirement by OTE's contractual partner. Machine-operated access is any behaviour that cannot be performed by human users (e.g. short-term and multiple refresh of trading screens, multiple parallel connections).
  - 2.1.22 Automated and machine-operated access is permitted only for communication with the CS OTE system through SOAP automated communication or electronic mail (SMTP); in the event of IM, through automated communication, using AMQP.
  - 2.1.23 The Market Operator is obligated to provide support for CS OTE use through Help Desk available for all CS OTE users. The Help Desk operates during hours posted on OTE's website.
  - 2.1.24 In the event of issuance or renewal of a certificate for a vertically integrated business entity, for which provisions of the Energy Act regarding separation of the distribution system operator apply, applications must be submitted for issuing / renewing one certificate for gas distribution operations and another certificate for gas trading operations.
  - 2.1.25 Access to CS OTE and communication with the CS OTE system are permitted under an agreement entered into between the RMP and the Market Operator, and upon registration of relevant certificates. Any CS OTE user shall gain secure access to CS OTE within the scope of the agreement entered into with the Market Operator after the said agreement becomes effective, but no later than on the first calendar day of the month following the month in which the respective agreement came into force.



- 2.1.26 Any OTE's contractual partner is required to maintain an updated list of persons authorized to access CS OTE on his behalf. OTE is not liable for any damage resulting from a failure to meet requirements for keeping the list current.
- 2.1.27 CS OTE users shall update their certificates for access to CS OTE pursuant to Article 2.2 of BTG.
- 2.1.28 The Market Operator shall make every effort to fulfil its duties with care, skill and predictability that is standard and reasonable under the terms applicable in the pertinent sector, whereas the Market Operator is not responsible for the Contractual Partner's business results. Any negligence liability of the Market Operator is assessed with regard to the processes implemented to solve system failures or technical incidents related to the settlement of the Market Operator's operations or errors of OTE CS. The Market Operator is liable only for damage arising from the use of CS OTE as a result of gross negligence or deliberate actions of the Market Operator's employees or suppliers. Outside this framework, the Market Operator's sole responsibility is to operate CS OTE with due care pursuant to BTP. OTE's contractual partner acknowledges that the operation of CS OTE can be interrupted at any time for any reasons and that any suspension of activities thereof under the Business Terms does not constitute any breach of the Market Operator's obligations. If such an event occurs, the Market Operator shall make necessary effort to fix the problem in the shortest time possible.
- 2.1.29 The Market Operator is not liable for any damage arising from force majeure. Force majeure means any event occurring irrespective of the Market Operator's will and preventing it from meeting its duties, provided it cannot be reasonably accepted that the Market Operator could deflect or overcome the obstacle posed. Events caused by force majeure include strike, epidemics, fire, natural disaster, prevention of the state of emergency, state of emergency, mobilization, war, uprising, seized assets, embargo, terrorist attack, long-term power outage, unauthorized third-party intervention in CS OTE, etc.
- 2.1.30 For the purposes of compensation of damage for which the Market Operator is liable, the maximum amount of predictable damage caused as a result of the Market Operator's breach of its obligations is CZK 2,500,000 (two million five hundred thousand Czech crowns) for the period of the year in which the damage arose. The compensation does not cover lost profits, regression claims for the payment of contractual penalties and other penalties, and indirect and subsequent damage.

## **2.2 Secure access to CS OTE via certificates issued by supported CAs**

- 2.2.1 OTE's contractual partner shall obtain relevant certificates for its CS OTE users from supported CAs. A list of supported CAs accepted by CS OTE is posted on OTE's website.
- 2.2.2 Issuance and use of the certificate and price terms are governed by the applicable certification policy for issuing certificates of the relevant supported CA.
- 2.2.3 OTE's contractual partner is fully responsible for issuance, administration and renewal of the certificates under the agreement entered into with the supported CA.
- 2.2.4 The authorized person shall register in CS OTE the public part of the newly issued or renewed certificate for CS OTE user. A detailed description of the procedure, including the method of exporting the certificate, is posted on OTE's website.
- 2.2.5 The validity of certificates issued by supported CAs is governed by the terms of the agreement entered into with the respective certification authority. Certificate renewal is the responsibility of the CS OTE user. The renewal must be completed prior to the expiry of the existing certificate, following a procedure described on OTE's website
- 2.2.6 Prior to the expiry of the certificate, OTE's contractual partner shall renew the certificate and shall register the public part of the renewed certificate in CS OTE following a procedure described on OTE's website.
- 2.2.7 Certificates of supported CAs can be used for access to SANDBOX.
- 2.2.8 Use of the relevant certificates issued by supported CAs for electronic signatures, secure access and message encryption in CS OTE shall be published by the Market Operator via remote access system.

- 2.2.9 Use of the mobile application IM requires the installation of the application made available by the Android and iOS distribution services on the CS OTE User's mobile device and its activation in CS OTE by following the instructions of the relevant manual published via remote access system.
- 2.2.10 Removal of certificates from CS OTE is executed by the respective CS OTE user, authorized persons of the contractual partner or OTE's designated staff upon receipt of a certified request submitted by the CS OTE user or, in the event of the expiry of the certificates, automatically.

### 2.3 Gas supply suspension

- 2.3.1 In a timeframe specified under the Market Rules, the TSO or DSO shall notify the Market Operator about any suspension of gas supply to relevant PDTs registered in CS OTE, using the methods below:
- 2.3.1.1 CS OTE web interface, or
  - 2.3.1.2 a message for PDT registration, which can comprise more than one PDT, in a format defined in Appendix 1 to BTG.
- 2.3.2 In the event the Market Operator finds out the supplied information is erroneous or incomplete, it shall notify the TSO or DSO about the rejection of the gas supply suspension registration.
- 2.3.3 Following suspension of gas supply to PDTs registered in CS OTE, the TSO or the respective DSO notifies the Market Operator about the suspension and provides meter readings of gas consumption as at the date of gas supply suspension. The Market Operator distributes the data to the gas supplier of the relevant PDT and to the BRP which assumes imbalance responsibility at the relevant PDT. The transmission system operator or respective distribution system operator activates at PDT the "data transfer suspension" identifier (under Article 9.4 of BTG) and the relevant PDT shall not be included in the preliminary daily settlement calculation as of the date specified by the TSO or the DSO.
- 2.3.4 Following restoration of gas supply to the PDTs, in a timeframe specified under the Market Rules, the TSO or the respective DSO notifies the Market Operator about reconnection of the relevant PDT, stating the date of reconnection. Based on this notification, suspension of data transfer shall end for the pertinent PDTs; the TSO or respective DSO shall send updated planned annual consumption to PDTs with Type C and CM metering.

### 2.4 Change of supplier or start of supply

- 2.4.1 The process of change of supplier is launched within CS OTE upon receipt of a request for change of supplier that determines the type of change of supplier, the date of coming into force of the change of supplier, and communication scenarios (codes of messages exchanged during the change of supplier procedure).
- 2.4.2 Initial controls comprise of reviewing messages in terms of their format, completeness and validity of data and time included in the message, authorization to dispatch messages to the respective PDT, and the timeframe and type of scenario depending on whether it is a new request for change of supplier, or communication concerning an already filed application for change of supplier.
- 2.4.3 Upon receipt, the new request for change of supplier is reviewed, in particular
- 2.4.3.1 filling in the respective type of agreement (agreement on gas supply combined services, agreement on gas supply),
  - 2.4.3.2 filling in the respective type of change of supplier (standard change of supplier, prompt change of supplier); in the event of a prompt change of supplier, it is verified that the relevant PDT regime permits such change of supplier,
  - 2.4.3.3 filling in the date of the start of supply,
  - 2.4.3.4 deadline for submitting a request for change of supplier,
  - 2.4.3.5 identification / authorization of the new supplier, and assignment of BRPs,
  - 2.4.3.6 filling in the method of concluding the agreement (whether the customer that signed



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- a gas supply agreement with a supplier has the right to terminate the agreement pursuant to Section 11b (2) of the Energy Act,
- 2.4.3.7 non-existence of the PDT in CS OTE in the past in the event of start of supply to the point of delivery/transfer for a newly connected customer
- 2.4.4 The application for a standard change of supplier must comprise the reason for request submission, such as:
- 2.4.4.1 replacement of the gas supplier for another gas supplier,
- 2.4.4.2 change to gas supplier from the last resort supplier,
- 2.4.4.3 change of supplier complete with change of customer at the relevant PDT,
- 2.4.4.4 start of supply to a newly connected point of delivery/transfer,
- 2.4.4.5 start of supply to a point of delivery/transfer after interruption of supply due to unauthorized gas consumption and/or unauthorized gas distribution,
- 2.4.4.6 start of supply while preventing unauthorized consumption.
- 2.4.4.7 Start of supply by the last resort supplier to a new customer's point of delivery/transfer
- 2.4.5 In the event of proper receipt and filing of the request for standard change of supplier under Articles 2.4.4.1, 2.4.4.2, 2.4.4.3, a copy is distributed to:
- 2.4.5.1 the new supplier,
- 2.4.5.2 the new balance responsible party,
- 2.4.5.3 the existing supplier (if none exists, a copy is provided to the supplier of customers within the relevant DSO whose points of delivery are not separately registered in CS OTE),
- 2.4.5.4 the existing balance responsible party (if none exists, a copy is provided to the balance responsible party of customers within the relevant DSO whose points of delivery are not separately registered in CS OTE) and, if applicable, all supervisors,
- 2.4.5.5 the TSO or the respective DSO,
- 2.4.5.6 other entities affected by parallel changes of supplier at relevant PDTs.
- 2.4.6 In the event of proper receipt and filing of the request for standard change of supplier under Articles 2.4.4.4, 2.4.4.5, 2.4.4.6 and 2.4.4.7 a copy is distributed to:
- 2.4.6.1 the new supplier,
- 2.4.6.2 the news balance responsible party,
- 2.4.6.3 the TSO of the respective DSO,
- 2.4.6.4 other entities affected by parallel changes of supplier at relevant PDTs.
- 2.4.7 Standard change of supplier complete with the reasons under Articles 2.4.4.1 and 2.4.4.2 shall be processed in CS OTE within timeframes pursuant to Sections 110 to 112 of the Market Rules, provided
- 2.4.7.1 the request for change of supplier is accepted from the new supplier,
- 2.4.7.2 the TSO or the respective DSO shall not reject the request due to the inability of transmission or distribution capacity reservation,
- 2.4.7.3 approval of the allocation of imbalance responsibility is granted by the new BRP,
- 2.4.7.4 the relevant PDT shall be registered by the TSO or the respective DSO for the specified period,
- 2.4.7.5 no request has been made by the new supplier to revoke change of supplier,
- 2.4.7.6 the new supplier has confirmed the change of supplier request, provided the current supplier has asked to suspend change of supplier.
- 2.4.8 Standard change of supplier under Articles 2.4.4.3, 2.4.4.4, 2.4.4.5 and 2.4.4.6 of BTG shall be processed in CS OTE within timeframes pursuant to Section 113 of the Market Rules, provided
- 2.4.8.1 the request for change of supplier is accepted by the new supplier,
- 2.4.8.2 the TSO or the respective DSO shall not reject the request due to the inability of transmission or distribution capacity reservation,

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- 2.4.8.3 approval of the allocation of imbalance responsibility is granted by the new BRP,
  - 2.4.8.4 the relevant PDT shall be registered by the TSO or the respective DSO for the specified period,
  - 2.4.8.5 no request has been made by the new supplier to revoke change of supplier,
  - 2.4.9 The current supplier cannot suspend standard change of supplier under Article 2.4.4.3 of BTG.
  - 2.4.10 In the event the operator or the DSO rejects any transmission or distribution capacity reservation; the rejection must contain pertinent reasons as follows:
    - 2.4.10.1 failure to submit a request for transmission or distribution capacity within timeframes defined in the Market Rules, or failure to submit a request for signing an agreement within timeframes defined in the Market Rules,
    - 2.4.10.2 failure to meet the requirements of the request for transmission or distribution capacity reservation, or failure to meet the requirements of the request for signing an agreement on gas transmission or distribution,
    - 2.4.10.3 insufficient financial security,
    - 2.4.10.4 incorrect type of agreement under Article 2.4.3.1 of BTG,
    - 2.4.10.5 failure to submit a request for signing an agreement on connection.
  - 2.4.11 The request for suspension of change of supplier by the current supplier must contain pertinent reasons as follows:
    - 2.4.11.1 the existing agreement has not been terminated,
    - 2.4.11.2 the customer's will exists in writing,
    - 2.4.11.3 the customer's rescission of the contract pursuant to Section 11b (2) of EZ and the continuation of deliveries from the current supplier.
  - 2.4.12 Confirmation of the request for change of supplier by the new supplier must contain pertinent reasons, which the existence of the customer's will in writing.
  - 2.4.13 In the event the messages sent to CS OTE under Articles 2.4.10, 2.4.11 and 2.4.12 do not contain the pertinent reasons, CS OTE shall reject the messages.
  - 2.4.14 The new BRP and TSO or the respective DSO may repeatedly issue an opinion on the standard change of supplier submitted with pertinent reasons under Articles 2.4.4.1 and 2.5.4.2, whereas the last opinion registered by CS OTE by 6 p.m. within five business days of submitting the request for change of supplier is effective.
  - 2.4.15 The current supplier/BRP is deemed in all cases the supplier/BRP registered at the relevant PDT with CS OTE at the time of receiving the request for change of supplier in the position of supplier/BRP as at the date of coming into force of the change of supplier.
  - 2.4.16 If the new supplier submits a request to revoke change of supplier at the relevant PDT, the request for change of supplier shall be automatically rejected. In such case the current supplier and the current BRP shall not send in their consent with continued gas supply to the relevant PDT.
  - 2.4.17 If the new BRP does not agree with assigning imbalance responsibility, the request for change of supplier shall be rejected by 6 p.m. within five business days of submitting the request for change of supplier. In such case, the current supplier and the current BRP shall not send in their consent with continued gas supply to the relevant PDT.
  - 2.4.18 If the new supplier submits a request for change of supplier stating it concerns the agreement on gas supply, the TSO or the DSO may reject the provision of distribution capacity reservation only due to the reason specified under Article 2.4.10.4 of BTG.
  - 2.4.19 In the event the rejection of the provision of distribution capacity to the relevant PDT by the TSO or the DSO is registered in CS OTE by 6 p.m. within five business days of submitting the request for change of supplier, the request for change of supplier is rejected within nine business days of the submission of the request for change of supplier.
  - 2.4.20 The request for suspending change of supplier by the existing supplier under Article 2.4.11 may be sent to CS OTE repeatedly, whereas the latest statement recorded in CS OTE on the fifth business day at 18:00 hours from the submission of the request for change of supplier shall apply. If the current supplier sends in a request for suspension of change of supplier,

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- stating the reason pursuant to Article 2.4.11.3, the request for change of supplier shall be rejected without undue delay.
- 2.4.21 Extension or shortening of the supply relationship by the current supplier at a PDT may be carried out via special messages designated for this purpose. Extension or shortening of the supply period by the current supplier to a PDT may not be carried out through change of supplier. If the current supplier fails to extend supply and the subsequent change of supplier does not take place, registration of the relevant PDT in CS OTE shall be cancelled.
- 2.4.22 Standard change of supplier is not permitted in the event the new supplier is identical with the current supplier, except in the event of change of supplier from the last resort supplier to a new supplier, where the new supplier is identical with the last resort supplier.
- 2.4.23 At the time of the new supplier's submission of a request for standard change of supplier at the relevant PDT with a specified date of coming into force, there may be no other unprocessed request in CS OTE of this new supplier pertaining to the identical PDT with the same date of coming into force.
- 2.4.24 If more than one unresolved request for standard or prompt change of supplier at a PDT has been submitted by different suppliers with the same date of coming into force, the change of supplier assessed as the latest in CS OTE is to become effective, except the following instances
- 2.4.24.1 the new supplier revokes the second request for change of supplier; CS OTE shall notify all involved market participants about the outcome of the request for change of supplier,
  - 2.4.24.2 the change of supplier request was rejected in the event another change of supplier has been approved since the date of receiving the assessed request for change of supplier for the relevant period; CS OTE shall notify all involved market participants about the outcome of the request for change of supplier.
- 2.4.25 In the event a request for change of supplier at a PDT has been confirmed, and subsequently another supplier submits a request for change of supplier at the same PDT as of the same date, the outcome of the latest request for change of supplier is the determining factor in such case.
- 2.4.26 The Market Operator shall allow for acceptance of a prompt change of supplier pursuant to Section 116 (5) of the Market Rules only for those PDTs of the gas supplier pursuant to Section 118 (5) of the Market Rules or BRP pursuant to Section 116 (2) of the Market Rules which are registered with this supplier or BRP in CS OTE within the stipulated timeframe pursuant to Section 116 (4) as at the effective possible start date of deliveries by the supplier of last resort and which meet the requirement of maximum annual consumption in accordance with Section 12a (6) of the EA.
- 2.4.27 If an unevaluated standard change of supplier is registered in CS OTE within the stipulated timeframe pursuant to Section 116 (4) of the Market Rules where the new supplier is a RMP meeting the requirement pursuant to Section 116 (2) or Section 118 (5) of the Market Rules, and the effective date of this unevaluated standard change of supplier is between the timeframe set out in Section 116 (4) of the Market Rules and the effective possible start date of deliveries by the supplier of last resort (inclusive), the Market Operator shall evaluate such standard change of supplier prior to allowing acceptance of a prompt change of supplier under Article 2.4.26.
- 2.4.28 In the event of proper receipt and filing of the request for prompt change of supplier pursuant to Section 116 of the Market Rules, a copy is distributed to:
- 2.4.28.1 the new supplier,
  - 2.4.28.2 the new balance responsible party,
  - 2.4.28.3 the TSO or the respective DSO.
- 2.4.29 Prompt change of supplier in CS OTE pursuant to Section 116 of the Market Rules shall be completed, provided
- 2.4.29.1 the request for change of supplier is accepted from the new supplier,
  - 2.4.29.2 the TSO or the respective DSO shall not reject the request due to the inability of transmission or distribution capacity reservation,
  - 2.4.29.3 approval of the allocation of imbalance responsibility is granted by the new BRP,

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- 2.4.29.4 the relevant PDT is registered or shall be registered for the specified period;
  - 2.4.29.5 at the time of its evaluation the gas supplier pursuant to Section 118 (5) of the Market Rules or the BRP pursuant to Section 116 (2) of the Market Rules is replaced.
  - 2.4.30 In the event the DSO or the TSO fails to notify OTE whether it is possible or not to reserve distribution or transmission capacity in case of prompt change of supplier at a PDT, it is accepted at the time of the prompt change of supplier assessment that OTE has been notified about the ability to reserve distribution or transmission capacity.
  - 2.4.31 Assessment of prompt change of supplier is distributed to:
    - 2.4.31.1 the new supplier,
    - 2.4.31.2 the new balance responsible party,
    - 2.4.31.3 the TSO or the respective DSO,
    - 2.4.31.4 the current supplier (if none exists, a copy is provided to the supplier of customers within the relevant DSO whose points of delivery are not separately registered in CS OTE),
    - 2.4.31.5 the current balance responsible party (if none exists, a copy is provided to the balance responsible party of customers within the relevant DSO whose points of delivery are not separately registered in CS OTE).
  - 2.4.32 Assessment of standard change of supplier is distributed to:
    - 2.4.32.1 the new supplier,
    - 2.4.32.2 the new balance responsible party
    - 2.4.32.3 the TSO or the respective DSO
    - 2.4.32.4 the current supplier (if none exists, a copy is provided to the supplier of customers within the relevant DSO whose points of delivery are not separately registered in CS OTE),
    - 2.4.32.5 the current balance responsible party (if none exists, a copy is provided to the balance responsible party of customers within the relevant DSO whose points of delivery are not separately registered in CS OTE),
    - 2.4.32.6 other BRPs affected by all parallel changes of supplier at relevant PDTs.
  - 2.4.33 In the event of approving a request for change of supplier that overlaps with the period of an already approved change of another supplier in the future by at least one gas trading day, the future change of supplier is cancelled, whereas the currently approved request is in effect. All involved CS OTE users shall be notified about this cancellation.
  - 2.4.34 The Market Operator notifies the gas supplier, BRP and TSO or respective DSO about the delay in the approved change of supplier pursuant to Section 79 of the Market Rules.
  - 2.4.35 The Market Operator verifies via CS OTE whether, in the event of a prompt change of supplier, the date of the start of supply under Article 2.4.3.3 corresponds to the date announced by the Market Operator in connection with the transfer of the PDT to the last resort supplier pursuant to Section 116 (2) or Section 118 (5) of the Market Rules. If the two dates differ, the Market Operator shall not accept the request for a prompt change of supplier.
  - 2.4.36 Before commencing the change of supplier process at a customer-type PDT in CS OTE, it is necessary to register the relevant RMP requesting a change of supplier with the Market Operator through the Agreement on Access to CS OTE or Agreement on Settlement of Imbalances.
  - 2.4.37 Standard change of supplier with reasons under Article 2.4.4.2 of BTG shall also apply to the PDT of the customers of the last resort supplier for whom an obligation for an indefinite period has arisen pursuant to the EA.

## 2.5 Reduction and extension of supply to PDTs

- 2.5.1 The supplier to PDTs can attain reduction or extension of the period of supply to PDTs by filing in CS OTE a request for reduction or extension of the period of supply.

- 2.5.2 In the request for reduction or extension of the supply period the supplier to PDTs identifies the balance responsible party and provides the following information
- 2.5.2.1 in the event of standard reduction pursuant to Section 114(1) of the Market Rules and in the event of supply reduction due to termination of agreement pursuant to Section 11b (1) of the Energy Act, the new date of ending supply to PDT (both in the “date from” and “date to” fields). The date of the end of supply is the last day of supply,
  - 2.5.2.2 in the event of supply reduction due to termination of agreement pursuant to Section 11b (2) of the Energy Act, the date of the start of supply to PDT in CDS (in the “date from” field) and the date of the end of supply to PDT in CDS (in the “date to” field). The period of supply will be cancelled in CDS,
  - 2.5.2.3 in the event of supply extension pursuant to Section 115(1) of the Market Rules the last day of supply to PDT in CDS (in the “date from” field) and the new date of ending supply to PDT (in the “date to” field),
  - 2.5.2.4 in the event of supply extension pursuant to Section 115(3) of the Market Rules, the required dates are the same as in Article 2.5.2.3.
- CS OTE checks whether the stated dates are correct; if an error is found, the request is rejected.
- 2.5.3 Upon receipt of the request for supply reduction under Article 2.5.2.2, CS OTE checks whether the supplier registered the identifier of agreement termination option at the relevant PDTs pursuant to Section 11b (2) of EA, in accordance with the provision of Article 2.5.3.6.
- 2.5.4 Upon receipt of the request for supply extension pursuant to Section 115(1) of the Market Rules, CS OTE checks whether another supplier is assigned to the PDTs in the period of supply extension. If another supplier is assigned to the PDTs in the relevant period, the request for supply extension is rejected, along with an explanation and the date of the assignment of another supplier to the respective PDTs.
- 2.5.5 Upon receipt of the request for supply extension pursuant to Section 115(3) of the Market Rules, CS OTE checks whether the new supplier registered the identifier of agreement termination option at the relevant PDTs pursuant to Section 11b (2) of EA, in accordance with Article 2.5.3.6. If such an identifier is not registered at the PDTs, the request for supply extension is rejected, along with an explanation and the date of the assignment of another supplier to the respective PDTs.
- 2.5.6 OTE CS shall not accept any extension request pursuant to Section 115(3) of the Market Rules if any change under Articles 2.4.4.3, 2.4.4.5 or 2.4.4.6 took place at the PDTs in the period of the planned extension of supply.
- 2.5.7 Timeframes for submission of requests for reduction and extension of supply periods and timeframes for opinions of BRPs are governed by Sections 114 and 115 of the Market Rules.
- 2.5.8 Following approval of the request for supply extension, BRPs responsible for imbalances at the relevant PDTs must grant consent.

## **2.6 Change of balance responsible party (BRP) at points of delivery/transfer (PDT)**

- 2.6.1 The process of change of BRP at a PDT is launched within CS OTE upon receipt of the request for change of BRP at the PDT. Suppliers to PDT or BRP at PDT may initiate change of BRP.
- 2.6.2 Initial controls comprise reviewing the format, completeness and validity of data and time, authorization to dispatch messages to the respective PDT, and the timeframe (processing a new request for change of BRP; any procedure within the already submitted request for change of BRP).
- 2.6.3 Upon receipt, the new request for change of BRP at a PDT is reviewed, in particular:
- 2.6.3.1 filling in the relevant new BRP,
  - 2.6.3.2 deadline for submitting a request for change of BRP,



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- 2.6.3.3 date of the change coming into effect,
  - 2.6.3.4 date of expiry of the change.
  - 2.6.4 In the event of proper receipt and filing of the request for change of BRP at a PDT under the Market Rules, a copy of the request is sent to the new balance responsible party and, in the event of change of BRP initiated by the supplier, a copy of the request is sent to the current BRP.
  - 2.6.5 Change of BRP at a PDT pursuant to Section 75(3) of the Market Rules is processed in CDS after the receipt of the request for change of BRP at the relevant PDT, provided:
    - 2.6.5.1 the new BRP sends in approval of allocation of imbalance responsibility at the relevant PDT,
    - 2.6.5.2 the PDT has been registered in CS OTE for the relevant time period,
    - 2.6.5.3 the new BRP has successfully passed verification of financial security; in the event the new BRP has transferred its total imbalance responsibility to another (accepting) BRP, the accepting BRP's sufficient financial security is checked.
  - 2.6.6 The BRP which, using the change of BRP at PDT, transferred imbalance responsibility to a new BRP, becomes a PDT supervisor for the period between the date specified under Article 2.6.3.3 and the date specified under Article in 2.6.3.4. After the expiry of the relevant period under Article 2.6.3.4 the imbalance responsibility is transferred back to the previous BRP; the Market Operator shall notify all relevant BRPs and the supplier to PDT about the transfer.
  - 2.6.7 There may be no more than five supervisors at one PDT at the same time.
  - 2.6.8 In the event of locking out the current PDT supervisor or the BRP with accepted imbalance responsibility at the PDT, responsibility for imbalances shall be assigned to the supplier, whereas all supervisors at the respective PDT shall be cancelled. In such case, a message is sent to all supervisors, the supplier and the BRP with currently accepted imbalance responsibility at the relevant PDT. In the event of locking out the current PDT supervisor or the BRP with accepted imbalance responsibility at the PDT, the supplier is obligated, by the end of the current gas trading day, to secure for the relevant PDT another BRP responsible for imbalances that has passed financial security check.
  - 2.6.9 In the event of change of supplier at a PDT, all supervisors at the relevant PDT are cancelled.
  - 2.6.10 If the change of BRP at PDT is carried out by a supplier
    - 2.6.10.1 all PDT supervisors are cancelled,
    - 2.6.10.2 all BRP's roles assigned to the relevant PDT in the future shall be deleted.
  - 2.6.11 The Market Operator shall notify about the outcome of the assessment of the request for change of BRP at PDT the current BRP, the new BRP the supplier to PDT.
  - 2.6.12 The current BRP may at its own responsibility execute a shortening of the transfer of imbalance responsibility at PDT by filing in CS OTE a request to change BRP at PDT, where it indicates its position of a new BRP and specifies the new end date for the transfer of imbalance responsibility (term under Article 2.7.3.4). The request and approval of the assumption of imbalance responsibility on the part of the BRP can be filed in CS OTE within the timeframe pursuant to Section 114 (1) of the Market Rules. Immediately after the shortening of the transfer of imbalance responsibility at PDT in CS OTE, the currently registered supplier to the relevant PDT is notified. The shortening of the transfer of imbalance responsibility at PDT shall not affect the timeframe in which the supplier to the PDT is registered in CS OTE.
  - 2.6.13 In case the Market Operator reduces supply under Article 6.5.14, the Market Operator as at the same date shortens the assigned imbalance responsibility at PDT in CS OTE. The Market Operator shall notify about this shortening the current registered supplier to PDT and the relevant BRP. The Market Operator shall then proceed pursuant to Section 78 of the Market Rules. The Market Operator shall assign an identifier pursuant to Section 78(4) of the Market Rules without undue delay.

## 2.7 Transfer of total imbalance between BRPs

- 2.7.1 A BRP carries out transfer of its total imbalance to another BRP in CS OTE pursuant to the applicable provisions of the Market Rules via automated communication or using a form on web interface through their authorized persons (holding a valid certificate).
- 2.7.2 When transferring total imbalances, the BRP transferring its imbalance (transferring BRP) to another BRP (accepting BRP) on the gas market:
- 2.7.2.1 the transferring BRP submits a request to transfer the total imbalance in “for approval” status with an indicated period of transfer,
  - 2.7.2.2 the relevant accepting BRP approves or rejects the request for total imbalance transfer from the transferring BRP,
- 2.7.3 For transfer of the transferring BRP’s total imbalance to the accepting BRP on the gas market it applies that:
- 2.7.3.1 shortening or cancellation of an already approved request for total imbalance transfer is carried out by sending and approving of a new request to transfer the total imbalance to the same accepting BRP, or to another accepting BRP if the current accepting BRP is locked out under Article 7.6, with indicating the shortened period “to”,
  - 2.7.3.2 only one approved total imbalance transfer to the accepting BRP may apply for the transferring BRP at one time,
  - 2.7.3.3 the accepting BRP must not transfer its total imbalance to another BRP for the same period,
  - 2.7.3.4 the effective date of the transfer/acceptance of the total imbalance between the transferring BRP and the receiving BRP cannot be filed retroactively,
  - 2.7.3.5 the expiry date of the transfer/acceptance of the total imbalance between the transferring BRP and the receiving BRP must always be equal to the last day of the gas month, except when the Market Operator sets a different expiry date,
  - 2.7.3.6 total imbalance transfer may be carried out only between BRPs that charge VAT on gas supplies to and from the Market Operator pursuant to the Added Value Tax Act in the same way, i.e. the recipient of the taxable supply is required to declare value added tax for both BRPs, or the provider of the taxable supply is required to declare value added tax for both BRPs; transfer of imbalances shall not affect the amount of OTE’s tax liability; the Market Operator has the right to reduce the already approved request for transfer of the total imbalance in the event of cancellation of the reverse charge procedure for one of the affected BRPs.
  - 2.7.3.7 the request to transfer the total imbalance between the transferring BRP and the accepting BRP must be filed and approved at least one day before the effective date indicated in the request,
  - 2.7.3.8 total imbalance transfer between BRPs is not permitted if the accepting BRP has insufficient financial security under Part 7 of BTG,
  - 2.7.3.9 it is not possible to approve the request for transfer of total imbalance between BRPs if at the time of approval of this request the FS balance for IM is reduced pursuant to Article 7.3.2 by untraded IM offers of the transferring BRP, for the delivery date to which the change in the total imbalance transfer pertains. The FS balance for IM referred to in this Article applies for the receiving and transferring Balance Responsible Parties.
  - 2.7.3.10 the BRP that has not transferred its imbalance to another BRP shall not be restricted in submitting nominations and trading on the short-term market,
  - 2.7.3.11 the daily imbalance quantity of the transferring BRP for the gas day preceding the first day of coming into effect of the transfer of the total imbalance from the transferring BRP to the receiving BRP is increased by the value of the aggregate account of imbalances of the transferring BRP.
  - 2.7.3.12 after the increase under Article 2.8.3.10, the value of the aggregate account of imbalances of the transferring BRP for the gas day preceding the first day of coming into effect of the transfer of the total imbalance from the transferring BRP to the receiving BRP is reduced to zero.

- 2.7.4 In the event OTE's Contractual Partners are unable to transfer total imbalances under Article 2.8.2 an alternative method may be used consisting of submitting to the Market Operator a filled in form "Registration of Transfer of Total Imbalance", included in Appendix 2 to BTG, which is verified by both Contractual Partners. A paper copy of the form must be delivered to the Market Operator at least two business days before the requested effective date of the total imbalance transfer. The Market Operator shall register in CS OTE the total imbalance transfer between BRPs within one business day of the receipt of the form.
- 2.7.5 In the event of locking out the BRP, which has accepted another BRP's total imbalance, the relevant total imbalance transfer shall be cancelled.
- 2.7.6 Settlement of imbalances pertaining to the period prior to total imbalance transfer between BRPs shall not apply for the accepting BRP.

## **2.8 Business company transformation**

- 2.8.1 The request for a multiple change of supplier or a multiple change of BRP in connection with the business company transformation is submitted, together with written documents about the business company transformation, by the new supplier or the new BRP to the Claims module in CS OTE; as the type of claim the submitting RMP shall state: Company transformation – multiple change at PDT.
- 2.8.2 The multiple change of supplier or multiple change of BRP shall be executed in CS OTE pursuant to Sections 121 and 122 of the Market Rules provided the transferring RMP shall grant its consent through the Claims module in CS OTE.
- 2.8.3 The Market Operator shall notify about the change of supplier to PDT in connection with the business company transformation separately for each PDT the new supplier, the new BRP, the transferring RMP and the relevant TSO or DSO.
- 2.8.4 The Market Operator shall notify about the change of BRP at PDT in connection with the business company transformation separately for each PDT the new supplier, the new BRP and the transferring RMP.

## **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 daily evaluation,
  - 3.1.1.2 monthly evaluation,
  - 3.1.1.3 final monthly evaluation.
- 3.1.2 Daily evaluation refers to evaluation of daily imbalances of BRPs and foreign participants for the preceding gas day, which is carried out by the Market Operator according to the procedure and within the timeframe specified in the Market Rules and in BTG hereof. The imbalance evaluation process shall include:
- 3.1.2.1 determining the values of daily imbalances,
  - 3.1.2.2 determining the values of daily imbalance quantities,
  - 3.1.2.3 determining the values of aggregate accounts of imbalances,
  - 3.1.2.4 determining the values of flexibility allocations and the values of used flexibility allocations,
  - 3.1.2.5 determining the values of positive unused flexibility and negative unused flexibility.
- 3.1.3 The Market Operator performs daily evaluation separately for each BRP and foreign participant and for each gas trading day on the basis of values received from the TSO and from separate DSOs pursuant to Section 95, Subsection 1 and 4, and Section 96, Subsection 1 and 4 of the Market Rules, and on the basis of other values specified in the Market Rules.



- 3.1.4 In the event the Market Operator has not received daily metered values, except for allocations at cross-border points, for daily evaluation by deadlines specified under the Market Rules, the Market Operator shall substitute the missing metered values for daily evaluation with values on the basis of a proposal of the TSO or the respective DSO, or with values calculated as the average of the actual metered values filed in CS OTE for the last four days identical by name and shall perform daily evaluation within one hour after the deadline for daily evaluation under the Market Rules, whereby the provisions of Articles 9.2.15.1 and 9.2.15.2 of BTG apply. In the event the metered values for the last four days identical by name are not filed in CS OTE, the Market Operator shall use zero values for the daily evaluation.
- 3.1.5 If the Market Operator performs re-evaluation of imbalances after receiving complaints about the results of daily evaluation under Article 8.4.1, the offers on the unused flexibility market that have been accepted on the basis of the initial results of daily evaluation and the offers that have been already matched will be cancelled, and any transactions arising from said offers shall also be cancelled.
- 3.1.6 Based on daily evaluation, the Market Operator shall determine values for the previous gas day pursuant to Section 102, Subsection 5, and Section 103, Subsection 2 of the Market Rules, and makes them available for the relevant BRPs via CS OTE.
- 3.1.7 Monthly evaluation refers to evaluation of monthly imbalances of BRPs and foreign participants on respective gas days of the following gas trading month after the end of the respective gas trading month, which is carried out by the Market Operator according to the procedure and within the timeframe specified in the Market Rules and in BTG hereof for the entire gas distribution system. The imbalance evaluation process includes:
- 3.1.7.1 determining the values of monthly imbalances, and
  - 3.1.7.2 determining the values of differences between daily and monthly imbalances.
- 3.1.8 The Market Operator performs monthly evaluation separately for each BRP and market participant and for each gas day and month on the basis of values received from the TSO and from separate DSOs pursuant to Sections 95, Subsection 2, and Section 96, Subsection 2 of the Market Rules, and on the basis of other values specified under the Market Rules.
- 3.1.9 Based on monthly evaluation, the Market Operator shall determine values pursuant to Section 103, Subsection 3 of the Market Rules, and makes them available for the relevant BRPs via CS OTE.
- 3.1.10 The final monthly evaluation refers to evaluation of adjusted monthly imbalances of BRPs and foreign participants in the relevant gas days of the gas month, which the Market Operator performs according to the procedure and within the timeframe specified in the Market Rules and in BTG hereof for the entire gas distribution system. The imbalance evaluation process includes:
- 3.1.10.1 determining the values of adjusted monthly imbalances, and
  - 3.1.10.2 determining the values of differences between monthly and adjusted monthly imbalances.
- 3.1.11 The Market Operator performs final monthly evaluation after the receipt of adjusted values according to the procedure and within the timeframe specified under Section 103, Subsection 5, and Section 106, subsections 4 to 6 of the Market Rules and BTG hereof. The Market Operator shall make the results of the evaluation available for BRPs via CS OTE.
- 3.1.12 Evaluation of consumption at PDTs with non-interval metering is performed according to the procedure specified in the Market Rules, LP methodology posted on the Market Operator's website, and on the basis of actual climatic conditions received from the Czech Hydrometeorological Institute.
- 3.1.13 The Market Operator shall publish actual climatic conditions from ČHMÚ for the following areas: Czech Republic, West Bohemia, North Bohemia, Central Bohemia, Prague, South Bohemia, East Bohemia, North Moravia and South Moravia.
- 3.1.14 For DSs registering no PDTs with Type C or Type CM metering, or where all PDTs with Type C or Type CM metering have zero planned annual consumption, the residual profile equals the volume of losses in the DS, whereby the residual profile coefficient is not determined.
- 3.1.15 Historical data on evaluation is available via CS OTE. After its archiving, it shall be available upon request.

- 3.1.16 In the event the BRP has accepted total imbalances from another (transferring) BRP, within daily, monthly, and final monthly evaluation, the accepting BRP's imbalances (in MWh) are added to the transferring BRP's imbalances (in MWh).

### **3.2 Settlement of daily evaluation of imbalances, daily settlement of the intraday market and the unused flexibility market**

- 3.2.1 For purposes of imbalance settlement of BRPs, each BRP is required to provide the Market Operator with the right of cash collection established within the BRP's bank account, as set forth in the Agreement on Settlement of Imbalances, and maintained by a bank or its branch based in the CR, and to keep this account and the right of cash collection active as long as the Agreement on Settlement of Imbalances is in effect. The daily imbalance quantity of each BRP and foreign participant and unused flexibility of each BRP and foreign participant traded on the unused flexibility market shall result in either its payment obligation or entitlement to a refund.
- 3.2.2 To settle trades closed on the organized short-term market, the BRP (short-term market participant) is required to establish within its bank account, maintained in the CZK currency and defined in the Agreement on Settlement of Imbalances, the right of cash collection for the Market Operator, and to keep this account and the right of cash collection active as long as the Agreement on Settlement of Imbalances is in effect. To settle the intraday market in the EUR currency, the respective gas market participant must have an account in EUR denomination maintained by one of the banks approved by the Market Operator and listed on OTE's website, with the established right of cash collection for the Market Operator. If the intraday market participant fails to open the required account, the Market Operator settles the intraday market with the said participant in CZK. The Market Operator shall notify market participants about an update of the list of banks approved for settlement in EUR in a manner allowing remote access. If a bank is removed from the list, it will do so at least 30 calendar days in advance.
- 3.2.3 Settlement of daily evaluation, settlement of trades closed on the unused flexibility market and on the intraday market, (hereinafter "daily settlement") is performed by the Market Operator by 12:00 midnight of the business day subject to daily evaluation of imbalances. In the event of a non-business day, by 12:00 midnight of the first following business day. Any receivables between the Market Operator and the BRP, ensuing from daily evaluation, including trades closed on the unused flexibility market and on the intraday market on the relevant trading day and in the settlement currency, shall be factored in. In the event of CS OTE failure, the Market Operator is authorized to postpone execution of daily settlement for the duration of the failure.
- 3.2.4 Daily settlement, after factoring in mutual receivables under the foregoing Article 3.2.3, results in issuing payment or cash collection orders crediting or debiting the relevant BRP, whereby:
- 3.2.4.1 the due date of a cash collection order arising from daily settlement shall be set forth on the first business day after the end of the gas trading day subject to settlement, with the exception of, but not limited to, a tardy provision of metered values by the TSO or DSO and failed communication with the Market Operator's bank, whereby the due date of cash collection orders is set forth on the second business day after the end of the gas trading day subject to settlement, and the collected payments shall include the amount of value-added tax at its statutory rate,
  - 3.2.4.2 the due day of the Market Operator's payment orders arising from daily settlement shall be set forth on the fourth business day after the end of the gas trading day subject to settlement, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of payment orders shall be set forth on the fifth business day after the end of the trading day subject to settlement. The Market Operator has the right to make the payments without value-added tax at the statutory rate and reimburse the tax amount within settlement of monthly evaluation.
- 3.2.5 In the event a cash collection or payment order pertaining to the BRP's bank account is made out outside the Market Operator's bank, it is agreed that the due date is extended by periods stipulated by Act No. 284/2009 Coll., on the Payment System.

- 3.2.6 In the event of payments crediting the Market Operator made abroad into an account maintained in the CZK currency, all fees arising from the relevant payment are borne by the payer.
- 3.2.7 The procedure for rounding amounts of financial settlement of IM is as follows:
- 3.2.7.1 financially evaluated volumes of gas supply / consumption of specific intraday market participants for each gas day, billed in EUR in three decimal places, shall be rounded down to two decimal places,
  - 3.2.7.2 the difference between the sum of financial evaluations under the preceding Article 3.2.7.1 and the previous financial evaluation of traded volumes of gas on IM is evaluated,
  - 3.2.7.3 should the difference under the preceding Article 3.2.7.2 be other than zero, financial evaluation of intraday market participants is incrementally increased by EUR 0.01 with the aim to eliminate the difference, taking the following steps:
    - 3.2.7.3.1 first, financial evaluation of the intraday market participant with the greatest figure of the previous financial evaluation in the third decimal place is raised,
    - 3.2.7.3.2 in the event of an identical value, evaluation with the greatest figure of the second decimal place shall be increased first,
    - 3.2.7.3.3 in the event of a repeated identical value, evaluation the intraday market participant, the ID RMP of which is lower, shall be increased by EUR 0.01.

### **3.3 Settlement of monthly evaluation of imbalances, monthly settlement of the intraday market and the unused flexibility market**

- 3.3.1 Settlement of monthly evaluation, carried out by the Market Operator by 12.00 midnight on the 15th calendar day after the end of the month subject to evaluation, refers to settlement of differences between daily and monthly imbalances.
- 3.3.2 Aside from settlement of monthly evaluation, the Market Operator performs settlement of
- 3.3.2.1 the difference between executed or received payments arising from the daily settlement of the daily imbalance quantity and the total sum of the daily imbalance quantity for the evaluated month,
  - 3.3.2.2 the difference between executed or received payments arising from the daily settlement of transactions executed on the unused flexibility market and the total sum of transactions executed on the unused flexibility market for the evaluated month,
  - 3.3.2.3 the difference between executed or received payments arising from the daily settlement of transactions executed on the intraday market and the total sum of transactions executed on the intraday market for the evaluated month,
  - 3.3.2.4 prices charged for the Market Operator's services pursuant to Appendix 19, Part C, Par. I, Article 1, Letter b), d) to f) of the Market Rules in compliance with ERO's Price Decision.
- 3.3.3 Settlements described under Articles 3.3.1 and 3.3.2 shall be referred to as "monthly settlement".
- 3.3.4 The Balance Responsible Party shall confirm to the Market Operator adjusted values of the results of daily settlement of transactions executed on the intradaymarket, which are instrumental for monthly settlement, no later than by the end of the last gas trading day of the month subject to evaluation. In the event the Balance Responsible Party does not object to the adjusted values by the end of the last gas trading day of the month subject to evaluation, it is assumed that the relevant Balance Responsible Party agrees with the adjusted values.
- 3.3.5 Mutual receivables between the Market Operator and the Balance Responsible Party arising from differences between daily and monthly imbalances, resulting from the monthly evaluation, are offset.

- 3.3.6 Following the offset of mutual receivables under Article 3.3.5, the outcome of the monthly settlement shall be issuing payment or cash collection orders for all BRPs, whereby
- 3.3.6.1 the due date of cash collection orders shall be set forth on the date of performing monthly evaluation, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of cash collection orders is set forth on the first business day after completion of monthly evaluation,
  - 3.3.6.2 the due date of payment orders shall be set forth on the fourth business day after completion of monthly evaluation,
- In the event a cash collection or payment order pertaining to a BRP's bank account is made out outside the Market Operator's Bank, it is agreed that the due date is extended by periods stipulated by Act No. 284/2009 Coll., on the Payment System.
- 3.3.7 In the event of debts of the BRP due to the Market Operator, the Market Operator shall issue tax documents and send them to the BRP before the end of the 15th calendar day after the end of the month for which the tax documents are being issued (i.e. the month in which taxable supply was executed)
- 3.3.8 In the event of debts of the Market Operator due to the BRP
- 3.3.8.1 the Market Operator shall issue and make available via user interface documentation for issuing tax documents by the BRP by the end of the 15th calendar day after the end of the month for which the tax documents are being issued (i.e. the month in which taxable supply was executed); the documentation for issuing tax documents contains information on received payments pertaining to the month subject to evaluation,
  - 3.3.8.2 Based on pertinent documents, the Market Operator shall issue and send tax documents on behalf of the BRP on the grounds of authorization pursuant to Section 28 (5) of the Value Added Tax Act within 15 calendar days after the end of the month in which taxable supply was executed.
- 3.3.9 Separate supplies of gas traded on the intraday market and delivered on the same day (for purposes of this Article hereunder, hereinafter the "Delivery Day") pursuant to the Value Added Tax Act are deemed recurrent supply. Solely for the purpose of the Value Added Tax Act, this recurrent supply is deemed executed as of the delivery day. Pursuant to the Value Added Tax Act, an aggregate tax document shall be issued for the recurrent supply executed throughout the calendar month. For the purpose of gas tax, the volume of supplied gas traded on the intraday market is determined for the period of calendar month. This determination always takes place on the last day of the calendar month. Based on the determination of the volume of supplied gas in the calendar month, a sale document or a tax document shall be issued pursuant to the Gas Tax Act. Specifics of the aggregate tax document and specifics of the sale or tax document shall be stated in a joint document, if applicable.
- 3.3.10 Supply within the scope of imbalances (including the daily imbalance quantity) and unused flexibility traded on the unused flexibility market, determined in relation to separate gas trading days (for purposes of this Article hereunder, hereinafter the "Delivery Day"), is deemed recurrent supply pursuant to the Value Added Tax Act. Solely for the purpose of the Value Added Tax Act, the recurrent supply is deemed executed as of the delivery day. Pursuant to the Value Added Tax Act, an aggregate tax document shall be issued for the recurrent supply executed throughout the calendar month. For the purpose of gas tax, the volume of gas supplied to compensate for imbalances is determined for the period of calendar month. This determination always takes place on the last day of the calendar month. Based on the determination of the volume of imbalances in the calendar month, a sale document or a tax document shall be issued pursuant to the Gas Tax Act. Specifics of the aggregate tax document and specifics of the sale or tax document shall be stated in a joint document, if applicable. In the event of additional changes to the determined amounts in compliance with the applicable rules for settlement of imbalances, adjustments will be made through an amended tax document pursuant to the Value Added Tax Act, or issuing a tax document or a sale document. Specifics of the amended tax document and specifics of the sale or tax document shall be stated in a joint document, if applicable.
- 3.3.11 Tax documents pertaining to the intraday market are issued separately and in accordance with the required settlement currency. If in the course of a calendar month the Balance Responsible

Party has executed transactions settled in both EUR and CZK, two tax documents shall be issued for each party for the relevant month. In the event the transactions are settled in CZK, they are deemed agreed upon in CZK.

- 3.3.12 Should a gratuitous enrichment of the BRP or the Market Operator occur, the respective entity is obligated to return to the counterparty an amount corresponding to the amount of gratuitous enrichment within ten business days after finding out about gratuitous enrichment. This provision does not affect general provisions on damage compensation and gratuitous enrichment.
- 3.3.13 In the event the amount of a payment order or a cash collection order made out on account of monthly settlement and issuance of a tax document, which settles the difference between payments executed as a result of daily settlement and the results of monthly evaluation, does not exceed CZK 1.00 (EUR 0.10), the Market Operator is authorized to round the relevant amount and to decline to issue a payment order or a cash collection order.
- 3.3.14 Documentation for issuing tax documents of the Market Operator contain information on received payments pertaining to the month subject to evaluation, their amounts and dates of receipt of the payments into the Market Operator's account.
- 3.3.15 Documentation for issuing tax documents of the BRP contain information on executed payments pertaining to the month subject to evaluation, their amounts and dates of making the payments from the Market Operator's account.
- 3.3.16 In the event of payments crediting the Market Operator made abroad into an account maintained in the CZK currency, all fees arising from the relevant payment are borne by the payer.

#### **3.4 Settlement of final monthly evaluation of imbalances**

- 3.4.1 Settlement of final monthly evaluation (hereinafter "final monthly evaluation"), carried out by the Market Operator by 12.00 midnight on the 16th calendar day of the fourth month after the end of the month subject to evaluation, refers to settlement of differences between monthly and adjusted monthly imbalances:
- 3.4.2 Mutual receivables between the Market Operator and the Balance Responsible Party arising from the final monthly evaluation are offset.
- 3.4.3 Following the offset of mutual receivables under Article 3.4.2, the outcome of the final monthly settlement shall be issuing payment or cash collection orders for all BRPs, whereby
  - 3.4.3.1 the due date of cash collection orders shall be set forth on the date of performing final monthly evaluation, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of cash collection orders is set forth on the first business day after completion of the final monthly evaluation,
  - 3.4.3.2 the due date of payment orders shall be set forth on the fourth business day after completion of the final monthly evaluation.
- 3.4.4 In the event a cash collection or payment order pertaining to a BRP's bank account is made out outside the Market Operator's Bank, it is agreed that the due date is extended by periods stipulated by Act No. 284/2009 Coll., on the Payment System.
- 3.4.5 If the amount of differences under Article 3.4.1 is less than CZK 25, the value of the relevant monthly settlement is deemed unchanged, the difference for the settlement of the final monthly evaluation is equal to zero and collection or payment orders shall not be issued.
- 3.4.6 The final monthly settlement is instrumental for issuing a tax document.
- 3.4.7 In the event of any debts of the BRP due to the Market Operator, the Market Operator shall issue tax documents and distribute them to the BRP before the end of the 16th calendar day of the fourth month after the end of the month subject to evaluation.
- 3.4.8 In the event of any debts of the Market Operator due to the BRP
  - 3.4.8.1 the Market Operator shall issue and make available via user interface to the BRP documentation for issuing tax documents by the end of the 16th calendar day of



the fourth month after the end of the month subject to evaluation,

- 3.4.8.2 Based on pertinent documents, the Market Operator shall issue and send tax documents on behalf of the BRP on the grounds of authorization pursuant to Section 28 (5) of the Value Added Tax Act within 16 calendar days of the fourth month after the end of the month subject to evaluation.
- 3.4.9 In the event the amount of settlement of the difference between the final monthly evaluation and the monthly settlement is equal to zero under Article 3.4.4 and no collection or payment orders have been issued, the original taxable supply determined on the basis of the monthly settlement is deemed not adjusted and the Market Operator shall not issue a tax document.
- 3.4.10 Should a gratuitous enrichment of the BRP or the Market Operator occur, the respective entity is obligated to return to the counterparty an amount corresponding to the amount of gratuitous enrichment within ten business days after finding out about gratuitous enrichment. This provision does not affect general provisions on damage compensation and gratuitous enrichment.
- 3.4.11 In the event of payments crediting the Market Operator made abroad into an account maintained in the CZK currency, all fees arising from the relevant payment are borne by the payer.

### **3.5 Settlement of differences between meter readings and consumption values based on LP**

- 3.5.1 The Market Operator shall evaluate differences between billing meter readings of gas consumption at points of delivery/transfer with Type C and CM metering and consumption values determined on the basis of load profiles at these points, and notifies BRPs responsible for imbalances at the relevant points of delivery about the differences, using the methods and in timeframes stipulated under Section 104 of the Market Rules.
- 3.5.2 Evaluation of the differences under Article 3.5.1 comprises the following stages
  - 3.5.2.1 monthly evaluation of differences between meter readings of gas consumption at points of delivery/transfer with Type C and CM metering and consumption values determined on the basis of load profiles at these points (hereinafter "monthly LP evaluation"),
  - 3.5.2.2 final evaluation of differences between meter readings of gas consumption at points of delivery/transfer with Type C and CM metering and consumption values determined on the basis of load profiles at these points after the receipt of adjusted meter readings (hereinafter "final monthly LP evaluation").
- 3.5.3 The Market Operator shall settle the difference under Articles 3.5.2.1 and 3.5.2.2 with the BRPs that at the date of the billing meter reading were responsible for imbalances at the respective points of delivery, or with the BRPs that pursuant to the Market Rules and Article 2.7 accepted total imbalance responsibility of the BRP thereof on the last day of the month for which the monthly LP evaluation is performed, or as at the day of BRP termination in the month for which the monthly LP evaluation is performed, for the price determined by the procedure defined in Section 104, Subsection 4 of the Market Rules.
- 3.5.4 The Market Operator shall settle differences under Articles 3.5.1 and 3.5.2.2, but with the opposite sign, with the BRPs responsible for imbalances concerning losses within the relevant DS or with the BRPs that pursuant to the Market Rules and Article 2.7 accepted total imbalance responsibility of the BRP thereof on the last day of the month for which the monthly LP evaluation is performed, or as at the day of BRP termination in the month for which the monthly LP evaluation is performed, pursuant to Section 104, Subsection 5 of the Market Rules.
- 3.5.5 Upon receipt of the billing meter reading in CS OTE, it is verified whether the date of the billing reading pertains to the month for which evaluation of differences under Articles 3.5.2.1 and 3.5.2.2 have not been performed yet. In the event the date of the billing reading pertains to the month for which evaluation has already been performed under Article 3.5.2.2, the reading is in CS OTE flagged as late transmission and is not included in the evaluation under Article 3.5.1. The DSO that transmitted the billing reading, the relevant supplier and the relevant BRP are notified about the foregoing fact. The verification under this Article does not apply for separate (non-billing) preliminary readings transmitted to OTE.

- 3.5.6 The Market Operator shall accept a non-billing preliminary reading from the DSO only when transmitted in one message together with a billing reading that meets the requirement specified in Article 3.5.5. The Market Operator shall use the submitted preliminary reading for the evaluation of differences under Articles 3.5.2.1 and 3.5.2.2, in order to perform a more accurate redistribution of the volume of consumed gas between separate billing readings.
- 3.5.7 Separate tax documents are issued for settlement of monthly LP evaluation under Article 3.5.2.1 within 14 business days of the following month after the end of the month subject to evaluation, based on documentation issued by the Market Operator. The date of taxable supply is the date of issuing tax documents by the Market Operator. The Market Operator shall issue a tax document pertaining to the settlement of differences also on behalf of the respective BRP based on authorization of the Market Operator to issue tax documents pursuant to Section 28 (5) of The Value Added Tax Act. Any mutual receivables between the Market Operator and the BRP arising from tax documents regarding monthly LP settlement shall be factored in.
- 3.5.8 Tax documents or adjusted tax documents are issued for settlement of final monthly LP evaluation under Article 3.5.2.2 within 14 business days of the fourth month after the end of the month subject to evaluation, based on documentation issued by the Market Operator. The date of taxable supply is the date of issuing tax documents or adjusted tax documents by the Market Operator. The Market Operator shall issue tax documents or adjusted tax documents pertaining to the settlement of differences also on behalf of the respective BRP based on authorization of the Market Operator to issue tax documents pursuant to Section 28 (5) of The Value Added Tax Act. Any mutual receivables between the Market Operator and the BRP arising from tax documents or adjusted tax documents regarding final monthly LP settlement shall be factored in. If the amount of the settlement of differences of the final monthly LP evaluation against the monthly LP settlement does not exceed CZK 25, the original taxable supply determined on the basis of the monthly settlement is deemed not adjusted and the Market Operator shall not issue a tax document.
- 3.5.9 The due date of cash collection orders after factoring in mutual receivables under Article 3.5.7 and 3.5.8 shall be set forth on the day of issuing tax documents or adjusted tax documents by the Market Operator, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of cash collection orders shall be set forth on the first business day after the issuance date.
- 3.5.10 The due date of payment orders after factoring in mutual receivables under Article 3.5.7 and 3.5.8 shall be set forth on the fourth business day after the day of issuing tax documents or adjusted tax documents by the Market Operator.
- 3.5.11 In the event a cash collection or payment order pertaining to a BRP's bank account is made out outside the Market Operator's bank, it is agreed that the due date is extended by periods stipulated by Act No. 284/2009 Coll., on the Payment System.

### **3.6 Settlement of differences during the state of emergency and when preventing the state of emergency**

- 3.6.1 When preventing the state of emergency, the Market Operator shall proceed pursuant to Section 82 of the Market Rules.
- 3.6.2 During the state of emergency, the Market Operator shall proceed pursuant to Section 83 of the Market Rules.
- 3.6.3 During the state of emergency, all daily imbalances of balance responsible parties and foreign participants are equal to daily imbalance quantities of BRPs and foreign participants. Their settlement is carried out pursuant to the respective provisions of Part 3.2 of BTG. **When preventing the state of emergency and during the state of emergency, and after factoring in mutual receivables pursuant to Article 3.2.3, the Market Operator has the right to partial payment of its debts from the imbalance settlement and the intra-day market to all BRPs. This means the**

right to pay only a part of these debts for the given day of delivery, where the ratio is the sum of payments from the financial settlement for the given day of delivery which were credited to the Market Operator's account no later than on the day preceding the maturity of the Market Operator's debts to the sum of all debts of the Market Operator from the financial settlement for the given day of delivery of In the event the Market Operator accepts an additional payment after the partial payment of its debts from the financial settlement for the given day of delivery or accepts funds from the use of financial security, it is obliged to pay another part of its outstanding debts for this day of delivery within 5 working days.

- 3.6.4 In the event the final balance of the aggregate account of imbalances of a balance responsible party or a foreign participant for the gas day preceding the day on which the TSO declared a state of emergency due to a gas shortage is negative, the Market Operator shall,
- 3.6.4.1 set the aggregate account of imbalances of the balance responsible party or the foreign participant for the day on which the TSO declared a state of emergency to a zero value,
  - 3.6.4.2 register a valid nomination of the obligation to supply and take with a sub-type under Article 9.1.11.4 between the Market Operator and the balance responsible party or the foreign participant so that the balance responsible party or the foreign participant has the obligation to supply gas (Sale) and the Market Operator has the obligation to take gas (Purchase).
- 3.6.5 In the event the final balance of the aggregate account of imbalances of a balance responsible party or a foreign participant for the gas day preceding the day on which the TSO declared a state of emergency due to a gas surplus is positive, the Market Operator shall
- 3.6.5.1 set the aggregate account of imbalances of the balance responsible party or the foreign participant for the day on which the TSO declared a state of emergency to a zero value,
  - 3.6.5.2 register a valid nomination of the obligation to supply and take with a sub-type under Article 9.1.11.4 between the Market Operator and the balance responsible party or the foreign participant so that the balance responsible party or the foreign participant has the obligation to take gas (Purchase) and the Market Operator has the obligation to supply gas (Sale).

## 4 THE INTRADAY GAS MARKET

### 4.1 General rules of the intraday gas market

- 4.1.1 The intraday gas market is operated as part of CS OTE.
- 4.1.2 Submitting to and viewing offers on the intraday market takes place either via the CS OTE user application for IM, mobile application IM or via the specific type of automated communication in a manner described in the relevant user manual and in formats defined in Appendix 1 to BTG.
- 4.1.3 Any balance responsible party may submit offers after a log-in into the CS OTE user application:
  - 4.1.3.1 manually in a method described in the user manual, or
  - 4.1.3.2 with a message for submission of offers in a method described in the user manual and in formats defined in Appendix 1 to BTG.
- 4.1.4 A code is allocated in CS OTE to every offer submitted.
- 4.1.5 Any balance responsible party may submit offers only if it has a sufficient FS balance pursuant to Part 7 of BTG and is not locked-out.
- 4.1.6 Offers may be submitted until the close of the intraday market. CS OTE shall not permit registration of any offer submitted later, whereby the relevant time of registration is CS OTE system time.
- 4.1.7 Any balance responsible party has access to a current overview of its offers.



- 4.1.8 In respect of accepted offers, the Market Operator does not assume responsibility for correctness of the relevant accepted offer in terms of its volume and price. Balance responsible parties are aware of the consequences arising for them from incorrectly submitted offers on the intraday market in the event they have been traded.
- 4.1.9 Both valid and invalid offers on IM shall be saved in CS OTE for a minimum period of six months, together with the requisite indicator of validity and, in the event of invalid bids, reasons for rejection of the bid.
- 4.1.10 Any Balance Responsible Party may instantly verify registration and review status of the submitted offers (including a review of its registered valid and invalid offers) via user interface.
- 4.1.11 BRPs are notified about any invalid offers on IM via user interface.
- 4.1.12 The amounts of payments in CZK and the settlement CZK/EUR exchange rate for settlement of offers on the intraday market in CZK shall be made available to balance responsible parties via user interface at 2:30 p.m. at the earliest, after the Czech National Bank (ČNB) has published the daily exchange rates, on the business day preceding the gas trading day to which the evaluated offers pertain. The settlement exchange rate shall be made available immediately after its posting by the Market Operator's bank, no later than by 3:30 p.m., with the exception of failed communication with the Market Operator's bank, whereby the exchange rate shall be published by 3:30 p.m. of the following day.
- 4.1.13 The Market Operator's bank shall set forth the value of the settlement CZK/EUR exchange rate for the relevant gas trading day, whereas the value shall differ by a maximum of CZK 0.05 from the ČNB exchange rate, on the day when the Market Operator discloses amounts of payments in CZK under Article 4.1.12. In the event the total amount of the Market Operator's debt in EUR is greater than the total amount of receivables in EUR arising from settlement of the intraday market for the relevant gas trading day, the Market Operator shall convert CZK to EUR, whereby the value of the settlement exchange rate may be higher by no more than CZK 0.05 against the ČNB exchange rate. In the event the total amount of the Market Operator's debt in EUR is smaller than the total amount of receivables in EUR arising from settlement of the intraday market of the relevant gas trading day, the Market Operator shall convert EUR to CZK, whereby the value of the settlement exchange rate may be lower by no more than CZK 0.05 against the ČNB exchange rate. In the event the total value of the Market Operator's debt in EUR equals the total amount of receivables in EUR arising from settlement of the intraday market for a given gas trading day, the value of the settlement exchange rate shall be equal to the CNB exchange rate.
- 4.1.14 Both valid and invalid offers submitted to IM shall be saved in CS OTE for a minimum period of six months.
- 4.1.15 In cases of failure, shut-down of CS OTE or its part, endangering of the proper and fair functioning of the market or force majeure, the Market Operator is entitled to suspend trading on the intraday market.

## 4.2 Intra-day market – submission of offers and their modification

- 4.2.1 Specific days of delivery represent tradable contracts under which bids for gas supply or consumption may be submitted:
- 4.2.1.1 a limit bid,
  - 4.2.1.2 Iceberg.
- 4.2.2 The intraday market for a gas day is organized from 9:00 of the preceding calendar day to 5:00 of the following calendar day.
- 4.2.3 Until the IM closes for the relevant delivery date to which the offers pertain, intraday market participants may
- 4.2.3.1 submit offers,
  - 4.2.3.2 assign to offers time and execution restrictions in combinations listed in the user manual,
  - 4.2.3.3 access the current overview of its offers,
  - 4.2.3.4 modify and cancel their registered offers on the list of offers unless the relevant offer has been matched at the same time,

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- 4.2.3.5 make inquiries about the overview of its offers for purposes of reviewing them.
  - 4.2.4 Submission, modification, cancellation and viewing of offers on IM is carried out:
    - 4.2.4.1 in CS OTE via CS OTE user application
      - 4.2.4.1.1 manually via on-screen forms created for this purpose, using a method described in the user manual, or
      - 4.2.4.1.2 with an electronic format of a message (file) for submitting offers, in a manner described in the user manual,
    - 4.2.4.2 via automated communication, in a manner described in the user manual and in Appendix 1 to BTG.
  - 4.2.5 Intraday market participants may submit and modify offers on IM for relevant dates of delivery only to the extent that shall not endanger operation safety, and their conduct or actions shall not endanger the operation of CS OTE or the activities of other OTE's Contractual Partners, and good business conduct under Article 10 shall not be breached.
  - 4.2.6 In the event of the use of automated or other machine approaches by market participants, i.e. conduct that cannot be induced by human forces (e.g. short-term and multiple refresh of trading screens and modification or submission of bids, multiple parallel connections) and that may restrict the operation of CS OTE or unduly restrict trading opportunities for other market participants, the Market Operator may proceed to prevent such approaches of the relevant participants.
  - 4.2.7 The Market Operator is entitled to determine the maximum possible number of submissions of new offers per contract per minute and participant, and the maximum number of offer modifications per contract per minute and participant. If the set number of bid submissions / modifications per minute is exceeded by the intraday market participant, the system shall dismiss any other bid submissions / modifications of that intraday market participant at that minute.
  - 4.2.8 IM offers may be entered in the system as active or inactive. Inactive offers are not displayed on the trading screen and cannot be matched. Offers may be activated and deactivated at will. Deactivation removes the offer from the trading screen.
  - 4.2.9 Each offer is defined by the volume of gas, limit price and gas trading day.
  - 4.2.10 Iceberg offers on IM are defined by the gas trading day, limit price, price step, total quantity and quantity step.
  - 4.2.11 The quoted price of an offer does not include the gas tax and the value added tax.
  - 4.2.12 Gas is traded in EUR/MWh with two decimal places, while the minimum price is EUR 0.01/MWh and the maximum price is EUR 4,000/MWh.
  - 4.2.13 Volumes of gas are quoted in MWh with one decimal place. The minimum quantity is 0.1 MWh and the maximum quantity is 99,999.9 MWh.
  - 4.2.14 Already registered (active and inactive) offers on IM may be changed until the close of offer acceptance for specific tradable contracts. It is possible to modify the offers where no quantity has been traded yet, as well as partially traded offers, either separately or together.
  - 4.2.15 Already registered (active and inactive) offers on IM may be cancelled only until the close of offer acceptance for specific tradable contracts. It is possible to cancel the offers where no quantity has been traded yet, as well as partially traded offers, either separately or together. Both visible and hidden quantities of the ICEBERG type of offers on IM are cancelled. Intraday market participants may modify or cancel only the offers they submitted to IM by themselves.
  - 4.2.16 Intraday market participants may modify or cancel only the offers they submitted to IM by themselves.
  - 4.2.17 If modification of an offer results in changed attributes of the offer that may affect the determination of priority in the offer matching process, a new version of the modified offer with a new time stamp is created within the scope of such modification.
  - 4.2.18 BRPs may choose the currency for the IM settlement for each delivery date in CS OTE, no later than 10 minutes before the commencement of trading for the relevant date of delivery. If the IM settlement currency is not chosen for the given delivery date, the currency pre-set by the BRP in the data registration or change of the data registration process shall be applied for

the IM settlement. BRPs may opt for settlement in EUR only if an EUR account has been established under Article 3.2.2 of BTG.

### 4.3 Offers on IM and their restrictions

- 4.3.1 In the offer to buy / sell to IM, the intraday market participant shall specify in particular:
- 4.3.1.1 the traded contract under which the intraday market participant submits offers on IM,
  - 4.3.1.2 price and quantity,
  - 4.3.1.3 furthermore, In the event of an offer under an Iceberg contract, only a part of the total bid volume that is published for trading. Once the displayed volume of the bid has been completely traded, the system automatically publishes another part of the remaining quantity in the amount of the displayed volume. If the remaining quantity published next is smaller than the displayed volume, the remaining quantity is published in this volume. It also applies that the price of the displayed volume may be either always the same or may be adjusted by the intraday market participant by a predefined price change during the next publishing. The new price is determined as the sum of the original price and the price change. If the price change is not defined, its implicit default value is 0. In the event of a bid to buy, the price change may be only a negative value, including 0. In the event of an offer to sell, the price change may be only a positive value, including zero. This gradual cyclical publication continues until the total quantity of the bid has been traded, or until the deadline for the bid has expired. The Market Operator determines the minimum total quantity and the minimum displayed volume.
- 4.3.2 The price does not include gas tax and the value-added tax. The price entails the value the buyers are willing to pay for gas or the value the sellers are willing to accept for gas.
- 4.3.3 Execution restrictions of offers:
- 4.3.3.1 FOK (Fill or Kill) - the aim of this execution restriction is to trade the total offer quantity entirely at one time immediately after entering the bid into the system. If this condition is not met, the bid is instantly removed from trading. The FOK execution restriction is not permitted for Iceberg offers.
  - 4.3.3.2 IOC (Immediate or Cancel) - the aim of this execution restriction is to trade any offer quantity at one time immediately after entering it into the system. If this condition is not met, the bid is instantly removed from trading. The IOC execution restriction is not permitted for Iceberg offers.
  - 4.3.3.3 NON - None execution restriction (without limitation) - offers without a defined execution restriction; such offer can be traded immediately or incrementally against one or more offers and within the scope of one or more transactions.
- 4.3.4 Time restrictions of offers:
- 4.3.4.1 GFS (Good for trading session) – this time restriction applies to offers where the validity of offers is unlimited, offers can be traded until the expiry of the relevant contract and until they have been completely traded or cancelled by the market participant. The GFS time restriction is not permitted for offers in combination with the FOK and IOC execution restrictions.
  - 4.3.4.2 GTD (Good till date) - this time restriction applies to offers with a defined time validity (date and time). After the offer validity has expired, such offers are automatically removed from trading. The GTD time restriction is not permitted for offers in combination with the FOK and IOC execution restrictions.

### 4.4 Review of offers on IM

- 4.4.1 Registration of an offer on IM sets off an automated review system which classifies the offer on IM as either successful or not successful. The review includes:

- 4.4.1.1 proper registration of BRPs; balance responsible parties may not be locked out;
  - 4.4.1.2 FS balance for IM pursuant to Part 7 of BTG;
  - 4.4.1.3 acceptance of offer registration within the timeframe under the Market Rules;
  - 4.4.1.4 minimum and maximum limit prices for offers;
  - 4.4.1.5 minimum and maximum gas volumes with variance of 0.1 MWh;
  - 4.4.1.6 price under Article 4.2.12;
  - 4.4.1.7 correctness of offers and their restrictions;
  - 4.4.1.8 permitted combination of time and execution restrictions
- 4.4.2 Offers on IM that have not been deactivated, have not been entered as inactive, have not been cancelled, have not been traded in full, have been submitted for open days and, at the same time, their expiration time extends beyond the current time, are displayed in user interface as active.

#### **4.5 Matching of offers on IM (initiation of a trade)**

- 4.5.1 Pairing of IM offers means the continuous mutual anonymous automatic assignment of purchase and sale offers on IM when the conditions contained in the relevant offers are met.
- 4.5.2 Each new valid offer sets off the matching process during which it is determined whether some other active offer meets the terms of the newly entered offer and the two can be matched.
- 4.5.3 In matching offers submitted under the relevant contract it applies that
  - 4.5.3.1 offers submitted under the same contract are always matched,
  - 4.5.3.2 a new active sale offer, the price of which is lower than or equal to that of the already existing active purchase offer, shall be matched with this already existing active purchase offer,
  - 4.5.3.3 a new active purchase offer, the price of which is higher than or equal to that of the already existing active sale offer, shall be matched with this already existing active sale offer,
- 4.5.4 Active purchase offers quoting the highest price and active sale offers with the lowest price have the priority in offer matching; in the event two or more offers quote the same price, the earlier registered active purchase offer comes first, i.e. the offer with the lower time identification of entering the offer into the system.
- 4.5.5 In matching active offers, the transaction price is the price of an existing active offer in the opposite position, i.e. when matching an active sale offer, the transaction price is the price of an existing purchase offer, and vice versa.
- 4.5.6 In the event of matching more offers quoting different prices, each matched pair of offers has a separate price. This price is determined separately for each transaction based on an existing active offer.
- 4.5.7 Time and execution restrictions selected when entering the offers are taken into account for matching offers.
- 4.5.8 After closing the trade on IM, the Market Operator shall adjust the total contracted gas volume within nomination of the respective BRP at the virtual trading point (VTP) for the respective gas trading day within the timeframe stipulated under the Market Rules.

#### **4.6 Trading on IM using mobile application IM**

- 4.6.1 The mobile application IM serves as an alternative tool with partially restricted continuous updating of data for trading on IM as described in the user manual. The technological response time of the mobile application IM may be longer than when using the OTE-COM application or automated communication. The quality of use of the mobile application IM also depends on the user's internet connection speed.
- 4.6.2 The data in the mobile application IM is updated in a manner described in the user manual, in particular in the application set time intervals, or after the user's manual or other interaction.
- 4.6.3 Market participants may choose to access IM using the mobile application IM via:

- 4.6.3.1 restricted passive access to the course and results of trading but not allowing offer transactions (reading mode), or
- 4.6.3.2 active access to the course and results of trading allowing offer transactions in a manner described in the user manual, in particular submission, modification, deactivation and cancellation of offers.
- 4.6.4 The terms and conditions of IM trading set forth in BTG under Articles 4.1 to 4.5 and the user manual apply also for trading on IM using the mobile application IM, except for the following bid actions/transactions with regard to the capacity of the mobile application IM
  - 4.6.4.1 Submission of offers
    - 4.6.4.1.1 only a limit offer without the execution restriction (NON) and with the time restriction GFS can be created,
    - 4.6.4.1.2 Iceberg offers cannot be created.
      - 4.6.4.2 Modification of offers
        - 4.6.4.2.1 quantity and price may be modified for limit offers,
        - 4.6.4.2.2 no specifications may be modified for Iceberg offers.
          - 4.6.4.3 Deactivation of offers
            - 4.6.4.3.1 all offers may be deactivated.
              - 4.6.4.4 Cancellation of offers
                - 4.6.4.4.1 all offers may be cancelled.
                  - 4.6.4.5 Execution restriction
                    - 4.6.4.5.1 only NON restriction may be implemented according to Article 4.3.3.3.
                      - 4.6.4.6 Time restriction
                        - 4.6.4.6.1 only GFS restriction may be implemented according to Article 4.3.4.1.

## 5 THE UNUSED FLEXIBILITY MARKET

### 5.1 General rules of the unused flexibility market

- 5.1.1 The unused flexibility market is operated as part of CS OTE.
- 5.1.2 Submitting to and viewing offers on the unused flexibility market is performed either via user interface of the CS OTE website or via automated communication.
- 5.1.3 Any balance responsible party may submit offers after a log-in into CS OTE via
  - 5.1.3.1 an on-screen web form created for this purpose, or
  - 5.1.3.2 a message for submission of offers in formats defined in Appendix 1 to BTG.
- 5.1.4 Each offer submitted to the unused flexibility market is saved in CS OTE and a number is assigned to it.
- 5.1.5 Any balance responsible party may submit offers only if it has a sufficient FS balance pursuant to Part 7 of BTG and is not locked out.
- 5.1.6 Offers may be submitted to the unused flexibility market until it closes. CS OTE shall not permit registration of any offer submitted later, whereby the relevant time of registration is the CS OTE system time.
- 5.1.7 Any balance responsible party gains access to a current overview of its offers.
- 5.1.8 In respect of accepted offers, the Market Operator does not assume any responsibility for correctness of the relevant accepted offer in terms of its volume and price. Balance responsible parties are aware of the consequences arising for them from incorrectly submitted offers to the unused flexibility market in the event they have been traded.
- 5.1.9 Both valid and invalid offers on the unused flexibility market shall be filed in CS OTE for a minimum period of six months, together with the requisite validity identifier and, in the event of invalid offers, the pertinent reasons for rejection of the offer.

- 5.1.10 Any balance responsible party may verify registration of the submitted offers and their successful review (including review of its registered valid and invalid offers) via CS OTE user interface.
- 5.1.11 Settlement of transactions executed on the unused flexibility market is executed in CZK.
- 5.1.12 Both valid and invalid offers submitted to IM shall be saved in CS OTE for a minimum period of six months.
- 5.1.13 In cases of failure, shut-down of CS OTE or its part, endangering of the proper and fair functioning of the market or force majeure, the Market Operator is entitled to suspend trading on the unused flexibility market.

## **5.2 Submission of offers to the unused flexibility market and their modification**

- 5.2.1 Only a BRP may submit to and modify offers on the unused flexibility market within the timeframe defined in the Market Rules.
- 5.2.2 The unused flexibility market closes at 13:45 each calendar day. Until then, BRPs may
  - 5.2.2.1 submit offers for the preceding gas trading day,
  - 5.2.2.2 access the current overview of offers and modify the offers,
  - 5.2.2.3 make inquiries about the overview of offers for purposes of their review,
  - 5.2.2.4 repeatedly use information from its previous offers for definition of new offers,
  - 5.2.2.5 cancel registered offers on the list of offers.
- 5.2.3 The BRP may modify the already registered offers via
  - 5.2.3.1 direct editing of the existing offer,
  - 5.2.3.2 sending in a new form or message that automatically rewrites all previously submitted offers for the same BRP on the specific gas trading day.
- 5.2.4 Any submitted offer may be cancelled by sending in a new form or a message with the zero value of the offer.
- 5.2.5 The BRP may submit a single sale offer and a single purchase offer on the positive unused flexibility market and a single sale offer and a single purchase offer on the negative unused flexibility market for the relevant gas trading day. Within the single offer, the BRP may offer an unlimited number of blocks for the respective gas trading day. The BRP offers a specified volume of unused flexibility at a specific price for each block.
- 5.2.6 The price quoted in the offer does not include the value added tax. The price shows the maximum value the buyers are willing to pay for unused flexibility and the minimum value the sellers are willing to accept for unused flexibility.
- 5.2.7 The price of unused flexibility is quoted in CZK/MWh with two decimal places, whereas the minimum price is CZK 0.01/MWh.
- 5.2.8 The volume of unused flexibility is quoted in MWh in integers.
- 5.2.9 CS OTE shall facilitate access to viewing, modification and cancellation of only those offers registered on the unused flexibility market by the submitting BRP; it will not allow the respective BRP to view, modify and cancel offers registered by other BRPs.

## **5.3 Review of offers on the unused flexibility market**

- 5.3.1 Registration of an offer on the unused flexibility market sets off an automated review system which classifies the offer as either valid or invalid. The review includes in particular:
  - 5.3.1.1 proper registration of the BRP, complete with verification that it has not been locked out,
  - 5.3.1.2 whether registration of offers on the unused flexibility market is open,
  - 5.3.1.3 FS balance pursuant to Part 7 of BRG,
  - 5.3.1.4 acceptance of offer registration before the close of the unused flexibility market,



- 5.3.1.5 filling in the counterparty, which is always the Market Operator,
  - 5.3.1.6 correct format and quoted price for the relevant offer,
  - 5.3.1.7 correct format of the volume of unused flexibility for the relevant gas trading day,
  - 5.3.1.8 availability of unused flexibility of the relevant BRP in the event of an offer for sale of unused flexibility.
- 5.3.2 In the event the offer does not pass the review specified under Articles 5.3.1 of BTG, CS OTE shall reject it in its entirety.

#### **5.4 Evaluation of offers on the unused flexibility market**

- 5.4.1 Processing of offers, evaluation and input in CS OTE of contracted volumes of unused flexibility for specific BRPs is performed after the close of the unused flexibility market.
- 5.4.2 The last registered offers of the respective BRP for the relevant gas trading day are accepted for processing.
- 5.4.3 The evaluation process comprises the following steps:
  - 5.4.3.1 generation of a list of offers valid for the relevant gas trading day subject to evaluation;
  - 5.4.3.2 creation of aggregate offer and demand curves, determination of accepted offers and calculation of the market clearing price;
  - 5.4.3.3 the market clearing price shall always be the price of the last accepted sale offer that equals to or is lower than the price of the last accepted purchase offer; it may result in a situation where a purchase offer with a higher price than the market clearing price shall not be accepted, whereby such outcome of matching is also binding for BRPs;
  - 5.4.3.4 the final results of matching shall comprise all valid purchase offers with higher prices than or equal to the market clearing price; offers may be reduced in accordance with BTG;
  - 5.4.3.5 allocation of the accepted volume of unused flexibility to each offer accepted on the relevant gas trading day.
- 5.4.4 The algorithm for allocation of the accepted volume of unused flexibility for each accepted offer on the respective gas trading day is included in Appendix 3 to BTG.
- 5.4.5 The final results of matching shall be made available to separate BRPs pursuant to Section 89, Subsection 3 of the Market Rules, or Section 102, Subsection 6 of the Market Rules, comprising the achieved price and respective volumes of unused flexibility traded on the unused flexibility market on the relevant gas day.
- 5.4.6 In the event of CS OTE failure, which prevents timely registration of offers, the Market Operator may move the deadline for the close for the duration of the failure. The Market Operator shall notify BRPs about the moved close deadline via user interface or in another manner. Posting the results of the unused flexibility market evaluation shall be postponed by the same time by which the market close was moved.
- 5.4.7 In the event of technical problems that might prevent unused flexibility market evaluation, BRPs shall be notified about the problem and the Market Operator shall decide on system cancellation of the submitted offers.
- 5.4.8 Transactions on the unused flexibility market are submitted as unused flexibility nominations of the respective BRPs at VTP. The resultant transactions are entered in the calculation of the daily imbalance quantity and cannot be modified or cancelled.
- 5.4.9 Traded unused flexibility of the transferring BRP shall not be transferred to the receiving BRP.
- 5.4.10 The results of the unused flexibility market shall be posted on OTE's website and, if applicable, on other websites in the public domain.

## 6 REGISTRATION OF DS, PDT, OTE'S CONTRACTUAL PARTNER AND ITS CS OTE USERS AND AUTHORIZED PERSONS

### 6.1 Registration of DS

- 6.1.1 Prior to registration of a DS with the Market Operator, the respective DSO must get registered in CS OTE by entering into an Agreement on Data Transfer with the Market Operator.
- 6.1.2 The DSO shall transmit to the Market Operator the following data required for the DS registration in CS OTE:
- 6.1.2.1 a 3-digit DS identifier,
  - 6.1.2.2 the planned percentage of losses or the daily amount of planned losses in energy units within the DS,
  - 6.1.2.3 ID of the supplier and BRP responsible for DS losses or for the residual diagram in DS.
- 6.1.3 After the receipt of the data under Article 6.1.2, the Market Operator shall file the respective DS in CS OTE within 5 business days.
- 6.1.4 Upon filing the DS in CDS
- 6.1.4.1 upon receipt of the relevant DS ID, the operator of the DS, to which the registering DS is connected, shall register in CDS the point of transfer between the DS it operates and the registering DS and, in the event the registering DS had been registered before as a consumption PDT, the operator shall terminate validity of that PDT as at the date of registering the new DS in CDS,
  - 6.1.4.2 the Market Operator shall determine values of planned losses within the relevant DS and the supplier of last resort,
  - 6.1.4.3 the DSO shall ensure registration of the supplier and the BRP responsible for DS losses or DS residual profile at virtual PDT of the relevant DS.
- 6.1.5 If the supplier at virtual PDT of the relevant DS has lost the right or the means to supply gas or if the BRP at this PDT has terminated the assumption of imbalance responsibility, and the DSO does not immediately ensure the follow-up registration under Article 6.1.4.3, the Market Operator shall transfer this PDT to the last resort supplier for the period pursuant to the EA. The Market Operator also sets the validity of the PDT identifier, which indicates the interval of deliveries by the last resort supplier for this period. DS registration shall be cancelled in CDC immediately after the expiry of the delivery period by the last resort supplier pursuant to the EA, in which the DSO has not ensured registration under Article 6.1.4.3. This also means that as at the date of cancellation of the DS registration all points of transfer between this DS and the DS to which the relevant DS is connected shall be terminated in CDS, as well as all PDTs registered in that DS.

### 6.2 Registration of PDT

- 6.2.1 Registration of PDTs in CDS and making modifications to PDT registrations, including cancellation of the existing PDTs, is carried out by the TSO or the respective DSO, which provides metered values of supply / consumption at these PDTs. The TSO or the respective DSO shall register in CDS
- 6.2.1.1 PDTs of gas producing facilities,
  - 6.2.1.2 customer-type PDTs,
  - 6.2.1.3 aggregate customer-type PDTs within the relevant DS where the gas supplier has not been changed and whose points of delivery are not separately registered in CS OTE, according to the type of metering and the pattern of annual gas consumption and, in the event of Type C and CM metering, according to LP classes; these summary PDTs are not registered in CS OTE in those DSOs in which the TSO or DS operator has registered all customer PDTs
  - 6.2.1.4 PDTs between the TS/DS and the adjacent DS,



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- 6.2.1.5 PDTs at cross-border gas ducts (CGD),
  - 6.2.1.6 PDTs at gas storage facilities (GSF),
  - 6.2.1.7 PDTs at the border delivery stations (BDS).
  - 6.2.2 The Market Operator uses virtual PDTs primarily for
    - 6.2.2.1 purposes of LP functionality application and the results of DS residual profile calculation,
    - 6.2.2.2 input of values of DS losses, changes in accumulation, combustion heat in the relevant DS and transmission of data on consumption of customers without change of supplier under the Market Rules,
    - 6.2.2.3 input of aggregate values of gas supply and consumption to customers within the relevant DS,
    - 6.2.2.4 VTP registration,
    - 6.2.2.5 registration of a mirror point of transfer between systems,
    - 6.2.2.6 provision of aggregate data on behalf of other PDTs under the Market Rules (aggregate PDTs to which the DSO sends aggregate data on behalf of other points of delivery according to type of metering and, in the event of Type C metering, also LP class).
  - 6.2.3 Registered data on PDTs are divided into mandatory and optional. Mandatory data include:
    - 6.2.3.1 Unambiguous identifier of PDTs, called the EIC code of PDT,
    - 6.2.3.2 date of the PDT' validity,
    - 6.2.3.3 name of the PDT,
    - 6.2.3.4 type of the PDT (production, consumption, transfer, etc.),
    - 6.2.3.5 type of metering (A, B, CM, C),
    - 6.2.3.6 PDT's local distribution system,
    - 6.2.3.7 DSO's local and neighbouring distribution system for the point of transfer,
    - 6.2.3.8 planned annual consumption for consumption-type PDTs with Type C and CM metering,
    - 6.2.3.9 transmission or distribution capacity for consumption-type PDTs with Type A or B metering,
    - 6.2.3.10 type of source for gas production (natural gas, biomethane, etc.),
    - 6.2.3.11 LP class for PDTs with Type C and CM metering,
    - 6.2.3.12 default allocation rule at the gas production facility entry point,
    - 6.2.3.13 default allocation rule at gas storage, cross-border transit station and cross-border gas line entry and exit points,
    - 6.2.3.14 operator of the gas storage facility,
    - 6.2.3.15 customer category for consumer-type PDT,
    - 6.2.3.16 customer group for the purpose of state of emergency for consumer-type PDT,
    - 6.2.3.17 type of measuring device for PDT with type A metering,
    - 6.2.3.18 type of contract concluded for the PDT of the customer.
  - 6.2.4 Data under Articles 6.2.3.1, 6.2.3.4, 6.2.3.6, and 6.2.3.7 of BTG cannot be modified after registration.
  - 6.2.5 The TSO or DSO may update the information under Article 6.2.3.2 only prior to the date of the respective PDT's validity.
  - 6.2.6 Pursuant to Section 78 of the Market Rules, the Market Operator assigns to the PDT an identifier indicating imminent unauthorized consumption at PDT or unauthorized consumption at PDT. The Market Operator shall notify about the assignment or change of the identifier and the period of its effectiveness the current supplier, the current BRP, the relevant TSO or DSO, the new supplier and the new BRP within ten business days of the effective date of the identifier indicating imminent unauthorized consumption.
  - 6.2.7 Registration of PDTs comes into force as of the specified date, whereas the date determined by the Market Operator is binding and decisive. Notification about registration completion

(including a copy of PDT data) is sent to the TSO or the respective DSO via a message in a format defined in Appendix 1 to BTG.

- 6.2.8 The TSO or the respective DSO shall register new PDTs in CDS within timeframes set forth in the Market Rules due to change of supplier at the PDT within its system, or at the start of supply to a new PDT in the system administered by this operator or in the event the operator designates the PDTs to send data to the Market Operator separately. The TSO or the respective DSO may specify data on the relevant PDT via
- 6.2.8.1 an online form using CS OTE web interface, or
  - 6.2.8.2 a message for PDT registration, which can comprise more than one PDT, in formats defined in Appendix 1 to BTG.
- 6.2.9 If during registration the TSO or DSO fails to provide the end date of the PDT registration, CDS shall set the end of the PDT registration at 31 December 9999.
- 6.2.10 The TSO or DSO is responsible for maintenance and updates of master records on PDTs reflecting their actual status.
- 6.2.11 The TSO or the respective DSO shall execute registration of changes under Articles 6.2.3.5, 6.2.3.10, 6.2.3.12, 6.2.3.13 and 6.2.3.16 at the existing PDTs by the end of the gas trading day for which the changes are required. The TSO or the respective DSO specifies any changes in data on PDTs in the same manner as set forth under Article 6.2.8 of BTG.
- 6.2.12 The Market Operator shall review whether the data supplied by the TSO or DSO for registration of a new PDT or change of registration of the existing PDT in CDS is correct and complete, in particular whether all mandatory data in provided forms is filled in.
- 6.2.13 In the event the Market Operator's review finds out shortcomings, it sends a message via CS OTE to the TSO or DSO about the reasons for rejection of the new PDT's registration or changes in registration of the existing PDT along with a request to remedy the shortcomings. In the event the Market Operator's review does not find out any shortcomings, it is obligated to register the new PDT or execute change in the already registered PDT and send the TSO or DSO a notification of completed registration of the new PDT or change in the PDT registration.
- 6.2.14 In justified cases, the TSO or DSO may deregister a PDT for certain period. In this period the PDT's validity shall be terminated without any impact on the validity or registered data outside this period. CS OTE shall notify all relevant gas market participants about this measure.
- 6.2.15 Data on PDTs registered under Article 6.2.3 are filed in CS OTE for a period of 10 years from the date of cancellation of PDT registration in CS OTE.
- 6.2.16 the data according to points 6.2.3.8, 6.2.3.11, 6.2.3.9, 6.2.3.15, 6.2.3.16, 6.2.3.17 and 6.2.3.18 can be updated by the TS or DS operator only 3 months into the history.

### 6.3 Cancellation of PDT registration

- 6.3.1 The TSO or DSO shall cancel PDT registration by shortening the period of PDT validity.
- 6.3.2 The TSO or DSO may specify data on the PDT, registration of which in CS OTE is to be cancelled, via
- 6.3.2.1 an online form using CS OTE web interface, or
  - 6.3.2.2 a message for PDT registration.

### 6.4 Registration of OTE's contractual partner

- 6.4.1 A gas market participant which, pursuant to applicable legislation and the Business Terms herein, has decided to become OTE's contractual partner, shall send the required data for the issuance of a contract counterpart and market participant registration in CS OTE according to the guidelines provided on OTE's website.
- 6.4.2 **The Market Operator is not obliged to conclude an Agreement on Settlement of Imbalances with a market participant or to register this market participant in CS OTE if it has terminated the contractual relationship with this participant in the previous 6 months following the lock-out of balance responsible party under Article 7.6.**

If, after a period of 6 months following the termination of the Agreement on Settlement of Imbalances, the reasons for which the relevant market participant was locked out of CS OTE have ceased to exist, this market participant has no outstanding liabilities towards the Market Operator and meets all the conditions set out in BTG, OTE may conclude a new agreement with them and register them in CS OTE.

- 6.4.3 The Market Operator is not obliged to conclude an Agreement on Access to CS OTE with a market participant or to register this market participant in CS OTE if it has terminated the contractual relationship with this participant in the previous 6 months due to a breach of the market participant's obligations arising from the agreement or BTG. If, after a period of 6 months from the termination of the Agreement on Access to CS OTE, the reasons for which the relevant agreement was terminated have ceased to exist, this market participant has no outstanding liabilities towards the Market Operator and meets all the conditions set out in BTG, OTE may conclude a new contract with them and register them in CS OTE.
- 6.4.4 For registration of a new contractual partner of OTE, it is required to:
- 6.4.4.1 submit to the Market Operator a copy of the issued licence or a copy of the ERO decision to recognize the licence for gas trading awarded by the respective authority of another EU Member State (hereinafter "decision to recognize licence"),
  - 6.4.4.2 submit to the Market Operator a copy of the Commercial Register record in Czech language; in the event of a sole licensed trader, an original copy or a certified copy of the respective Trade Licence,
  - 6.4.4.3 submit to the Market Operator a copy of the permit to acquire gas exempt from gas tax, or a copy of a permit to acquire gas without gas tax in the event of claiming the exemptions,
  - 6.4.4.4 appoint Authorized Persons to add, manage and cancel user accounts of the persons with access to CS OTE on behalf of the respective contractual partner of OTE.
- 6.4.5 In the event of a new balance responsible party, it is required to:
- 6.4.5.1 submit to the Market Operator a copy of the document proving VAT registration; in the event the BRP is not registered for VAT in the Czech Republic, a respective type of the standard Agreement on Settlement of Imbalances shall be concluded,
  - 6.4.5.2 in the event of a new Contractual Partner that is not registered for VAT in the Czech Republic, submit to the Market Operator a Certificate of Tax Residence to Avoid Double Taxation, whereas the current Certificate of Tax Residence to Avoid Double Taxation shall also be submitted to the Market Operator each calendar year by the end of January at the latest,
  - 6.4.5.3 in compliance with the applicable PD, pay to the Market Operator a fee for registration of the BRP in the Market Operator's account specified in the Agreement on Settlement of Imbalances, whereby the provision of Article 1.3.7 of BTG applies.
- 6.4.6 OTE's contractual partner is provided access to CS OTE within the scope of the rights specified in the relevant agreement concluded with the Market Operator. A list of standard contracts is posted on OTE's website.
- 6.4.7 OTE's contractual partner is obligated to notify the Market Operator about any change in the registration and contractual data, including changes pertaining to the validity of the licence or recognition of the authorization to conduct business pursuant to the EA within five business days after the said change comes into effect, or immediately if the contractual partner's licence or recognition of the authorization to conduct business pursuant to the EA is terminated or revoked. Based on verification of the change, the Market Operator shall make registration of the change in CS OTE within five business days. In the event of change of IČ (business registration number) or business name, OTE's contractual partner proves the change by submitting a Commercial Register statement and a copy of its licence or the decision to recognize licence. Only one market participant can be registered for one IČ.
- 6.4.8 Within 10 business days prior to the expiry of the licence or the decision to recognize licence, the licence holder or the holder of the decision to recognize licence submits to the Market Operator a copy of an extended or a newly awarded licence or the decision to recognize licence. If the licence holder fails to do so, OTE shall terminate all activities of the respective licence holder or the holder of the decision to recognize licence in CS OTE and related

activities as at the date of the expiry of the licence or the decision to recognize licence, and shall notify relevant BRPs and TSO or DSOs, to which the respective points of delivery are connected, to secure gas supply to the customer point of delivery by the last resort supplier, or to not secure gas supply to the customer point of delivery in the event the customer is not included in the last resort supplier regime, as of the first day following the last day of the validity of the licence or the decision to recognize licence.

- 6.4.9 In the event the licence for gas trading, issued in another EU Member State and awarded to OTE's contractual partner by the respective authority of another EU Member State is cancelled, or in the event the ERO rules to revoke the decision to recognize such license, OTE's contractual partner is obligated to report to the Market Operator the cancellation of the respective licence or the revocation of the decision to recognize license.
- 6.4.10 The BRP's settlement account must be maintained by a bank or its branch based in the Czech Republic.

## 6.5 Cancellation of OTE's contractual partner

- 6.5.1 The cancellation of OTE's contractual partner means the termination of the market participant's registration with the Market Operator and blocking access of OTE's contractual partner to CS OTE.
- 6.5.2 When cancelling OTE's contractual partner in CS OTE based on the termination of an agreement signed with the Market Operator, a check is run whether the respective contractual partner of OTE has accepted responsibility for imbalances at the relevant PDT or, in the event of a BRP, has accepted total imbalances of other BRPs, or whether they are given the responsibility for imbalances of an OTE contractual partner who is not a BRP, or is responsible for DS losses where the settlement under Article 3.5 may give rise to a cash debt to the Market Operator in the future. In addition, it is checked whether it has registered valid supply/take obligation nominations, transmission, storage or distribution nominations, or valid offers on the intraday market and the unused flexibility market. In the event the results of the checks are negative, the Market Operator shall execute cancellation of OTE's contractual partner in a manner described hereunder.
- 6.5.3 The Market Operator shall send the relevant contractual partner of OTE notification about the outcome of the checks to the e-mail designated for communication. In the event the checks result in findings that prevent its cancellation, the Market Operator shall notify the entity about the reasons for non-cancellation via the same communication channel.
- 6.5.4 In the event of cancellation of a BRP, including a BRP that has accepted total imbalances from other BRPs, the Market Operator shall return the respective BRP its financial security as follows:
- 6.5.4.1 in the event of an accepted financial / bank guarantee, the Market Operator shall return the BRP the valid guarantee certificate within five business days following settlement of debts arising from final monthly settlement for the month in which the cancellation of the relevant BRP came into effect,
- 6.5.4.2 in the event of cash received into the Market Operator's account, the relevant amount is transferred to the BRP's bank account specified in the Agreement on Settlement of Imbalances within five business days following settlement of debts arising from final monthly settlement for the month in which the cancellation of the relevant BRP came into effect.
- 6.5.5 In the event of the BRP's cancellation, the Market Operator's cash collection right must remain active for five business days following final monthly settlement for the month in which the cancellation of the relevant BRP came into effect. In the event the cancellation relates to the supplier as a result of the termination of the Agreement on Access to CS OTE, the Market Operator's collection right to the relevant RMP's account must remain active for five business days following the monthly evaluation for the month in which the cancellation of the relevant supplier came into effect.
- 6.5.6 In the event of the BRP's cancellation, the last fees charged for the Market Operator's services shall be settled and billed for the month in which notice of terminating the Agreement on Settlement of Imbalances was in effect.

- 6.5.7 Settlement of gains from deposited financial security is carried out pursuant to the provisions of Part 7.5 of BTG.
- 6.5.8 If the relevant BRP is registered as a PDT supplier and has accepted imbalance responsibility at those PDTs, the BRP must ensure that they are not registered as a BRP at any PDT in CS OTE within seven business days before the cancellation of the relevant BRP's registration.
- 6.5.9 If the relevant BRP is not registered as a PDT supplier and has accepted imbalance responsibility at those PDTs, the BRP must ensure that they are not registered as a BRP at any PDT in CS OTE within seven business days the cancellation of the relevant BRP's registration ; it must come into force at the latest as the date of terminating the relevant BRP's activity in CS OTE.
- 6.5.10 If the relevant BRP has accepted total imbalance responsibility from other BRPs, the accepted responsibility must be terminated using the procedure pursuant to Part 2.7 of BTG within seven business days before the cancellation of the accepting BRP's registration; termination of the assumption of total imbalances by the accepting BRP must come into force at the latest as the date of terminating the accepting BRP's activity in CS OTE. Transferring BRPs are required to prove updated FS to the Market Operator pursuant to Part 7 of BTG, according to the chosen type of FS:
- 6.5.10.1 in the form of standard guarantee certificate from the Market Operator's bank or an insurance company within three business days before the termination of the accepting BRP's activity,
  - 6.5.10.2 in the form of standard guarantee certificate from another bank than the Market Operator's bank within eight business days before the termination of the accepting BRP's activity,
  - 6.5.10.3 in the form of depositing cash into the Market Operator's bank account within three business days before the termination of the accepting BRP's activity.
- 6.5.11 The balance responsible party subject to cancellation is restricted from:
- 6.5.11.1 submitting supply/take obligation nominations and transmission, distribution and storage nominations for gas trading days after the date of the termination of the relevant agreement,
  - 6.5.11.2 assuming total imbalances from other BRPs for gas trading days after the date of the termination of the relevant agreement; this provision does not affect the provisions of Article 6.5.8 of BTG,
  - 6.5.11.3 submitting offers to the intraday market and the unused flexibility market for gas trading days after the date of the termination of the relevant agreement,
  - 6.5.11.4 filing complaints after the 15th calendar day of the month in which final monthly settlement was performed for the month in which the relevant agreement was terminated,
  - 6.5.11.5 submitting requests for change of supplier or extension of supply to PDT with the required date of effect after the date of the termination of the relevant agreement.
- 6.5.12 In terms of evaluation of imbalances and evaluation of the intraday market, the Market Operator shall not take into account the supply/take obligation nominations, transmission, distribution and storage nominations, offers submitted to the intraday market and the unused flexibility market and, if applicable, any transfer of total imbalances and assumption of imbalance responsibility at PDTs that shall be registered by OTE's contractual partner that is to be cancelled in the period after performing checks under Article 6.5.2 of BTG.
- 6.5.13 If the Market Operator executes cancellation of OTE's contractual partner due to the said partner's breach of obligations under the respective type of contract, the cancellation can be executed without running checks specified in Article 6.5.2 of BTG.
- 6.5.14 In the event the Market Operator terminates the agreement with the RMP supplying to PDT for breach of the RMP's obligations arising from this agreement, as at the date of the agreement termination the Market Operator shall shorten the assignment of supplier to PDT in CS OTE. The Market Operator shall notify about the shortening the relevant supplier to PDT, the relevant BRP and the respective DSO. The Market Operator then shall proceed pursuant to Article 2.6.13.



- 6.5.15 Cancellation of the BRP is posted on OTE's website. In addition, all BRPs that are counterparties to the relevant BRP under BCs registered with the Market Operator are notified about the cancellation.
- 6.5.16 The procedure described in the foregoing Articles is specified in more detail in the Closing Protocol that the Market Operator shall conclude with OTE's contractual partner that was cancelled, following a due notice of terminating the respective type of contract/s.

## **6.6 Registration of new CS OTE users and authorized persons of OTE's contractual partner**

- 6.6.1 OTE's contractual partners perform registration of their new CS OTE users through authorized persons appointed by them (holding a valid certificate).
- 6.6.2 OTE's contractual partners are responsible for the registered data under Article 6.6.1.
- 6.6.3 OTE's contractual partners are responsible for activities of the authorized persons.
- 6.6.4 In the event of any change to the list of authorized persons, OTE's contractual partner shall provide the Market Operator with updated data about new authorized persons in writing. The Market Operator shall execute the change in CS OTE within five business days after the receipt of the update.
- 6.6.5 If OTE's contractual partner is a balance responsible party, authorized persons may appoint a CS OTE user authorized to register changes in transfer of total imbalances between BRPs.

## **6.7 Change in EIC of OTE's contractual partner**

- 6.7.1 OTE's contractual partner sends a request for change in its EIC to the Market Operator. The request comprises the current and new EIC of OTE's contractual partner and the proposed date of executing the EIC change. The Market Operator must be notified about the proposed date of EIC change at least ten days before the requested EIC change comes into effect. The form for the request for change of EIC of OTE's contractual partner is posted on OTE's website.
- 6.7.2 Within three days after the receipt of the request under Article 6.7.1, the Market Operator shall confirm for OTE's contractual partner the proposed date of EIC change or shall propose another date with regard to the operating conditions of CS OTE. After both OTE's contractual partner and the Market Operator agree on the date of EIC change, the determined date thereof becomes binding.
- 6.7.3 OTE's contractual partner is responsible for coordination of the EIC change with the TSO and notification of other relevant market participants.
- 6.7.4 At the time of EIC change in CS OTE, OTE's contractual partner shall refrain from active communication with CS OTE through automated communication and web interface.
- 6.7.5 After the execution of EIC change in CS OTE, OTE's contractual partner is responsible for checking whether the data submitted to CS OTE is correct.
- 6.7.6 The EIC change of OTE's contractual partner applies to all historical data. Since the time of implementing the EIC change, the respective OTE's contractual partner accesses all its data in CS OTE by using the new EIC.

## **6.8 Restriction of access rights for OTE's Contractual Partner which has concluded the Agreement on Access to CS OTE with the Market Operator**

- 6.8.1 If OTE's Contractual Partner which has concluded the Agreement on Access to CS OTE with the Market Operator is in default with the payment of any pecuniary debt under this Agreement, the Market Operator shall have the right to notify OTE's Contractual Partner in writing about an additional period for payment of the pecuniary debt of at least five business days, including a warning of a possible restriction of access rights of OTE's Contractual Partner in CDS.
- 6.8.2 In the event OTE's Contractual Partner fails to pay the pecuniary debt within the additional period set out under Article 6.8.1, the Market Operator shall have the right to restrict the access rights of OTE's Contractual Partner in CDS due to which:
- 6.8.2.1 OTE's Contractual Partner shall be unable to administer any change of supplier



- under the Agreement on Access to CS OTE,
- 6.8.2.2 all outgoing messages from CS OTE shall be suspended, including copies of reports from CS OTE, with the exception of notifications from CS OTE and complaints,
  - 6.8.2.3 The Market Operator shall cancel registration for the position of Observer at PDTs.
- 6.8.3 In the event of restriction of access rights in CDS under Article 6.8.2, the Market Operator shall notify:
- 6.8.3.1 the respective OTE's Contractual partner about the restriction of access rights,
  - 6.8.3.2 the Energy Regulatory Office about the default of OTE's Contractual Partner regarding the payment of pecuniary debt under the Agreement on Access to CS OTE and the restriction of access rights in CDS.
- 6.8.4 The Market Operator's right to terminate the Agreement due to the defaulted payment of any pecuniary debt under the terms set out in the Agreement on Access to CS OTE is without prejudice to the restriction of access rights under Articles 6.8.1 to 6.8.3.
- 6.8.5 Upon payment of all pecuniary debts of OTE's Contractual Partner to the Market Operator arising from the Agreement on Access to CS OTE, the access rights of OTE's Contractual Partner restricted under Articles 6.8.2.1 and 6.8.2.2 shall be reactivated without undue delay. Following the activation of access rights in CDS:
- 6.8.5.1 no reports shall be transmitted from CS OTE to OTE's Contractual Partner retroactively for the period of restricted access rights of OTE's Contractual Partner in CDS under Article 6.8.2.2,
  - 6.8.5.2 OTE's Contractual Partner shall not be re-registered by the Market Operator as the Observer at PDTs from which it has been deregistered under Article 6.8.2.3

## 7 FINANCIAL SECURITY

### 7.1 Financial security

- 7.1.1 All BRPs shall provide the Market Operator with sufficient financial security to cover their duties, especially financial debts to the Market Operator arising from their activity on the gas market. For purposes of this Part of BTG, financial debt (hereinafter "debt") to the Market Operator, or pecuniary receivables (hereinafter "receivables") from the Market Operator arising from activity on the gas market refer to all debts and receivables arising from signed agreements.
- 7.1.2 Financial security required by the Market Operator from the BRP is provided in CZK.
- 7.1.3 The Market Operator uses for coverage of debts of specific BRPs also
- 7.1.3.1 the right to defer payments of its debts to the BRP due to the same BRP's insufficient FS,
  - 7.1.3.2 due to the balance responsible party's insufficient FS, the right to offset mutual receivables on behalf of both parties; the Market Operator notifies the relevant BRP about the offset by sending a message to the e-mail designated for communication,
  - 7.1.3.3 the option of lock-out.
- 7.1.4 The deferred payment shall be made after the FS balance reduced by the amount corresponding to the deferred payment becomes higher than or equal to zero. Once the deferred payment has been executed, the FS balance is reduced by the amount corresponding to the deferred payment.
- 7.1.5 The Market Operator is authorized to use the relevant BRP's FS to settle any overdue receivables that have not been paid by their due date, or their parts owed by the BRP. The Market Operator shall notify the respective BRP about using financial security without undue delay.

- 7.1.6 Notification about using financial security, containing information on the amount of the used financial security and the current amounts of FS, is sent to the BRP's e-mail designated for communication, together with a registered letter or a letter via a data box mailed to the respective BRP.
- 7.1.7 The BRP may provide FS in one of the following forms, or their combination:
- 7.1.7.1 a bank guarantee provided by a bank or its branch in the Czech Republic with the lowest current long-term rating of BBB+ (S & P, Fitch), or Baa1 (Moody's) based on
    - 7.1.7.1.1 standardized form of a guarantee certificate issued by the Market Operator's bank, or
    - 7.1.7.1.2 standardized form of a guarantee certificate issued by another bank than the Market Operator's bank, or
    - 7.1.7.1.3 other than standardized form of the guarantee certificate; in such event the Market Operator reserves the right, following consultation with the Market Operator's bank, to reject the guarantee and explain non-acceptance,
  - 7.1.7.2 depositing cash into the Market Operator's bank account established for financial security and specified in the Agreement on Settlement of Imbalances,
  - 7.1.7.3 a financial guarantee issued by the insurance company or its branch in the Czech Republic whose current long-term rating is a minimum of BBB+ (S&P, Fitch) or Baa1 (Moody's) based on the type of the guarantee certificate.
- 7.1.8 The minimum amount of FS that an BRP has to provide is CZK 15,000.
- 7.1.9 The minimum amount of FS that an BRP has to provide under Article 7.1.7.2 is 10% of the BRP's total financial security, but not more than CZK 20 million. In the event the BRP fails to provide minimum financial security as defined herein in the form under Article 7.1.7.2, the Market Operator shall recognize only the part of the financial security that meets the terms defined under this Article.
- 7.1.10 The Market Operator shall post on OTE's website the standardized form of the guarantee certificate. The Market Operator cannot reject once accepted guarantee deed for reasons of posting a new standardized form of the guarantee certificate on OTE's website, except in the event the BRP has applied for an extension of the accepted guarantee certificate.
- 7.1.11 A financial / bank guarantee shall be recognized as a form of financial security only in the event its validity period stated in the guarantee certificate extends at least through the last day of the calendar month following the month to which the financial security pertains, and only if the BRP submits an affidavit from the insurance company / bank that has issued the guarantee proving it meets the required rating under Articles 7.1.7.1 and 7.1.7.3 of BTG, whereby FS may be documented as consecutive financial / bank guarantees in a way that separate guarantees do not overlap time-wise. **With the prior consent of the Market Operator, the bank guarantee may be signed with a qualified electronic signature or an advanced electronic signature based on a qualified certificate for electronic signature. The signature on the financial guarantee issued by the insurance company must be officially certified, or the issued financial guarantee may, with the prior consent of the Market Operator, be signed with a qualified electronic signature or an advanced electronic signature based on a qualified certificate for electronic signature, while the issuing insurance company must prove the legitimacy of the acting (signing) person or his authorization / authorization to authorize the financial guarantee, provided that the legitimacy of the signatory (acting on behalf of the issuing insurance company) is not entirely clear based on public records (business register, etc.).**
- 7.1.12 In the event any financial institution, from which the Market Operator has accepted a bank guarantee, ceases to meet the terms under Article 7.1.7.1, the Market Operator has the right to stop accepting bank guarantees from the respective financial institution and to request from the BRP that provided the FS amount through the said financial institution's guarantee, to change the method of FS provision. This request must be in writing. The BRP is obligated to change the method of FS provision within 30 calendar days after the day of the receipt of the request.

- 7.1.13 Prior to signing the Agreement on Settlement of Imbalances and anytime at the Market Operator's request, the BRP is required to submit financial statements for the last two years and Balance Sheet and Income Statement for the last closed quarter of the current year.
- 7.1.14 The provision of financial security is documented as follows:
- 7.1.14.1 in the event of a bank guarantee, the BRP shall submit the original copy of the guarantee certificate to the Market Operator, which shall submit it for review of the valid wording and verification of signatures to the Market Operator's bank and, following to the bank's approval, shall recognize the guarantee as complying with the financial security requirement; a bank guarantee signed with a qualified electronic signature or an advanced electronic signature based on a qualified certificate for electronic signature under Article 7.1.11 must be submitted to the Market Operator and delivered in .pdf format via its data box; the standardized form of the guarantee certificate from the Market Operator's bank must be submitted within five business days before the Agreement on Settlement of Imbalances comes into effect; the standardized form from a bank other than the Market Operator's bank and other than the standardized form of the guarantee certificate need to be submitted within 10 business days before the Agreement on Settlement of Imbalances comes into effect,
  - 7.1.14.2 in the event of depositing cash into the Market Operator's bank account, the amount of financial security is checked against a bank statement pertaining to the account made available to the Market Operator. The cash has to be deposited in the Market Operator's account within five business days before the Agreement on Settlement of Imbalances comes into effect.
- 7.1.15 In the case of a financial guarantee issued by an insurance company, the BRP shall hand over the original of the guarantee document as amended to the Market Operator at least 3 business days before the imbalance settlement comes into effect; a financial guarantee signed with a qualified electronic signature or an advanced electronic signature based on a qualified certificate for electronic signature under Article 7.1.11 must be submitted to the Market Operator and delivered in .pdf format via its data box. BRPs may freely increase the amount of FS. The BRP must notify the Market Operator about any FS increase in writing by using the Form for Determining Change in Financial Security that can be downloaded from OTE's website. The Market Operator shall confirm the received Form for Determining Change in Financial Security. Each FS increase comes into effect no later than on the first business day after the day of duly documenting the FS increase to the Market Operator under Article 7.1.14.
- 7.1.16 Any decrease in FS can be carried out only to the level covering all current and potential future duties, especially pecuniary debts of the BRP to the Market Operator arising from the signed agreements, including potential future debts of the BRP arising from monthly evaluation and final monthly evaluation for the month in which FS was reduced.
- 7.1.17 The BRP's application for a FS decrease must be submitted in writing and must contain a proposal for amending the Form for Determining Change in Financial Security that can be downloaded from OTE's website. The Market Operator shall confirm the received Form for Determining Change in Financial Security.
- 7.1.18 An approved FS decrease shall come into force on the day of executing the change in the FS amount in CS OTE by the Market Operator provided the new amount of FS is sufficient to cover all debts under Article 7.1.16.
- 7.1.19 In the event the BRP has provided FS to the Market Operator in the form of depositing cash into the Market Operator's bank account, and is applying for a FS decrease in the form of cash refund, the Market Operator is obligated to write off funds corresponding to the amount of FS decrease and credit the respective BRP's account on the day of coming into effect of the FS decrease, no later than within three days after the receipt of the application under Article 7.1.16, provided the Market Operator and the BRP have not agreed otherwise and the condition of the minimum FS deposit under Article 7.8.1 and the condition of the minimum cash amount deposited into the Market Operator's account under Article 7.1.9 is met and the new amount of FS is sufficient to cover all debts under Article 7.1.16. The Market Operator shall transfer the funds to the bank account registered by the relevant BRP with CS OTE.
- 7.1.20 To change the FS amount, the BRP may use any of the permitted methods of financial security under Article 7.1.7.1, whereby the conditions of Articles 7.1.8 and 7.1.9 have to be met.

- 7.1.21 In the event of a FS drawdown, the relevant BRP is notified by a message automatically generated by CS OTE. In addition, the BRP is notified about a FS drawdown in instances when the FS balance under Article 7.4.1 is not sufficient for registration of offers on the intraday market, the unused flexibility market, for determining FS for IM, and also in cases when an insufficient FS results in the reduction of
- 7.1.21.1 transmission nomination at an GSF exit point,
  - 7.1.21.2 transmission nomination at a cross-border exit point and distribution nomination at a CGD exit point,
  - 7.1.21.3 supply obligation nomination under BC including nominations registered by the Exchange.
- 7.1.22 In the case of drawdown of FS for IM when the FS balance for IM under Article 7.3.2 of BTG is not sufficient for registration of offers on IM, BRPs are notified about the insufficient FS.
- 7.1.23 In the event PDTs are transferred to a last resort supplier, the relevant supplier is obligated to ensure within 14 days a sufficient FS amount to cover anticipated consumption of such PDTs.
- 7.1.24 Within the framework of the provided FS, the BRP determines the amount of FS for IM. The Market Operator may reduce the FS amount for IM if the current FS balance is negative. In the event the Market Operator does reduce FS for IM, the reduction shall equal the negative balance of FS of the relevant BRP, but shall not exceed the current FS balance for IM of the relevant BRP.
- 7.1.25 In the event of foreign payments made into the Market Operator's bank account maintained in CZK, all fees related to the payment are borne by the payer.

## 7.2 Determining financial security

- 7.2.1 The BRP determines the initial amount of financial security through the Form for Determining Initial Financial Security, comprised of in particular
- 7.2.1.1 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 BRP's supply and consumption ensuing from BC, and projected trades on the intraday market, projected transmission, distribution, storage nominations, and also projected volume of consumption by BRP customers, and
  - 7.2.1.2 projected daily risk exposure pertaining to an imbalance which, for purposes of determining the required FS, is defined as a sum of supply obligation nominations arising from BC including nominations registered by the Exchange and trade on the intraday market, nominations of transmission at exit points including storage, nominations of distribution at exit points, expected volume of consumption by BRP customers reduced by a sum of one-third of transmission nominations at BDS and GSF entry points, at maximum to the amount of a sum of transmission nominations at BDS and GSF exit points, take obligation nominations arising from BC including nominations registered by the Exchange and traded on the intraday market, whereby the negative value of the daily risk exposure of the imbalance is replaced with zero, as depicted in the formula below:

$$RE_D = \text{MAX}(\text{NomHPS}_{\text{exit}_D} + \text{NomZP}_{\text{exit}_D} - \frac{\text{NomHPS}_{\text{entry}_D} + \text{NomZP}_{\text{entry}_D}}{3}; 0) \\ + \text{NomPPL}_{\text{exit}_D} + \text{NomVOB}_{\text{dodat}_{DVS_D}} + \text{NomVOB}_{\text{dodat}_{VDT_D}} \\ + \text{Spotřeba}_D - \text{NomVOB}_{\text{odebrat}_{DVS_D}} - \text{NomVOB}_{\text{odebrat}_{VDT_D}} \\ + BU$$

where

$RE_D$  is daily risk exposure pertaining to an imbalance for the specific gas trading day in MWh

$NomHPS_{exit_D}$  is the sum of nominations of gas transmission of the balance responsible party for the specific gas trading day at BDS exit points in MWh,

$NomZP_{exit_D}NomPZP_{exit_{D-1,D,D+1}}$  is the sum of nominations of gas transmission of the balance responsible party for the specific gas trading day at GSF exit points in MWh,

$NomPPL_{exit_D}$  is the sum of nominations of gas distribution of the balance responsible party for the specific gas trading day at CGD exit points in MWh,

$NomHPS_{entry}$  is the sum of nominations of gas transmission of the balance responsible party for the specific gas trading day at BDS entry points in MWh.

**$NomPZP_{entry}NomPZP_{exit_D}$**  is the sum of nominations of gas transmission of the balance responsible party for the specific gas trading day at GSF entry points in MWh,

$NomVPB_{odat_{DVS_D}NomVPB_{odat_{DVS_{D-1,D,D+1}}}$  is the sum of nominations of the balance responsible party's obligation to supply to VTP from BC including nominations registered by the Exchange in MWh,

$NomVPB_{odat_{VDT_D}}$  is the sum of nominations of the balance responsible party's obligation to supply to VTP from trades on IM for the specific gas trading day in MWh,

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

$NomVOB_{odebrat_{DVS_D}}$  is the sum of nominations of the balance responsible party's obligation to take at VTP from BC including nominations registered by the Exchange in MWh,

$NomVOB_{odebrat_{VDT_D}}$  is the sum of nominations of the balance responsible party's obligation to take at VTP from trades on IM for the specific gas trading day in MWh,

$BU$  is the balance of the balance responsible party's aggregate account of imbalances, where the negative balance of the aggregate account of imbalances increases the value of the RE and the positive balance of the aggregate account of imbalances reduces the value of  $RE_D$ .

- 7.2.1.3 the projected maximum daily risk exposure in the course of the day for imbalances from sale offers on IM which, for the purposes of determining the required FS, refers to a maximum of the sum of untraded sale offers on IM, provided the BRP has not transferred the total imbalance to another BRP, including values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP, and
- 7.2.1.4 the projected amount of debts arising from transactions on IM.
- 7.2.2 To evaluate daily risk exposure of an imbalance and determine the required FS, the CS OTE system uses the parametric price, which the Market Operator shall determine under the methodology published on the OTE website, based on the previous changes (volatility) of the applicable price of the negative daily imbalance quantity. The parametric price shall be published on the OTE website not later than on the 21st calendar day of the month for the following calendar month; if the 21st calendar day of the month falls on a weekend or a holiday, the parametric price shall be published on the first business day following the weekend or the holiday. In the event the applicable price of the negative daily imbalance quantity in three consecutive gas days exceeds the current parametric price, the Market Operator has the right to determine a new parametric price for the remaining gas days of the current month, according to the methodology published on the OTE website.
- The parametric price determined in this manner may be adjusted, based on the development of the applicable price of the negative daily imbalance quantity. The new parametric price shall be set in CS OTE during the second business day following the date on which the price was



published and will be valid for the remaining gas days until the end of the current month and the earliest from the second calendar day after the time of its setting in CS OTE. If the parametric price is higher than the parametric price determined for the following month, the Market Operator shall have the right to use this parametric price for the following month as well. Based on the development of the price of the negative daily imbalance quantity and the estimated future development of these prices, the Market Operator may proceed to reduce the parametric price already set for the given month. In the event of changes in the method of determining the applicable price of the negative daily imbalance quantity in the Market Rules, the Market Operator shall take the change into account in determining the parametric price.

- 7.2.3 Financial security for imbalances is determined with regard to the projected daily risk exposure of the BRP's imbalance, the parametric price and volume of projected debts of the BRP arising from separate evaluations of imbalances, evaluation of differences between readings of gas consumption in places of delivery/transfer with type C metering and the values of consumption in these places on the basis of LP, for the period corresponding to the period required to settle potential debts of the BRP owed to the Market Operator and the projected maximum daily risk exposure for imbalances from sale offers on IM and the parametric price. Debt settlement is defined, for the purposes of determining the required FS, as crediting cash to the Market Operator's bank accounts.
- 7.2.4 Financial security for transactions executed on the unused flexibility market is determined by the size of the projected offers which may, following evaluation, result in debts for the relevant BRP, and the amounts of projected debts arising from the settlement of the unused flexibility market for the period corresponding to the period required to settle the unused flexibility market and to settle debts of the BRP owed the Market Operator arising from the foregoing settlement. Debt settlement is defined, for the purposes of determining the required FS, as crediting cash to the Market Operator's bank accounts.
- 7.2.5 Financial security for transactions executed on the intraday market is determined by the size of the projected offers on the intraday market which may, following bid matching, result in debts for the relevant BRP, and the amounts of projected debts arising from the settlement of the intraday market for the period corresponding to the period required to settle the intraday market and to settle debts of the BRP owed to the Market Operator arising from the foregoing settlement. Debt settlement is defined, for the purposes of determining the required FS, as crediting cash to the Market Operator's bank accounts.
- 7.2.6 The volume of an offer on the intraday market is defined, for purposes of determining the required FS, as the largest amount of debts arising from trading the relevant offer on the intraday market increased by VAT pursuant to applicable legislation.
- 7.2.7 The Market Operator may grant the BRP relief from the total required amount of FS.
- 7.2.8 FS relief under Article 7.2.7 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 and Crefoport s.r.o. stating the relevant BRP's financial standing index, an economic report no older than six months by Dun & Bradstreet with a "Bisnode" scoring indicator or the D&B Failure Score, or based on submission of documents proving the BRP has been rated by the Standard & Poor's, Moody's or Fitch rating agencies.
- 7.2.9 The amount of the granted relief is determined as a percentage portion of the total required FS amount as per the table below, but not in excess of CZK 20 million.

| S&P          | Moody's      | Fitch        | Creditreform<br>Crefoport | D&B    | Bisnode | Amount<br>of relief |
|--------------|--------------|--------------|---------------------------|--------|---------|---------------------|
| AAA to A-    | Aaa to A3    | AAA to A-    | 100 - 190                 | 100-96 | AAA     | 15%                 |
| BBB+ to BBB- | Baa1 to Baa3 | BBB+ to BBB- | 191 - 240                 | 95-65  | AA to A | 10%                 |

- 7.2.10 After the expiry of the six-month period from the date of submission of the required financial standing index by Creditreform and Crefoport s.r.o., or the required scoring indicator by Dun & Bradstreet, the BRP must submit a new economic report by the former company with an updated financial standing index or an updated scoring indicator no older than six months



under Articles 7.2.8 and 7.2.9 of BTG, or submit documents proving the BRP has been rated by the Standard & Poor's, Moody's or Fitch rating agencies under Articles 7.2.8 and 7.2.9 of BTG. In the event of change to the BRP's financial standing index, scoring indicator or rating, a new rate of FS relief shall be determined for the respective BRP under Article 7.2.9. If the BRP fails to submit a new economic report by Creditreform, Crefoport s.r.o. or Dun & Bradstreet, containing the financial standing index or scoring indicator of the BRP no older than six months, or to submit documents proving that the BRP has been rated by the Standard & Poor's, Moody's or Fitch rating agencies, under Articles 7.2.8 and 7.2.9, 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 BRP is obligated to notify the Market Operator about any rating change that would result in FS relief reduction under Article 7.2.9.

7.2.11 In the event the BRP has been rated by the Standard & Poor's, Moody's or Fitch rating agencies, and in addition can submit the financial standing index by Creditreform or Crefoport s.r.o., or the scoring indicator by Dun & Bradstreet, under Articles 7.2.8 and 7.2.9 of BTG, the granted FS relief rate is governed by the ratings from Standard & Poor's, Moody's or Fitch under Articles 7.2.8, 7.2.9 and 7.2.10. In the event the BRP has been rated by more than one rating agency, whereby these ratings are assigned different relief rate according to the table in Article 7.2.9, the rating generating greater relief rate is used.

7.2.12 The CZK/EUR **IM<sub>FS</sub>** exchange rate is determined as follows:

7.2.12.1 For euro prices in offers to buy on IM that become BRPs' debts after trading that are to be settled in EUR, it is calculated as the CNB's CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$ , and for euro prices in offers to sell on IM that become BPR's debts after trading that are to be settled in EUR, it is calculated as the CNB's CZK/EUR exchange rate  $\times (1 - 0.0086 \times \sqrt{D}) - 0.05$  where the CNB's CZK/EUR exchange rate at the time of submitting the first offer on IM for the relevant date of delivery to be settled in EUR after trading is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. The D indicator depends on the time of submitting the first offer to IM for the relevant date of delivery and on whether the delivery date and the day before the delivery date are business or non-business days. The value of the D indicator is shown in the following table:

|   |  | Combination of business and non-business days                              |  |  |  |
|---|--|--|--|--|--|
|   |  | Date of delivery and the day before the date of delivery are business days | Date of delivery is non-business day and the day before the date of delivery is business day | Date of delivery and the day before the date of delivery are non-business days | Date of delivery is business day and the day before the date of delivery is non-business day |
| The moment of introducing the first offer to IM for a | One calendar day before the date of delivery prior to entering CNB's exchange rate | 8  | 7  | 6  | 7  |

|   |   |   |   |   |
|---|---|---|---|---|
| One calendar day before the date of delivery after entering CNB's exchange rate | 7 | 6 |   |   |
| On date of delivery prior to entering CNB's exchange rate                       | 7 |   |   | 7 |
| On date of delivery after entering CNB's exchange rate                          | 6 | 6 | 6 | 6 |

7.2.12.2 For euro prices in offers to buy on IM that become BRPs' debts after trading that are to be settled in CZK, it is calculated as the CNB's CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$ , and for euro prices in offers to sell on IM that become BPR's debts after trading that are to be settled in CZK, it is calculated as the CNB's CZK/EUR exchange rate  $\times (1 - 0.0086 \times \sqrt{D}) - 0.05$  where the CNB's CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. The D indicator depends on the time of submitting the first offer to IM for the relevant date of delivery to be settled in CZK after trading and on whether the delivery date and the day before the delivery date are business or non-business days. The value of the D indicator is shown in the following table:

Combination of business and non-business days

|   | Date of delivery and the day before the date of delivery are business days         | Date of delivery and the day before the date of delivery are business days | Date of delivery and the day before the date of delivery are business days | Date of delivery and the day before the date of delivery are business days |
|---|--|--|--|--|
| The moment of introducing the first offer to IM for a given delivery date | One calendar day before the date of delivery prior to entering CNB's exchange rate | 3  | 2  | 2  |
|   | One calendar day before the date of delivery after entering CNB's exchange rate    | 2  | 1  | 1  |
|   | On date of delivery prior to entering CNB's exchange rate                          | 2  |  | 2  |
|   | On date of delivery after entering CNB's exchange rate                             | 1  | 1  | 1  |

7.2.12.3 For debts of BRPs arising from IM trades that are to be settled in EUR, it is calculated as the CNB's CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$  where the CNB's CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of the CNB's new CZK/EUR exchange rate into CS OTE, the D indicator is equal to six and, with each subsequent update of the CNB's CZK/EUR exchange rate in CS OTE, it is reduced by one until the value of zero. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before the first business day after the delivery date, and at the time of the entry of the CNB's exchange rate on each particular day, the D indicator is reduced by one.

7.2.12.4 For debts of BRPs arising from IM trades that are to be settled in CZK, it is calculated as the CNB's CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$  where the CNB's CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of the CNB's new CZK/EUR exchange rate into CS OTE, the D indicator is equal to one. For the days preceding the first business day after the delivery date, the D indicator is higher by

the number of business days before the first business day after the delivery date, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.

- 7.2.12.5 For receivables of BRPs arising from trades on IM that are to be settled in EUR, it is calculated as the CNB's CZK/EUR exchange rate  $\times (1 - 0.0086 \times \sqrt{D}) - 0.05$  where the CNB's CZK/EUR exchange rate is the latest CZK/EUR exchange rate announced by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of the CNB's new CZK/EUR exchange rate into CS OTE, the D indicator is equal to six and, with each subsequent update of the CNB CZK/EUR exchange rate in CS OTE, it is reduced by one until the value of two. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before that first business day after the delivery date, and at the time of the entry of the CNB exchange rate on each particular day the D indicator is reduced by one.
- 7.2.12.6 For receivables of BRPs arising from trades on IM that are to be settled in CZK, it is calculated as the CNB's CZK/EUR exchange rate  $\times (1 - 0.0086 \times \sqrt{D}) - 0.05$  where the CNB's CZK/EUR exchange rate is the latest CZK/EUR exchange rate announced by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of the CNB's new CZK/EUR exchange rate into CS OTE, the D indicator is equal to one. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before that first business day after the delivery date, and at the time of the entry of the CNB exchange rate on each particular day the D indicator is reduced by one.

### 7.3 Financial security (FS) balance and FS balance for IM

- 7.3.1 The FS balance of the BRP is defined, for the purposes of securing current and future debts of the BRP to the Market Operator, as the total amount of provided FS reduced by:

- 7.3.1.1 the product of daily risk exposure for the preceding and current gas trading day (until the close of nominations in compliance with the Market Rules) and the parametric price for the relevant gas day increased by VAT pursuant to applicable legislation, whereby the balance of the aggregate account of imbalances is included in the daily risk exposure for the preceding gas day, as depicted in the formula below:

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

the product of daily risk exposure for the current and following gas trading day (after the close of nominations in compliance with the Market Rules) and the parametric price for the relevant gas day increased by VAT pursuant to applicable legislation, whereby the balance of the aggregate account of imbalances is included in the daily risk exposure for the preceding gas day, as depicted in the formula below:

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

whereby in the event of the accepting BRP daily risk exposure includes also the projected volume of customer gas consumption, nominations of supply obligations from BC, including nominations registered by the Exchange and trades on the intraday market, nominations of transmission at exit points, nominations of distribution at exit points, nominations of take obligations from BC, including nominations registered by the Exchange and from trades on the intraday market of transferring BRPs in the event of transfer of the total imbalance pursuant to Part 2.8 of BTG and, in the event of a BRP as the last resort supplier, also including the projected volume of gas consumption of customers, which were transferred to the last resort supplier as of the 14<sup>th</sup> gas trading day following the day of coming into force of the PDT transfer to the last resort supplier,

- 7.3.1.2 the sum of the product of the relevant parametric price and the projected volume of consumer consumption for the following three days (until the close of nominations) increased by VAT pursuant to applicable legislation, as depicted in the formula below:

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

the sum of the product of the relevant parametric price and the projected volume of consumer consumption for three days following the following day (after the close of nominations) increased by VAT pursuant to applicable legislation, 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 transferring BRPs in the event of transfer of total imbalances pursuant to Part 2.8 of BTG and, in the event of the BRP as the 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 website the method of determining the volume of projected consumption for purposes of determining FS balance,

- 7.3.1.3 the highest value of products of cumulative quantities of positive unused flexibility in individual blocks, ranked by price in descending order, with the same and higher price and prices in the relevant block of purchase offers in registered and not yet evaluated purchase offers on the market with positive unused flexibility market which may, following evaluation, result in debts for BRPs, increased by VAT pursuant to applicable legislation,
- 7.3.1.4 the highest value of products of cumulative quantities of negative unused flexibility in individual blocks, ranked by price in descending order, with the same and higher price and prices in the relevant block of bids in registered and not yet evaluated bids on the market with negative unused flexibility market which may, following evaluation, result in debts for BRPs, increased by VAT pursuant to applicable legislation,
- 7.3.1.5 the determined amount of FS for IM,
- 7.3.1.6 the sum of all other unsettled debts of BRPs, where debts from trades executed on IM that are to be settled in EUR, and debts from trades executed on IM that are to be settled in CZK and have not yet been translated using the settlement rate, are converted to CZK using the respective CZK/EUR IMFS exchange rate, and increased by
- 7.3.1.7 the sum of all receivables of a BRP from the Market Operator arising from the daily, monthly and final monthly evaluation, the evaluation of differences between meter readings and LP-based values and from the IM evaluation, if the BRP's receivables are not included in a mutual offset resulting in the BRP's debt and issuing of collection orders. In such case, the FS balance is increased until the time of processing the bank statement in CS OTE, which confirms the payment of the amount of the debt into the Market Operator's account. Amounts in EUR are converted using OTE's CZK/EUR settlement rate. If no settlement rate has been determined yet for the given amount, the amounts in EUR are converted using the respective CZK/EUR IMFS exchange rate.
- 7.3.1.8 the sum of all receivables of a BRP from the Market Operator arising from the daily, monthly and final monthly evaluation, the evaluation of differences between meter readings and LP-based values and from the IM evaluation, if the BRP's receivables are not included in a mutual offset resulting in the BRP's debt and issuing of collection orders. In such case, the FS balance is increased until the time of processing the evaluation results by the Market Operator in CS OTE for the purpose of issuing payment orders for electronic banking. Amounts in EUR are converted using OTE's CZK/EUR settlement rate for the relevant type of transaction. If no settlement rate has been determined yet for the given amount, the amounts in EUR are converted using the respective CZK/EUR IMFS exchange rate.

7.3.2 The FS balance of a BRP for IM is defined, for the purposes of securing offers on IM, as the FS amount determined for IM, reduced by:

7.3.2.1 the sum of the product of the relevant parametric price, increased by VAT pursuant to applicable legislation, reduced by the price in each registered and non-matched sale bid on IM, converted into CZK using the exchange rate  $\frac{CZK}{EUR} VDT_{FZ}$ , increased by VAT pursuant to applicable legislation, and the offered gas quantities of all valid and non-matched sale bids on IM, in case the BRP does not transfer the total imbalance pursuant to Part 2.7 of BTG, as depicted in the formula below:

$$\sum_{j=0}^1 \sum_{i=1}^n \text{MAX}(0; (PC_{D+j} - \text{CenaNabídkyVDT}_{D+j,i})) \times \text{NabídkaVDT}_{prodej} \\ \times \text{Kurz} \frac{CZK}{EUR} VDT_{FZ} \times DPH$$

Where

$\text{CenaNabídkyVDT}_D$  is the price in registered and non-matched sale bids on IM for the specific gas day in EUR/MWh,

$\text{NabídkaVDT}_{prodej}_{D+j}$  is the offered gas quantity of all valid and non-matched sale bids on IM for the specific gas day in MWh,

$D + j$  are separate gas days,

$i$  is the quantity of sale bids on IM per one gas day,

whereas in the case the price in the registered and non-matched sale bid on IM converted to CZK using the exchange rate  $\frac{CZK}{EUR} VDT_{FZ}$  is higher than the respective parametric price, the value of the product is equal to zero,

7.3.2.2 the sum of the product of the relevant parametric price, increased by VAT pursuant to applicable legislation, and the offered gas quantities of all valid and non-matched sale bids on IM of transferring BRPs, in case the total imbalance has been transferred to the BRP pursuant to Part 2.7 of BTG, as depicted in the formula below:

$$\sum_{j=0}^1 PC_{D+j} \times \text{NabídkaVDT}_{prodej}_{D+j} \times DPH$$

where

$\text{NabídkaVDT}_{prodej}_{D+j}$  is the offered gas quantity of all valid and non-matched sale bids on IM for the specific gas day in MWh of all transferring BRPs that have transferred the total imbalance to the relevant BRP pursuant to Part 2.7 of BTG,  $D + j$  are separate gas days,

7.3.2.3 the sum of products of volumes of gas and prices in registered and non-matched purchase bids on IM translated into the CZK currency using the  $\frac{CZK}{EUR} IM_{FS}$

exchange rate, increased by VAT pursuant to applicable legislation, from which after matching debts may arise for BRPs, as depicted in the formula below:

$$\sum_{j=0}^1 \sum_{i=1}^n \text{CenaNabídkyVDT}_{D+j,i} \times \text{NabídkaVDT}_{\text{nákup}_{D+j,i}} \times \text{Kurz} \frac{\text{CZK}}{\text{EUR}} \text{VDT}_{FZ} \times \text{DPH}$$

where

$\text{CenaNabídkyVDT}_D$  is the price in registered and non-matched purchase bids on IM for the specific gas day in EUR/MWh,

$\text{NabídkaVDT}_{\text{nákup}_D}$  is the offered quantity of gas in registered and non-matched purchase bids on IM for the specific gas day in MWh,

$D + j$  are separate gas trading days,

$i$  is the quantity of purchase bids on IM per one gas day; the defined price step is not taken into account for determination of price of Iceberg purchase offers.

- 7.3.3 Approximate calculation of the required FS can be carried out by using a table calculator available on OTE's website.

## 7.4 Sufficient FS balance and sufficient FS balance for IM

- 7.4.1 In the event of insufficient FS balance of the balance responsible party at the time of the close of nominations, the Market Operator shall reduce nominations of transmission, distribution, storage and supply obligation from BC including nominations registered by the Exchange and including nominations of transmission, distribution, storage and supply obligation from BC including nominations registered by the Exchange of the transferring BRP in the event of transfer of total imbalances pursuant to Part 2.7 of BTG, in line with priorities defined in the Market Rules or, if applicable, shall proceed in compliance with the Market Rules.
- 7.4.2 The Market Operator shall register the BRP's purchase offers on the unused flexibility market from which, following evaluation of the unused flexibility market, debts may arise for the BRP, only in the event the BRP has positive FS balance even after its reduction by the amount determined for this purchase offer under Articles 7.3.1.3 and 7.3.1.4.
- 7.4.3 In the event of insufficient FS balance of the balance responsible party during the next forthcoming check of FS after input of transmission, storage and distribution renominations, the Market Operator shall reduce transmission, storage and distribution renominations, including transmission, storage and distribution renominations of the transferring BRP in the event of transfer of total imbalances pursuant to Part 2.8 of BTG, in line with priorities defined in the Market Rules. If applicable, the Market Operator shall reduce original nominations of transmission and storage, including original nominations of transmission and storage of the transferring BRP in the event of transfer of total imbalances pursuant to Part 2.7 of BTG, in line with priorities defined in the Market Rules.
- 7.4.4 The Market Operator shall register supply obligation renominations or take obligation renominations solely in the event the BRP 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 transferring BRP in the event of transfer of total imbalances pursuant to Part 2.7 of BTG, into respective risk exposure of the BRP multiplied by parametric price, increased by VAT pursuant to applicable legislation.
- 7.4.5 It is possible to increase FS for IM only if the BRP has a positive FS balance even after its reduction by the amount of the FS increase for IM.
- 7.4.6 It is possible to reduce FS for IM only if the BRP has a positive FS balance for IM after the reduction.



- 7.4.7 The Market Operator shall register the BRP's sale offers on IM only if the BRP has a sufficient FS balance for IM corresponding to the sum of products of the offered quantity of gas on IM and the parametric price, increased by VAT pursuant to applicable legislation, including the sum of products of the quantity of gas on IM of the transferring BRP in the event of the transfer of total imbalances under Part 2.7 of BTG and the parametric price, increased by VAT pursuant to applicable legislation.
- 7.4.8 The Market Operator shall register the BRP's purchase offers on IM from which debts may arise for the BRP after matching only if the BRP has a sufficient FS balance for IM corresponding to the sum of products of the quantity of gas from the purchase offers and prices, increased by VAT pursuant to applicable legislation, whereby the prices are translated using the CZK/EUR IMFS exchange rate.
- 7.4.9 If the BRP's FS balance is negative after the trading of an offer on IM, the BRP's FS balance for IM shall be automatically reduced by the amount, by which the FS balance for IM was reduced during registration of the traded offer in CS OTE.
- 7.4.10 Update of FS balance is routinely carried out after:
- 7.4.10.1 close of nominations,
  - 7.4.10.2 top of each hour in the course of the relevant day in the event of renominations,
  - 7.4.10.3 each adjustment of debts/receivables arising from transactions on IM using the Market Operator's settlement CZK/EUR exchange rate,
  - 7.4.10.4 each adjustment of debts/receivables arising from transactions on IM using the CZK/EUR IM<sub>FS</sub> exchange rate
  - 7.4.10.5 matching of offers on IM,
  - 7.4.10.6 daily processing of bank statements pertaining to the Market Operator's accounts, which show crediting cash to the Market Operator's accounts,
  - 7.4.10.7 processing of credit and debit payments of the Market Operator in CS OTE to generate bank orders for electronic banking,
  - 7.4.10.8 monthly evaluation in compliance with Part 3 of BTG,
  - 7.4.10.9 final monthly evaluation in compliance with Part 3 of BTG,
  - 7.4.10.10 evaluation and settlement of differences between metered consumption values acquired through meter readings and values for settlement of imbalances determined according to LPs,
  - 7.4.10.11 registration, modification and cancellation of purchase offer on the unused flexibility market,
  - 7.4.10.12 evaluation of offers on the unused flexibility market in compliance with Part 5 of BTG,
  - 7.4.10.13 cancellation of offers and transactions on the unused flexibility market due to repeated evaluation of imbalances,
  - 7.4.10.14 change in registration of imbalance responsibility,
  - 7.4.10.15 change in the amount of FS for IM.
- 7.4.11 Update of the FS balance for IM is always executed after
- 7.4.11.1 registration of an offer on IM; this also applies for registration of a sale bid on IM of the transferring BRP if another BRP has assumed its total imbalance,
  - 7.4.11.2 cancellation and modification of a registered offer on IM; this also applies for cancellation and modification of a registered sale bid on IM of the transferring BRP if another BRP has assumed its total imbalance,
  - 7.4.11.3 matching of offers on IM; this also applies for matching of sale bids on IM of the transferring BRP if another BRP has assumed its total imbalance,
  - 7.4.11.4 change in the amount of financial security for IM.

## 7.5 Settlement of accruals of funds deposited with the Market Operator

- 7.5.1 Funds deposited into the Market Operator's account in terms of provision of financial security under Article 7.1.7.2 of BTG are in the ownership of the BRP which has deposited the funds with the Market Operator. These funds serve to secure on-going and timely settlement of imbalances and the intraday market and to secure potential future duties, especially pecuniary debts of the relevant BRP. In administering the funds, the Market Operator is obligated to provide professional care aimed to secure best possible protection of the entrusted funds.
- 7.5.2 After the end of each calendar quarter, the Market Operator is obligated to pay out accruals related to the deposited funds under Article 7.1.7.2 of BTG. For purposes of payment of accruals related to the deposited funds, 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 BRP accepts the Market Operator's options in administering the funds and agrees with an accrual of:
- $$\sum_{m=1\dots 3} \sum_{d=1\dots 31} (\text{cash}_{m,d} * \text{the Market Operator's rate}/360),$$
- whereas cash is defined as the balance of funds provided to the Market Operator under Article 7.1.7.2 of BTG at the end of the relevant. The methodology for determining the Market Operator's rate is published on the OTE website. In the event the rate of the Market Operator's Bank in the current account for legal entities is negative, the Market Operator is authorized to require payment of the accruals by the balance responsible parties. The total amount of the accruals for the relevant quarter is rounded up to whole crowns and shall be disbursed only if it exceeds CZK 25 per calendar quarter.
- 7.5.3 The Market Operator is obligated to issue and send to the BRP documentation for settlement of accruals of funds under Article 7.1.7.2 of BTG within 10 business days after the end of the relevant calendar quarter. The documentation must include the variable symbol for executing payment of the accrual. Payment of the accrual shall be made within 5 business days after provision of the documentation by the Market Operator. In the event of disagreement with the calculated amount of the accrual, the BRP 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 BRP's bank account within 10 calendar days after reaching an agreement. In the event of a change in the methodology for determining the Market Operator's rate, the Market Operator is obliged to inform the BRPs of this fact via the user interface and/or electronic communication.
- 7.5.4 The amount of accrual calculated by the Market Operator is deemed agreed upon on the part of the BRP unless the BRP sends via registered mail an objection to the calculated accrual within 60 calendar days after the end of the calendar quarter.
- 7.5.5 The Market Operator undertakes to relinquish any claims toward the BRP arising from the Market Operator's costs reasonably incurred in administering the funds under Article 7.1.7.2 of BTG, with the exception of a claim to accruals paid by balance responsible parties to the Market Operator in the event of a negative interest rate of the Market Operator's Bank in the current account for legal entities under Article 7.5.2.

## 7.6 Lock-out of balance responsible party

- 7.6.1 The Market Operator has the right to lock-out a balance responsible party due to
- 7.6.1.1 insufficient financial security in compliance with Part 7 of BTG,
  - 7.6.1.2 overdue payment of BRP's debt exceeding three business days,
  - 7.6.1.3 negative authorization of the BRP's payment by the BRP's bank (the bank does not confirm execution of the payment debited to BRP) while the Market Operator shall notify the BRP accordingly by sending a message to the e-mail designated for communication and the BRP (intraday market participant) fails to ensure positive authorization within three business days after the notification (the bank confirms execution of the payment debited to BRP),
  - 7.6.1.4 revocation of the permit or losing the option to supply gas pursuant to the relevant provision of the Market Rules implementing the Energy Act,

- 7.6.1.5 court ruling regarding the debtor's (BRP) bankruptcy,
- 7.6.1.6 notification about the BRP's failure to supply gas received by the Market Operator from the relevant BRP,
- 7.6.1.7 ERO decision.
- 7.6.2 Lock-out of a BRP refers to restriction of the BRP's activities on the gas market and is effected to reduce financial risk of the Market Operator and other gas market participants. In the event of locking out a BRP with accepted total imbalance from other BRPs, the Market Operator has the right to void the transfer of total imbalance.
- 7.6.3 Following lock-out of the BRP, the Market Operator may rescind contractual relations with the respective BRP. 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 BRP was locked-out.
- 7.6.4 At the time of lock-out, access of the relevant balance responsible party (its staff) to CS OTE shall be restricted to an extent preventing registration of:
  - 7.6.4.1 new supply obligation and take obligation nominations and renominations, including nominations registered by the Exchange,
  - 7.6.4.2 transmission, distribution and storage nominations and renominations, including nominations and renominations registered with the TSO and relevant DSO and GSF operator,
  - 7.6.4.3 new assumption or transfer of total imbalances,
  - 7.6.4.4 new offers on the intraday market,
  - 7.6.4.5 new offers on the unused flexibility market.
- 7.6.5 In the event of a lock-out of the BRP that has accepted total imbalances from other BRPs under Article 2.7. of BTG, the transferring BRPs are required to provide the Market Operator with sufficient FS or transfer their total imbalances to another accepting BRP.
- 7.6.6 The Market Operator immediately notifies the respective BRP via a message about the lock-out to the e-mail designated for communication, including the time of lock-out and reasons for its execution. Information about the lock-out is also distributed to all relevant BRPs and relevant OTE's contractual partners to emails designated for communication and is posted on OTE's website. The notification about the lock-out shall immediately be made available via user interface.
- 7.6.7 The Market Operator is obligated to unlock the BRP immediately after finding out that the lock-out was groundless. Unlocking of the BRP in this case does not affect the changes already executed pursuant to Sections 116 to 118 of the Market Rules. The Market Operator immediately notifies the relevant BRP about unlocking and the time of unlocking via a message sent to the relevant BRP's e-mail designated for communication. Information on unlocking the BRP is also sent to the e-mail designated for communication of all relevant BRPs and relevant OTE's contractual partners and is posted on OTE's website. In addition, the notification about the unlocking shall immediately be made available via user interface.
- 7.6.8 In the event of locking out a BRP, the Market Operator may cancel all registered offers on short-term markets organized by the Market Operator, supply obligation and take obligation nominations and transmission, distribution and storage nominations of the locked-out BRP submitted for days following the day of the imposed lock-out.
- 7.6.9 In the event of locking out a balance responsible party, the Market Operator follows the provisions of Sections 116 to 118 of the Market Rules and Chapter 7.7.
- 7.6.10 In the event of locking out a BRP, the Market Operator has the right to defer payments for its debts to this BRP. The deferred payment will be paid within five business days after the payment of debts from the final monthly evaluation of the LP for the month in which the termination of the respective BRP took effect.

## **7.7 Gas supply by the last resort supplier**

- 7.7.1 The Market Operator shall transfer points of delivery to the last resort supplier pursuant to the EA and the relevant provisions of the Market Rules in the event of

- 7.7.1.1 revocation or termination of the supplier's licence,
- 7.7.1.2 locking out the BRP under Article 7.6.1, which assumed imbalance responsibility at the relevant point of delivery or is in the role of supplier to that point of delivery,
- 7.7.1.3 notice about the RPM's inability to supply gas received by the Market Operator from the relevant RMP,
- 7.7.1.4 termination of the Agreement on the provision of transmission system services or the Agreement on the provision of the distribution system services for the relevant point of delivery pursuant to the EA, about which the statutory representative of the withdrawing party notifies the Market Operator in a certificated form; in this case the agreement termination is deemed also a unilateral rescission of the agreement; in such case transfer of points of delivery to the last resort supplier applies only for those customer points of delivery whose PDT EIC shall be forwarded to the Market Operator electronically by the withdrawing party,
- 7.7.1.5 failure of the supplier to meet the obligations of gas supplier under the Agreement on Settlement of Imbalances pursuant to the EA or termination of such agreement.
- 7.7.2 In the case referred to under Article 7.7.1.1, the Market Operator shall, on the basis of a notification received from the ERU, disclose information about the intended transfer of the point of delivery to the last resort supplier on the fourth day before the date from which the relevant licence is to be revoked or terminated, indicated in the decision on the revocation or termination of the licence that has come into force or, if the relevant license has already been revoked or terminated by a final decision, on the day on which the Market Operator became aware of such facts.
- 7.7.3 In the case referred to under Article 7.7.1.4, the Market Operator shall, on the basis of a notification received from DSO or TSO, disclose information about the intended transfer of the point of delivery to the last resort supplier on the fourth day before the date on which the relevant agreement expires.
- 7.7.4 In the event all PDTs are transferred to a last resort supplier, the Market Operator has the right to restrict CS OTE Users of the OTE contractual partner who meets any of the requirements under Articles 7.7.1.1 to 7.7.1.5 access CS OTE to such an extent that it cannot
  - 7.7.4.1 register re-nominations or new nominations, including Exchange-registered nominations;
  - 7.7.4.2 register a new transfer of imbalance responsibility or a new transfer of imbalances,
  - 7.7.4.3 submit requests for change of supplier or comment on existing requests
- 7.7.5 When transferring PDTs to a last resort supplier, the Market Operator sets the PDT of the last resort supplier to a period pursuant to the EA in the CS OTE. The Market Operator also sets the validity of the PDT identifier, which indicates the interval of deliveries by the last resort supplier, for the same period.

## 8 CLAIMS

### 8.1 Claim filing procedure

- 8.1.1 Unless stated otherwise, claims are filed through the CS OTE user interface where the CS OTE user manually inputs data referring to the claim of RMP, primarily:
  - 8.1.1.1 date of the gas trading day to which the claim pertains,
  - 8.1.1.2 indicator of confidentiality; unlike the confidential document indicator, the "public claim" indicator allows CS OTE users of other RMPs to view the claim and its settlement,
  - 8.1.1.3 class of claim (e.g. "Offer registration", "Result of evaluation of imbalances", etc.),
  - 8.1.1.4 "brief" and "detailed" description of the claim (unattached text),

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- 8.1.1.5 code of an offer or BC nomination, or EIC code of the PDT to which the claim pertains (optional information),
  - 8.1.1.6 attached file with additional data explanation (optional information); only one file can be attached, more files need to be compressed first into one ZIP file.
  - 8.1.2 Prior to settlement of all types of claims, the Market Operator first checks claims and then reviews valid claims and issues an opinion.
  - 8.1.3 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:
    - 8.1.3.1 brief description of the claim; the respective box must be filled in,
    - 8.1.3.2 detailed description of the claim; the respective box must be filled in,
    - 8.1.3.3 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 intraday market or the unused flexibility market, the specified day must pertain to the gas trading day evaluation of which has already been carried out and results published,
    - 8.1.3.4 code of an offer, nomination or EIC code of the PDT, if specified (a check is run whether it matches any valid EIC and whether the offer, BC or PDT pertain to the RMP that submits the claim),
    - 8.1.3.5 time of filing a claim; it must precede the limit time for submitting the relevant type of claim,
    - 8.1.3.6 attached file, if available.
  - 8.1.4 After running the check, claims are marked as valid or invalid. The checking process includes generating an electronic message sent to the e-mail designated for communication, confirming the validity of invalidity of the claim along with the reasoning for the assessment. 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.
  - 8.1.5 The Market Operator reviews valid claims pertaining to the short-term market and nominations.
  - 8.1.6 Valid claims pertaining to transmission nominations and renominations shall be reviewed by the respective TSO, valid claims pertaining to distribution nominations and renominations shall be reviewed by the DSO, valid claims pertaining to storage nominations and renominations shall be reviewed by the GSF operator.
  - 8.1.7 For claims related to the course of trading on IM and the unused flexibility 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.
  - 8.1.8 All claims are filed in CS OTE for the period of 10 years.
  - 8.1.9 All valid claims filed by the CS OTE user of the respective RMP and valid claims with the public indicator filed by CS OTE users of other RMPs may be viewed by CS OTE users of the respective RMPs via CS OTE user interface.
  - 8.1.10 CS OTE shall make it possible for the CS OTE user that has filed a claim to:
    - 8.1.10.1 change or withdraw the claim,
    - 8.1.10.2 change the confidentiality indicator from “Public” to “Confidential” and vice versa,
    - 8.1.10.3 close the claim, i.e. change its status from “Open” to “Closed”,
    - 8.1.10.4 state at any time in closing the claim whether the CS OTE user agrees with the Market Operator’s reply or not.
  - 8.1.11 To settle claims, the RMP 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.
  - 8.1.12 In the event the RMP 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 RMP and the Market Operator (without having any impact on the other RMPs). This provision does not affect general rules concerning damage compensation and gratuitous enrichment.

- 8.1.13 In the event the RMP after the expiry of the limit time seeks settlement of a claim that the Market Operator then deems justified, the claim shall be settled in a manner so no RMP gets gratuitously enriched. All damage including profit loss is borne by the RMP 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 RMP may have identified the reasons for filing a claim. This provision does not affect general rules about damage compensation and gratuitous enrichment.

## 8.2 Claims related to the intraday market

- 8.2.1 The BRP (intraday market participant) has the right to file a claim related to:
- 8.2.1.1 rejection of registration and the right to participate in the intraday market or the unused flexibility 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,
  - 8.2.1.2 lock-out within two business days after notification about the lock-out; the Market Operator is obligated to settle the claim immediately,
  - 8.2.1.3 failure to register an offer on IM; the Market Operator is obligated to settle the claim without undue delay,
  - 8.2.1.4 billing for the Market Operator's services within three business days after the receipt of the tax document; the Market Operator is obligated to settle the claim within five business days.

## 8.3 Claims related to the unused flexibility market

- 8.3.1 The BRP has the right to file a claim related to:
- 8.3.1.1 failure to register an offer on the unused flexibility market within 15 minutes before the close of the unused flexibility market; the Market Operator is obligated to settle the claim immediately,
  - 8.3.1.2 billing for the Market Operator's services within three business days after the receipt of the tax document; the Market Operator is obligated to settle the claim within five business days.

## 8.4 Claims related to evaluation of imbalances

- 8.4.1 Claims related to the results of daily evaluation pursuant to Section 102, Subsection 6 of the Market Rules are filed via e-mail sent to [plyn@ote-cr.cz](mailto:plyn@ote-cr.cz) together with a telephone notification to the Market Operator's Help Desk. Any claim filed by a balance responsible party must comprise general information on the problem. If the problem is identified as pertaining to data sent by a TSO or a DSO to CS OTE within the scope of imbalance evaluation, OTE shall pass the claim on to the respective TSO or DSO for assessment by 2:00 p.m. of the relevant day. In the event the Market Operator does not receive new data for evaluation of daily imbalances from the TSO or DSO by 3:30 p.m. of the relevant day, the previously distributed daily imbalances remain in effect.
- 8.4.2 Claims related to the results of monthly evaluation pursuant to Section 103, Subsection 4 of the Market Rules are filed via e-mail sent to [plyn@ote-cr.cz](mailto:plyn@ote-cr.cz) together with a telephone notification to the Market Operator's Help Desk. Any claim filed by a balance responsible party must comprise general information on the problem. If the problem is identified as pertaining to data sent by a TSO or a DSO to CS OTE within the scope of imbalance evaluation, OTE shall



pass the claim on to the respective TSO or DSO for assessment by 3.30 p.m. of the 11th calendar day of the relevant month. In the event the Market Operator does not receive new data for evaluation of monthly imbalances from the TSO or DSO by 5.00 p.m. of the 11th calendar day of the relevant month, the previously distributed monthly imbalances remain in effect.

- 8.4.3 The BRP has the right to file a claim related to the results of monthly evaluation by 12.00 midnight of the seventh calendar day, but no later than by 12.00 midnight of the fourth business day of the fourth month following the month subject to evaluation. The Market Operator is obligated to settle such claims by 12.00 noon of the eighth calendar day, but no later than by 12.00 noon of the fifth business day of the fourth month following the month subject to evaluation. In the event a claim pertains to metering data, assigning the claim to the respective TSO or DSO is deemed claim settlement.

## **8.5 Claims related to receipt and provision of data, nominations and renominations, change of supplier**

- 8.5.1 The RMP has the right to file a claim immediately after identifying reasons for filing a claim related to:
- 8.5.1.1 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 TSO or DSO or GSF operator,
  - 8.5.1.2 rejection of registering the nominations of Exchange Transactions, but no later than 15 minutes before the nominations closure; the Market Operator is obligated to settle this claim immediately,
  - 8.5.1.3 rejection of change of supplier, but no later than within one business day after the respective TSO or DSO has reviewed whether the data on change of supplier is correct and complete; the Market Operator is obligated to settle this claim immediately,
  - 8.5.1.4 rejection of its registration, 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,
  - 8.5.1.5 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,
  - 8.5.1.6 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,
  - 8.5.1.7 daily metered values used in daily evaluation, whereas passing the claim on to the TSO or DSO that has provided the preliminary values from metering is also deemed claim settlement,
  - 8.5.1.8 monthly metered values used in monthly evaluation, whereas passing the claim on to the TSO or DSO that has provided the metered values is also deemed claim settlement,
  - 8.5.1.9 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 DSO is deemed claim settlement. The DSO shall provide new documentation for billing through CS OTE. The RMP has the right to ask the operator to revise documentation for billing after the deadline; the DSO provides new documentation for billing supply and distribution via CS OTE,
  - 8.5.1.10 incorrectly executed change of supplier, but no later than within three months after the date of changing the supplier to which the claim pertains; the Market Operator shall request opinions of all relevant RMPs; the Market Operator notifies all relevant RMPs about the claim settlement result after receiving all opinions,

- 8.5.1.11 incorrect termination of registration (deregistration) of PDT in the OTE system, but no later than within three months after the date of terminating the PDT's registration in CS OTE; the Market Operator shall request opinions of all relevant RMPs; the Market Operator notifies all relevant RMPs about the claim settlement result after receiving all opinions,
  - 8.5.1.12 sending meter readings on behalf of PDT with Type C metering in CS OTE for an incorrect period, but within the time limit specified under Section 95, Subsection 3 of the Market Rules; the Market Operator shall delete the incorrect meter reading and enable the DSO to resend meter readings to CS OTE.
  - 8.5.1.13 re-assignment of the supplier or the balance responsible party in CS OTE to the customer point of delivery pursuant to Section 79, Subsection 2 of the Market Rules if it occurred in breach of the relevant provisions of the EA and the Market Rules, but within 14 business days of the execution of the re-assignment in CS OTE; the Market Operator is obligated to settle this claim within 14 business days of its receipt.
- 8.5.2 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.
- 8.5.3 Claims related to Exchange Transaction apply the BRPs at the Exchange, as registrar of nominations. These claims are not settled by the Market Operator.

## 9 RECEIPT AND PROVISION OF DATA

### 9.1 Receipt and review of nominations and renominations

- 9.1.1 BRPs shall submit planned gas supply (sale) and consumption (purchase) in the form of nominations and renominations. Nomination/renomination refers to:
- 9.1.1.1 nomination/renomination of supply obligation or take obligation, or
  - 9.1.1.2 nomination/renomination of gas transmission, or
  - 9.1.1.3 nomination/renomination of gas distribution, or
  - 9.1.1.4 nomination/renomination of gas storage.
- 9.1.2 The Market Operator processes nominations in the timeframe and manner pursuant to Sections 62 to 67 of the Market Rules, and renominations pursuant to Sections 69 to 72 of the Market Rules.
- 9.1.3 Nomination or renomination is a positive value in kWh, rounded to integers, sent by one BRP, for one gas trading day, one PDT (entry or exit point), and for one counterparty. This applies to all supply obligations and take obligation nominations or renominations at VTP, and also to transmission, distribution and storage nominations or renominations at entry and exit points of the gas network.
- 9.1.4 BRPs submit transmission nominations or renominations to BDS as day nomination for an entire gas trading day, or broken to separate hours of the given gas trading day. The rules of hour nominations at BDS are as follows:
- 9.1.4.1 Within nominations, hour transmission nominations can be submitted and modified for all hours of the gas trading day. Within renominations, hour nominations can be submitted and modified only for the hours remaining until the end of the gas trading day. The resultant day nomination of the BRP is a sum of hour nominations for the relevant gas trading day.
  - 9.1.4.2 An instance where the day value of the nomination remains the same but the value of the nominations changes in separate hours of the day is deemed renomination.
  - 9.1.4.3 If any BRP submits the day value of nomination/renomination without dividing it into separate hours, the value shall be recalculated in CS OTE evenly for separate hours remaining until the end of the gas trading day. Hour values of day nomination are rounded down to kWh units; any difference arising from rounding off is added

- to the last hour of the gas trading day.
- 9.1.4.4 If the XML message sent by the BRP to hour nomination in CS OTE via automated communication contains filled in hour values of the nomination together with the day value of the nomination, whereas the parity of the sum of hourly values of the nomination and the day value of the nomination is not ensured, CS OTE shall reject the message.
- 9.1.4.5 Only the value of the total day nomination is calculated in evaluation of imbalances in CS OTE.
- 9.1.5 Upon agreement between the BRP and the TSO, the BRP may register single-sided transmission nominations and renominations in CS OTE.
- 9.1.6 If the Market Operator is not the primary recipient of transmission, distribution or storage nominations or renominations, it need not confirm these nominations or renominations to the submitting BRP.
- 9.1.7 CS OTE receives nominations and renominations via automated communication and via a web form. Formats of messages for nominations or renominations are governed by Appendix 1 to BTG.
- 9.1.8 Supply obligation and take obligation nominations may be filed in OTE CS any time in advance. Supply obligation and take obligation nominations or renominations are being received on an ongoing basis.
- 9.1.9 Each nomination or renomination differentiates according to a time indicator assigned on receipt. Following evaluation of imbalances, only the last registered and confirmed nomination or renomination shall be taken into account.
- 9.1.10 Transmission, distribution and storage nominations or renominations are immediately after receipt forwarded to the respective recipient (TSO or DSO or GSF operator).
- 9.1.11 All supply obligation and take obligation nominations/renominations shall carry the nomination/renomination subtype indicator, which refers to:
- 9.1.11.1 BC,
  - 9.1.11.2 balancing service,
  - 9.1.11.3 daily imbalance quantity,
  - 9.1.11.4 settlement of the aggregate account of imbalances during the state of emergency,
  - 9.1.11.5 unused flexibility.
- 9.1.12 Trades executed on the intraday market shall be automatically transferred on behalf of the BRP to supply obligation and take obligation nominations with a special indicator after evaluation of the market.
- 9.1.13 Trades executed on the unused flexibility market shall be automatically transferred on behalf of the BRP to unused flexibility nominations.
- 9.1.14 Nominations created under Article 9.1.12, 9.1.13 and nominations under Articles 9.1.11.3 and 9.1.11.4 cannot be renominated.
- 9.1.15 Nominations under Articles 9.1.11.1 and 9.1.11.2 are carried out in a manner that one BRP sends a supply obligation nomination to CS OTE and the other BRP sends a take obligation nomination to CS OTE. Upon 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 and confirmed.
- 9.1.16 In the event of supply obligation and take obligation renominations, the rule that the lesser of the two values gets registered and confirmed does not apply.
- 9.1.17 The Market Operator is the exclusive recipient of supply obligation and take obligation nominations and renominations.
- 9.1.18 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.
- 9.1.19 All received transmission and distribution renominations are checked in terms of financial security. In the event of insufficient financial security, the renominations are reduced.

- 9.1.20 Checks of financial security for supply obligation and take obligation renominations are carried out after the end of each hour. Checks of financial security for transmission, distribution and storage renominations are carried out in renomination windows under the Market Rules.
- 9.1.21 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.
- 9.1.22 The received nomination or renomination is checked whether
- 9.1.22.1 the message contains all mandatory data,
  - 9.1.22.2 the BRP is permitted to submit nominations and renominations,
  - 9.1.22.3 the counterparty BRP has been duly filled in in the event of supply obligation and take obligation nomination or renomination,
  - 9.1.22.4 the relevant PDT exists in the CS OTE system,
  - 9.1.22.5 the date, to which the nomination or renomination pertains, is correct,
  - 9.1.22.6 the nomination or renomination subtype is correct in the event of supply obligation and take obligation nomination or renomination.
- 9.1.23 Nominations under Articles 9.1.11.3 and 9.1.11.4 shall be filed in CS OTE automatically. BRPs may not renominate these nominations; they are deemed valid and confirmed.
- 9.1.24 Nominations under Article 9.1.11.3 are registered for the preceding gas day after evaluation of daily imbalances for the preceding gas day. This nomination is not included in the evaluation of imbalances during monthly or final monthly evaluation.
- 9.1.25 Nominations under Article 9.1.11.5 serve for registration of unused flexibility offers on the unused flexibility market. Confirmed nominations (reduced or the original volume) of this subtype serve for records of the traded quantity of unused flexibility on the unused flexibility market.
- 9.1.26 For all nominations or renominations, or their division into separate participants in compliance with the procedures hereunder, the BRP always enters the code of the market participant to which the relevant nomination or renomination pertains.
- 9.1.27 The Market Operator shall facilitate receipt of BC nominations or renominations by the deadline specified under the Market Rules.
- 9.1.28 Each BRP shall submit transmission, distribution or storage nominations or renominations up to the level set forth in Appendix 4 to the Market Rules.
- 9.1.29 The BRP shall nominate or renominate at the gas system points as follows:
- 9.1.29.1 at a BDS point, transmission nominations or renominations for the relevant border entry point shall be divided into separate importers or buyers to facilitate for the TSO to perform the matching procedure with the foreign TSO or DSO on the other side of the respective border point,
  - 9.1.29.2 at a GSF point, transmission and storage nominations or renominations for the GSF relevant point are submitted to facilitate for the transmission system operator and the gas storage facility operator to perform the matching procedure,
  - 9.1.29.3 at a CGD point, distribution nominations or renominations for the relevant CGD point are divided into separate importers or buyers to facilitate for the DSO to perform the matching procedure with the foreign DSO or TSO on the other side of the respective CGD point,
  - 9.1.29.4 distribution nominations or renominations are submitted at each point of the gas production facility.
- 9.1.30 During a shut-down of CS OTE under Article 2.1.1 of BTG, BRPs submit transmission, distribution or storage renominations for the current gas trading day only to the relevant operators' systems. For this period, BRPs submit neither transmission, distribution nor storage nominations for other days, nor supply obligation or take obligation nominations or renominations.
- 9.1.31 CS OTE provides historical data of all nominations and renominations upon request submitted via electronic communication or via a web form.
- 9.1.32 The Exchange registers nominations under Article 9.1.11.1, resulting from Exchange Transactions, in CS OTE on behalf of the BRPs.

9.1.33 For evaluation of daily imbalances, the Market Operator relies on cooperation of the TSO and DSOs in transmitting metered data for the relevant gas day. In the event the Market Operator does not obtain complete data for evaluation of daily imbalances and the results of daily evaluation under Article 3.1.2 are not available by 14:00, in addition to moving the deadline for publishing daily imbalances of balance responsible parties and foreign participants, verification of nominations of BRP for the following gas day shall also be delayed under Articles 9.1.18 and 9.1.19.

## 9.2 Receipt of values from TSO and DSO and their adjustment, including billing information

9.2.1 Daily and monthly values of specific registered PDTs with interval metering are provided for separate gas trading days

9.2.1.1 in the event of a customer point of delivery for gas consumption (negative value)

9.2.1.2 in the event of a transfer point or aggregate transfer points or between two DSs, in the form of positive or negative values depending on the gas flow direction (in the event of gas supply to an adjacent DS, negative values are transmitted, and in the event of gas consumption from an adjacent DS, positive values are transmitted),

9.2.1.3 in the event of a transfer point or aggregate transfer points of a gas production facility in the form of positive values for each registered code of the counterparty and both directions of gas flow,

9.2.1.4 in the event of a GSF transfer point, in the form of positive values for each registered code of the counterparty and both directions of gas flow,

9.2.1.5 in the event of a BDS or CGD transfer point, in the form of positive values for each registered code of the counterparty and both directions of gas flow.

9.2.2 Metered values sent to registered PDTs are provided, in the event of a customer point of delivery via a message comprising, beside the meter reading value, documentation for billing distribution. Billing information is stored in CS OTE for 5 years of its receipt in CS OTE. The DSO to whose network the relevant PDT is connected, is responsible for compatibility of the documentation for billing distribution with the meter reading value.

9.2.3 Aside from standard communication channels listed under Article 2.1.16 of BTG, all data requisite for imbalance evaluation can be filed in CS OTE also via a web form.

9.2.4 The TSO or DSO are not permitted to provide monthly or daily data of an unregistered PDT prior to the time of registration. The TSO or DSO shall not send any monthly or daily data for the previous periods as at the date of PDT registration in the OTE system, with the exception of historical data in compliance with Section 113, Subsection 4 of the Market Rules.

9.2.5 Deadlines for provision of monthly and daily gas values for each type of PDT by the TSO or DSO to the Market Operator are set forth in the relevant provisions of the Market Rules. The TSO or the respective DSO is responsible for correct assignment of the PDT type in the CS OTE system.

9.2.6 In compliance with the deadline set forth in the Market Rules, the TSO or DSO ensures daily provision of daily 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 within the specified timeframe, the Market Operator shall proceed in accordance with Article 3.1.4 of BTG.

9.2.7 The metered values provided by the TSO or the DSO at PDTs with Type B metering for daily evaluation will be rejected by CS OTE.

9.2.8 In the event of failure of the metering equipment, the TSO or DSO is obligated to perform calculation of substitute valid values for the duration of the failure of the metering equipment. Substitute valid values of supply or consumption at PDTs with interval metering are specified.

9.2.9 The TSO or DSO provides the Market Operator with monthly or daily gas values with regard to the PDT type via a message in a format defined in Appendix 1 to BTG. CS OTE shall attach a time indicator to the provided values. The message can be sent repeatedly until the deadline defined in the relevant provisions of the Market Rules. The last received message substitutes the previously sent message.



- 9.2.10 The TSO or DSO sends to CS OTE documentation for billing distribution of the customer via a message in a format defined in Appendix 1 to BTG. The message can be sent repeatedly until the deadline defined in the relevant provisions of the Market Rules. In the event adjusted documents for distribution billing have been sent for the same billing period and PDT, CS OTE in such case upgrades the billing documentation version. This procedure does not apply to the cancellation process.
- 9.2.11 The TSO or DSO sends to CS OTE data on combustion heat, change of accumulation, reserved distribution or transmission capacity via a message in a format defined in Appendix 1 to BTG. The message can be sent repeatedly until the deadline defined in the relevant provisions of the Market Rules. The last received message substitutes the previously sent message. Documents for distribution invoicing are filed in CS OTE for 5 years from the date of their receipt in CS OTE.
- 9.2.12 All correctly received data are filed in CS OTE including the date and time of receipt, version and sender's identification.
- 9.2.13 Upon receipt, the Market Operator is obligated to review metered or preliminary values and other data provided by the TSO or DSO, in particular
- 9.2.13.1 whether the data sender is identical with the TSO or DSO defined as the provider of metered or preliminary values for the respective PDT,
  - 9.2.13.2 compatibility of the data format, validity period, and message format,
  - 9.2.13.3 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,
  - 9.2.13.4 complete set of values of the relevant PDT.
- 9.2.14 If the data provided by the TSO or DSO is not complete or some discrepancies in the data have been identified, a message is sent via CS OTE to the respective operator to the e-mail designated for communication for purposes of filing shared data and gathering metered values, or via automated communication.
- 9.2.15 Provision of data to CS OTE is governed by the following measures:
- 9.2.15.1 when sending data to the Market Operator, the TSO or DSO observes the rule of preferential data sending for daily evaluation of imbalances pursuant to Section 95, Subsection 1 and Section 96, Subsection 1 of the Market Rules. The TSO and DSOs transmit adjusted data for the other gas trading days and other data and messages after the deadline for daily data provision pursuant to Section 95, Subsection 1 of the Market Rules,
  - 9.2.15.2 while observing the foregoing rules applying to provision of data for daily evaluation of imbalances, within five calendar days, but no later than within six business days, the TSO or DSO preferentially sends to the Market Operator also data for monthly evaluation of imbalances pursuant to Section 95, Subsection 2 and Section 96, Subsection 2 of the Market Rules.
- 9.2.16 In the event the TSO or DSO identifies an error in the data provided for monthly evaluation, it is obligated to send adjusted data without undue delay by the deadline set out in Section 95(3) of the Market Rules. In addition, the TSO or DSO is obligated to send the Market Operator adjusted data that were a cause for a claim by the same deadline.
- 9.2.17 The TSO or DSO is obligated to provide the Market Operator with the adjusted data in the same manner as the original data.
- 9.2.18 The TSO or DSO may provide adjusted data repeatedly. In the event the DSO receives adjusted values of the planned annual consumption or reserved distribution capacity at the relevant PDT for the previous period for which adjusted evaluation has not been performed, the DSO provides the values to CS OTE together with all current data valid after this period in one message.
- 9.2.19 CS OTE shall not register adjusted data sent by the TSO or DSO after the deadline for evaluation and settlement of imbalances pursuant to Section 103, Subsection 5 of the Market Rules, with the exception of new documentation for billing supply and distribution under Article 8.5.1.9.



- 9.2.20 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 103, Subsection 5 of the Market Rules.
- 9.2.21 For input in CS OTE, the following rules apply for rounding metered values:
- 9.2.21.1 combustion heat in kWh/m<sup>3</sup> rounded to four decimal places,
  - 9.2.21.2 energy volume in kWh rounded to integers or thousandths of MWh,
  - 9.2.21.3 volume in m<sup>3</sup> rounded to integers.
- 9.2.22 Other metered values are rounded in compliance with applicable legal and binding technical regulations and rules.
- 9.2.23 The Market Operator shall make a substitute estimate of expected consumption at points of delivery with Type B metering using a procedure set forth in Section 101 of the Market Rules.
- 9.2.24 In the event of transit points between TS and GSF, the TSO provides data from the transit points to the Market Operator.
- 9.2.25 In the event of transit points between DS and DS, the Market Operator receives data from these transit points from the DSO, which operates metering equipment at the relevant transit point, unless the DSOs have agreed otherwise.
- 9.2.26 Information on the planned monthly consumption at PDTs with Type B metering cannot be transmitted via a registration message. The planned monthly consumption is transmitted within timeframes under Section 95, Subsection 4, Letter b) of the Market Rules via a message pursuant to Appendix 1 to BTG.
- 9.2.27 The TSO and the DSO maintain an updated table of counterparties' codes in CS OTE. Modifications are performed before they come into effect.

### 9.3 Provision of data from CS OTE, including billing documentation

- 9.3.1 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 RMPs authorized to obtain it (according to the relationship with the respective PDT, to which the data was forwarded).
- 9.3.2 The BRP accepting responsibility at a PDT may allow access to the PDT data to an observer. An observer may be assigned to a PDT via automated communication or a web form. An observer has access to data pursuant to Section 95, Subsections 1, 2 and 3 and Section 96, Subsections 1, 2, and 3, Section 97, Subsection 1 and Section 101 of the Market Rules and to documents for distribution billing.
- 9.3.3 Only one observer may be assigned to one PDT. In the event of change of supplier of BRP at a PDT, the relevant observer's access to data at this point of delivery is automatically cancelled.
- 9.3.4 Observers are not authorized to file claims related to metered data in OTE's system.
- 9.3.5 In addition, a request for data under Article 9.3.1 may be sent to CDS. The CS OTE user submits the request via an online form, automated communication, or by sending a message in a format defined in Appendix 1 to BTG as an attachment to the signed e-mail. The structure of messages 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 CS OTE user in the request specifies:
- 9.3.5.1 date of the gas trading day from-to (for period identification),
  - 9.3.5.2 EIC code of the PDT (if not stated, the requested data is generated for all PDTs assigned to the respective contractual partner of OTE)
  - 9.3.5.3 type of data,
  - 9.3.5.4 indicator of request for periodical data distribution; i.e. regular daily or monthly data transmission according to their type (aggregate metered values, information on imbalances, etc.).
- 9.3.6 In the event of a request for periodic data distribution, the applicant receives all relevant types of data related to the current day of data processing after their receipt is complete and the data

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- is processed in CS OTE. The request shall be classified as periodical only until 31 May of the current year. Requests submitted after 18 May of the current year shall be in effect through 31 May of the following year.
- 9.3.7 Active requests for periodical data distribution can be administered via a web form. Separate requests may be deleted or, in the period from 18 May to 31 May of the current year, extended until 31 May of the following year. CS OTE shall send out notifications about the approaching deadline for requests for periodical data distribution.
- 9.3.8 Following the 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.
- 9.3.9 Entities having access to metered data at PDTs comprise:
- 9.3.9.1 TSO or DSO, whose system includes the relevant PDT (transit points between systems can be always accessed by both parties),
  - 9.3.9.2 supplier,
  - 9.3.9.3 observer,
  - 9.3.9.4 supervisor,
  - 9.3.9.5 BRP.
- 9.3.10 Entities having access to documentation for billing distribution at PDTs with interval metering or billing supply and distribution at PDTs with non-interval metering:
- 9.3.10.1 TSO or DSO, whose system includes the relevant PDT (transit points between systems can be always accessed by both DSOs),
  - 9.3.10.2 supplier,
  - 9.3.10.3 observer,
  - 9.3.10.4 supervisor,
  - 9.3.10.5 BRP.
- 9.3.11 BRPs have access to their aggregate values of supply and consumption and also to subdivision according to type of metering, LP class and, in the event of Type C and CM metering, system.
- 9.3.12 Summary values of supplies and consumptions are mathematically rounded to kWh units, except for day values of consumption at PDTs with C-type and CM-type metering, which are mathematically rounded to thousandths of kWh.
- 9.3.13 In the event the applicant has no access to data of some PDTs, the Market Operator notifies the applicant about rejection of request processing. In approved cases, the Market Operator shall dispatch a message containing the requested data within 12 hours after the receipt of the request.
- 9.3.14 Unless specified otherwise in other legislation, the Market Operator shall allow access to metering at PDTs, data on PDTs and the results of changes of supplier at PDTs solely for the period in which the supplier executed supplies to the PDTs and the BRP accepted imbalance responsibility at the pertinent PDTs. The Market Operator shall provide access to metering at PDTs and data on PDTs for the Supervisor and the Observer solely for the period for which they were assigned to the respective PDTs.
- 9.3.15 The Market Operator may provide registered data on PDTs containing personal data (e.g. PDT owner and address of the connected entity (House Number; Street; Location/Municipality; Postal Code) to OTE's Contractual Partners in a format that does not allow identification of natural persons in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR).
- 9.3.16 The Market Operator may allow the ERO's access to the processing and outcome of requests for change of supplier at PDT and information about the history of gas suppliers to relevant PDTs.
- 9.3.17 In addition to aggregate data on the gas market in the Czech Republic, the Market Operator provides state administration on a monthly basis with the following information on behalf of individual suppliers or BRPs:
- 9.3.17.1 number of acquired or lost customers,

- 9.3.17.2 volume of gas consumed by customers,
- 9.3.17.3 volume of gas transmitted via CGD or BDS,
- 9.3.17.4 volume of gas extracted and injected from/to virtual GSF,
- 9.3.17.5 volume of obligations while distinguishing the type of business.
- 9.3.18 The Market Operator shall post on OTE's website the following information about RMPs:
  - 9.3.18.1 the business company of the gas market participant; if a natural person does not run a business, then its name, surname and any note; in the case of a legal entity not recorded in the Commercial Register its name,
  - 9.3.18.2 identification number of the gas market participant, if assigned,
  - 9.3.18.3 assigned registration number
  - 9.3.18.4 indication of whether the RPM is a balance responsible party,
  - 9.3.18.5 term of the Agreement on Settlement of Imbalances entered into with the balance responsible party.
- 9.3.19 The size of outgoing messages from CS OTE is limited by technical settings of the used communication channel. Specific limits are defined in the CDS manual for CS OTE users.
- 9.3.20 In order to allow the Market Operator to meet its obligations that arise from energy legislation and are of urgent nature, OTE's contractual partner acknowledges that the Market Operator has the right to give priority to certain types of messages or, in justified cases, cancel inquiries regarding historical data or core data of PDTs.
- 9.3.21 Data from the evaluation of the differences between readings and values based on LP for specific PDTs can be accessed in CS OTE due to its scope for 9 months only after the final monthly LP evaluation. To satisfy a request of the OTE's contractual partner to access older data, the Market Operator has the right to charge OTE's contractual partner a maximum rate of CZK 500 (five hundred Czech crowns) for each month for which OTE's contractual partner requires to restore backup data.
- 9.3.22 In the event of inquiries regarding data not listed under Article 9.3.21 that are older than five months from the time of submitting the request to CS OTE, OTE's contractual partner is obligated to agree with the Market Operator on the method of handling the request within the scope of guaranteeing the provision of the requested data.
- 9.3.23 The Market Operator enables electronic invoicing between the DSO and its contractual partner via CS OTE; the procedures and terms thereof are posted on the Market Operator's website. A copy of the electronic invoice transmitted by the Market Operator is archived in CS OTE for 5 years of receipt of the electronic invoice in CS OTE. An electronic invoice issued by the DSO is deemed delivered by its transfer to communication interface of the market participant (DSO's contractual partner). The DSO is notified about the invoice delivery to the contractual partner with a message generated in CS OTE.

#### **9.4 Suspension of data distribution to PDTs**

- 9.4.1 The TSO or DSO notifies the Market Operator without undue delay by the deadline set out in Section 95(3) of the Market Rules about suspension of data distribution to the respective PDT for a specified period. The TSO or DSO may specify suspension of data distribution to the PDT via
  - 9.4.1.1 a web form using CS OTE user interface, or
  - 9.4.1.2 a message for registration of PDT in formats defined in Appendix 1 to BTG, which may comprise more than one PDT.
- 9.4.2 After executing the change, the TSO or DSO shall not send data to the relevant PDT for the specified period. In this period, checking the receipt of sent data is deactivated in CDS, whereby functionalities of other processes using the PDT's primary records remain intact.
- 9.4.3 Data distribution to the respective PDT shall resume after the expiry of the period for which data distribution has been suspended, or after reduction of such period at the relevant PDT.
- 9.4.4 At the time of sending notification about suspension of data distribution to a PDT with non-interval metering, CS OTE shall cancel the respective PDT's planned annual consumption for

the specified period. After the resumption of data distribution to the relevant PDT, the DSO shall provide a new value of the planned annual consumption.

- 9.4.5 Upon receipt of meter readings from the DSO, following the resumption of data distribution to a PDT with non-interval metering, CS OTE checks whether meter readings are available as at the date of suspension of data distribution. If such readings are not available, the message is rejected.

## 10 TRANSPARENCY, PREVENTION OF MARKET ABUSE AND MANIPULATION

### 10.1 Compliance with REMIT

- 10.1.1 The REMIT regulation establishes rules prohibiting abusive practices affecting wholesale energy markets which are coherent with the rules applicable in financial markets and with the proper functioning of those wholesale energy markets whilst taking into account their specific characteristics. The defined markets comprise also the markets organized by the Market Operator. Among other, the regulation prohibits and sanctions in particular any engagement or attempt to engage in market manipulation and insider trading.
- 10.1.2 This chapter of BTG aims to enhance transparency and trust in the intraday market, in its pricing mechanisms and reference prices, thus contributing to increasing the benefits for final consumers and avoiding unfair practices affecting these markets and their Products.
- 10.1.3 Orders to trade on the intraday market submitted by CS OTE Users must be based on equal and non-discriminatory access to the market and good faith in executing the transactions.
- 10.1.4 When trading on the intraday market, Balance Responsible Parties undertake to comply with the obligations imposed by REMIT. In particular, pursuant to the Regulation, they undertake to comply with (i) the prohibition of market manipulation, including attempts to participate in market manipulation, (ii) the prohibition of insider trading (i.e. trading based on inside information), and (iii) an obligation to disclose inside information in cases where such information arises.

### 10.2 Good Business Conduct

- 10.2.1 Balance Responsible Parties act in accordance with BTG in all business activities related to the Products and seek to promote the integrity and transparency of the Short-term Market, whilst their actions shall not endanger the operation of CS OTE or the activities of other OTE's Contractual Partners.
- 10.2.2 All orders to trade submitted by Balance Responsible Parties must be based on equal and non-discriminatory access to the markets and good faith in executing the transactions.
- 10.2.3 Balance Responsible Parties shall not in any way unduly affect the prices or price structure on the Short-term Market or otherwise impede access to or participation in the Market for other market participants.
- 10.2.4 Balance Responsible Parties which reasonably suspect market manipulation, attempts to manipulate the market or insider trading shall report it in accordance with the procedure set out in the REMIT.
- 10.2.5 Balance Responsible Parties are authorized to disclose information about their participation in the intraday market. This published information must not be misleading and must be based on true facts.

### 10.3 Treatment of inside information

- 10.3.1 Inside information means in particular:

10.3.1.1 Information which has not been made public in accordance with REMIT or in

accordance with legal or regulatory provisions, which relates, directly or indirectly, to one or more Products and which, if it were made public by Balance Responsible Parties, would be likely to significantly affect the prices of those Products.

- 10.3.1.2 Information which indicates a set of circumstances which exists or may reasonably be expected to come into existence, or an event which has occurred or may reasonably be expected to do so, and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of Products.
- 10.3.2 Information regarding own plans and strategies of Balance Responsible Parties for trading should not be considered inside information.
- 10.3.3 In accordance with REMIT, Balance Responsible Parties shall publicly disclose in an effective and timely manner inside information which they possess in respect of business or facilities which the market participant concerned, or its parent undertaking or related undertaking, owns or controls or for whose operational matters that market participant or undertaking is responsible, either in whole or in part, and which can have an impact on the Products and the intraday market.
- 10.3.4 Balance Responsible Parties who possess inside information in relation to Products shall be prohibited from:
  - 10.3.4.1 using that information by acquiring or disposing of, or by trying to acquire or dispose of, for their own account or for the account of a third party, either directly or indirectly, Products to which that information relates,
  - 10.3.4.2 disclosing that information to any other person unless such disclosure is made in the ordinary course of the exercise of their employment, profession or duties,
  - 10.3.4.3 recommending or inducing another person, on the basis of inside information, to acquire or dispose of Products to which that information relates.
- 10.3.5 This prohibition shall not apply to:
  - 10.3.5.1 transactions conducted in the discharge of an obligation that has become due to acquire or dispose of Products where that obligation results from an agreement concluded, or an order to trade placed, before the participant concerned came into possession of inside information,
  - 10.3.5.2 transactions entered into by participants for the sole purpose of covering the immediate physical loss resulting from unplanned outages of production sources or consumption, including their planned increases, where not to do so would result in the market participant not being able to meet existing contractual obligations or where such action is undertaken in agreement with the transmission system operator(s) concerned in order to ensure safe and secure operation of the system.

#### **10.4 Prohibition of market manipulation**

- 10.4.1 In accordance with REMIT, any engagement in, or attempt to engage in, market manipulation on the intraday market shall be prohibited.

#### **10.5 Registration and provision of trade data from CS OTE**

- 10.5.1 Section 10.5 applies to Balance Responsible Parties who have entered into an agreement on the settlement of imbalances with the Market Operator, containing provisions on registration and provision of trade data from CS OTE or provisions on trade data reporting, regardless of whether these provisions are comprised in the newly concluded contracts or in an amendment to the agreement on the settlement of imbalances.

- 10.5.2 The Market Operator registers and provides Balance Responsible Parties trade data in the scope and terms set out in the Commission Implementing Regulation and TRUM manual via a CS OTE web interface created for this purpose.
- 10.5.3 Balance Responsible Parties verify the completeness and accuracy of trade data registered in CS OTE via the CS OTE web interface. In the event Balance Responsible Parties find incorrect or incomplete trade data, they shall promptly notify the Market Operator about their findings. Balance Responsible Parties are not responsible for incompleteness or inaccuracy in the trade data registered in CS OTE due to errors arising on the side of the Market Operator.
- 10.5.4 Authorized persons are entitled to provide CS OTE users on behalf of Balance Responsible Parties with access to the web form in CS OTE allowing to verify the completeness, accuracy and timeliness of the registered and provided trade data in CS OTE.
- 10.5.5 The Market Operator shall assign to each order for trading and transaction a unique identifier via CS OTE.

## 10.6 Trade data reporting

- 10.6.1 Section 10.6 applies to Balance Responsible Parties who have entered into an agreement on the settlement of imbalances with the Market Operator, containing provisions on trade data reporting, regardless of whether these provisions are comprised in the newly concluded contract or in an amendment to the agreement on settlement of imbalances.
- 10.6.2 For the purposes of trade data reporting on behalf of Balance Responsible Parties, the Market Operator registers and provides Balance Responsible Parties trade data under Article 10.5.
- 10.6.3 The Market Operator reports trade data on behalf of Balance Responsible Parties to ARIS in the scope and under the terms set out in the Commission Implementing Regulation and TRUM manual.
- 10.6.4 From the date of commencement of trade data reporting, the Market Operator is entitled to report also trade data recorded in CS OTE before the date of commencement of trade data reporting, if such data is necessary to fulfil the reporting obligation on behalf of Balance Responsible Parties.
- 10.6.5 Trade data registered in CS OTE for Balance Responsible Parties, the status of processing the data and the results of their reporting to ARIS are recorded in CS OTE by the Market Operator and made available to Balance Responsible Parties via a CS OTE web interface created for this purpose.
- 10.6.6 The Market Operator notifies the Balance Responsible Parties about the results of reporting trade data to ARIS via a notification email sent to CS OTE users with authorized access to a web form with trade data in CS OTE.
- 10.6.7 Balance Responsible Parties verify the completeness and accuracy of trade data registered in CS OTE via the CS OTE web interface. In the event Balance Responsible Parties find incorrect or incomplete trade data, they shall promptly notify the Market Operator about their findings. Balance Responsible Parties are not responsible for incompleteness or inaccuracy in the reported trade data registered in CS OTE due to errors arising on the side of the Market Operator.
- 10.6.8 Authorized persons are entitled to provide CS OTE users on behalf of Balance Responsible Parties with access to the web form in CS OTE allowing to verify the completeness, accuracy and timeliness of trade data in CS OTE to be reported to ARIS.

## 10.7 Registration and change of ACER code in CS OTE

- 10.7.1 The Market Operator shall always use an ACER code obtained from Balance Responsible Parties for their identification for registration and provision of trade data from CS OTE pursuant to Article 10.5 and for trade data reporting pursuant to Article 10.6.
- 10.7.2 Balance Responsible Parties shall send a request to change the ACER code in CS OTE to the Market Operator within five business days before the requested date of the change. The request shall include the existing and new ACER codes of the Balance Responsible Party and



the date of the execution of the ACER code change in CS OTE. Otherwise, the Market Operator is not responsible for any rejection of reported trade data by the ARIS system.

- 10.7.3 Balance Responsible Parties are responsible for coordinating the execution of changes to their ACER code with ACER.
- 10.7.4 Balance Responsible Parties are responsible for checking the accuracy of trade data via a web interface after making changes to the ACER code in CS OTE. In the event Balance Responsible Parties find any incorrect or incomplete trade data, they shall promptly notify the Market Operator about their findings.
- 10.7.5 From the moment of the ACER code change, the new ACER code shall be used in CS OTE for registration and provision of trade data from CS OTE pursuant to Article 10.5 and trade data reporting pursuant to Article 10.6 of BTG.

## **10.8 Fees for trade data registration, provision and reporting**

- 10.8.1 The Market Operator shall charge Balance Responsible Parties for
  - 10.8.1.1 registration and provision of trade data from CS OTE under Article 10.5 as a fixed monthly fee for registration and provision of trade data from CS OTE,
  - 10.8.1.2 trade data reporting under Article 10.6 as
    - 10.8.1.2.1 unit fee for each order to trade carried out by the Balance Responsible Party, the execution of which the Market Operator reported to ARIS on behalf of the Balance Responsible Party;
    - 10.8.1.2.2 unit fee for each transaction carried out by the balance responsible party through the Market Operator, the execution of which the Market Operator reported to ARIS on behalf of the Balance Responsible Party.
- 10.8.2 The fees specified under Article 10.8.1 are available in the pricelist posted on OTE's website ([www.ote-cr.cz](http://www.ote-cr.cz)).
- 10.8.3 The Market Operator shall charge the fees specified under Article 10.8.1.1 as of the date of commencement of registration and provision of trade data from CS OTE. Balance Responsible Parties start paying the fixed monthly fee from the month in which registration and provision of trade data began.
- 10.8.4 The Market Operator shall charge the fees specified under Article 10.8.1.2 as of the date of commencement of trade data reporting.
- 10.8.5 The Market Operator shall charge the fees specified under Article 10.8.1 of BTG to Balance Responsible Parties after the end of the calendar month within the monthly evaluation and settlement pursuant to Section 3.3 of BTG.
- 10.8.6 Should the fees be adjusted through a price decision, the fees stipulated by the relevant price decision shall apply, as of the date of coming into effect of the price decision.

## **10.9 Oversight of the Market Operator**

- 10.9.1 The Market Operator is authorized to enter into negotiations with Balance Responsible Parties on all matters specified under Chapter 10 of BTG.
- 10.9.2 The Market Operator is authorized to require from Balance Responsible Parties necessary and relevant information in connection with any suspected breach of the prohibition of insider trading and prohibition of market manipulation.
- 10.9.3 The Market Operator temporarily or permanently prevents Balance Responsible Parties from participating in the Short-term Market, if they demonstrably and repeatedly breach the provisions of BTG, operation safety, and their conduct or activities endanger the operation of CS OTE or the activities of other OTE's Contractual Partners. Such conduct also includes the use of automated or other machine approaches, i.e. conduct that cannot be induced by human forces (e.g. short-term and multiple refresh of trading screens, modification or submission of bids, multiple parallel connections).

- 10.9.4 In the event the Market Operator reasonably suspects breach of REMIT by a Balance Responsible Party on the intraday market, in particular where the Market Operator identifies attempts at market manipulation and insider trading, the Market Operator shall immediately notify the Energy Regulatory Office.
- 10.9.5 The Market Operator shall provide, at the request of the Energy Regulatory Office, relevant information about the Balance Responsible Party, including related trade data and other necessary information concerning the suspected abusive practices of the Participant.
- 10.9.6 Offences and penalties for breaches of REMIT are set out in Section 91a of the Energy Act.
- 10.9.7 The Market Operator is not obligated to enter into a contractual relationship with a natural person or legal entity subject to international sanctions pursuant to Act No. 69/2006 Coll., on the Implementation of International Sanctions, or if the said sanctions apply specifically to:
- 10.9.7.1 members of the statutory body and supervisory body of that person/entity;
  - 10.9.7.2 persons from the ownership and management structure of that person/entity and, if they are legal entities, also members of the statutory and supervisory body of these legal entities;
  - 10.9.7.3 all real owners of that person/entity;
  - 10.9.7.4 persons authorized to act in a trade or business relationship on behalf of that person/entity (e.g. agents);
  - 10.9.7.5 persons acting for the benefit of that person/entity.
- 10.9.8 The Contractual Partner of OTE undertakes to immediately report to OTE in the event it is or becomes a person subject to international sanctions pursuant to Act No. 69/2006 Coll., on the Implementation of International Sanctions. The reporting obligation also applies where the aforementioned sanctions concern persons/entities specified in Articles 10.9.7.1 to 10.9.7.5.
- 10.9.9 The Market Operator has the right to rescind the contract concluded with OTE's Contractual Partner, which is subject to international sanctions pursuant to Act No. 69/2006 Coll., on the Implementation of International Sanctions, or if the said sanctions apply specifically to persons/entities under Articles 10.9.7.1 to 10.9.7.5, and the contract concluded with OTE's Contractual Partner which breaches the obligation defined in Article 10.9.8.

## 11 BIOMETHANE PRODUCER

### 11.1 Registration of the Producer

- 11.1.1 The Producer shall access the CS OTE system on his own and/or through an Intermediary under Article 11.3.3
- 11.1.2 The producer shall submit the data required for registration in CS OTE according to the procedure specified on OTE's website and in compliance with applicable legislation.
- 11.1.3 Access to CS OTE is facilitated for the Producer on the basis of registration completed by the Producer through filling in and submitting a registration form which the Producer signs with a qualified certificate and explicit acceptance of the rights and obligations of the Producer under the Business Terms hereof. The registration form for the Producer is available on OTE's website.
- 11.1.4 Following a successful registration, the Producer becomes a CS OTE User and a registered market participant under the Energy Act, Section 57, Paragraph 8, M) and the Market Operator shall assign him a RMP ID and EAN-13. The Producer receives this information via email and it is also posted on OTE's website.
- 11.1.5 The Producer shall notify the Market Operator without delay about any changes in the registration data in CS OTE, including any changes pertaining to the validity of the license. Upon notification and proof of change by the Producer, the Market Operator shall register the change in CS OTE. Cases where the registration and other data submitted to the Market Operator do not reflect the reality may be subject to an inspection performed in accordance with the authorized of the Energy Regulatory Office or the State Energy Inspectorate of the Czech Republic

## 11.2 Registration of new CS OTE Users and Authorized Persons of the Producer

- 11.2.1 The Producer carries out the registration of his new CS OTE Users through his Authorized Persons.
- 11.2.2 Authorized Persons are registered in CS OTE on the basis of the completed form Application for Setting of Registration Rights for an Authorized Person, posted on OTE's website, which the Producer submits to the Market Operator. The aforementioned application form shall be submitted with a public part of a certificate issued for the Authorized Person by a supported CA.
- 11.2.3 Registration of new CS OTE users may be carried out via the Registration Form signed by the Producer with a qualified certificate and explicit acceptance of the rights and obligations of the Producer under the Business Terms hereof. Where at the time of registration of a new CS OTE user there is no CS OTE User with a valid certificate registered for the relevant RMP, the newly registered CS OTE User shall be assigned the tasks of managing its own RMP data and administering a bank account.
- 11.2.4 Access of CS OTE Users to CS OTE is restricted by the scope of user rights. Each CS OTE User is automatically authorized to change its contact details. The CS OTE User with an assigned role for managing his own RMP data, with the exception of CS OTE Users acting only as Intermediaries, is authorized to add other CS OTE Users to this Producer according to the procedure posted on OTE's website.
- 11.2.5 The Producer is responsible for the data he has registered under Article 11.1.2.

## 11.3 Registration of an Intermediary

- 11.3.1 The Producer may authorize an Intermediary with the performance of selected activities of the Producer through CS OTE.
- 11.3.2 The Intermediary:
  - 11.3.2.1 accesses CS OTE in order to enter production and consumption data on behalf of another Producer, or to enter and/or change their claims for support or registration of sources,
  - 11.3.2.2 is not authorized to enter changes in the Producer's Registration (master data) on behalf of the Producer; is not authorized to change and/or add bank account numbers of the Producer.
- 11.3.3 Access to CS OTE is facilitated for the Intermediary on the basis of registration, which the Intermediary carries out:
  - 11.3.3.1 if the Intermediary is a legal entity or a natural person that is not a registered Producer with access to CS OTE, by submitting a signed application for registration and setting the function of Intermediary in CS OTE posted on OTE's website, by providing a public part of a qualified certificate issued for the Intermediary, and by explicitly accepting the rights and obligations under the Business Terms hereof by the Intermediary,
  - 11.3.3.2 if the Intermediary is already a registered Producer with access to CS OTE, by submitting an application directly in the POZE module through a complaint filed by the Intermediary.
- 11.3.4 Following a successful registration under Article 11.3.3, the Intermediary becomes a CS OTE User. The Producer is always responsible for the Intermediary's activities as if the Producer carried them out himself. OTE is not liable for any damage caused to the Producer by the Intermediary whom the Producer has authorized.
- 11.3.5 The Intermediary is obligated to comply with applicable legislation and the Business Terms hereof when performing activities in CS OTE.
- 11.3.6 The Producer has the right to withdraw at any time the authorization of the Intermediary to perform the activities on behalf of the Producer through CS OTE.

## 11.4 Settlement periods

- 11.4.1 Settlement periods, due dates and payment method specified in BTG are binding for the support of biomethane in the form of green bonuses.
- 11.4.2 Settlement of support means calculating the amount of the support according to the relevant ERO Price Decision based on the metered and calculated values entered in CS OTE by the Producer, and issuance of a document on payment of support 11.4. by the Market Operator in electronic form, which is available through CS OTE. Proof of payment of support is not a tax document pursuant to the VAT Act.
- 11.4.3 Settlement of support is carried out on a monthly basis
- 11.4.3.1 The basic period for settlement is one calendar month, i.e. the period from 00:00 on the first day to 24:00 on the last day of the calendar month.
  - 11.4.3.2 The Producer shall provide to OTE production data and other required information for the previous calendar month within the timeframe specified in the Reporting Decree.
  - 11.4.3.3 On the basis of the data submitted by the Producer to CS OTE under Article 11.4.3.2, OTE shall carry out a monthly settlement within 5 business days of the deadline for data submission set out in the Reporting Decree
  - 11.4.3.4 In the event the data are not supplied by the Producer within the timeframe under Article 11.4.3.2, they will be included in the following monthly settlement.
- 11.4.4 Settlement of support on the basis of the supplied data for the previous month shall not be carried out only in the event the Producer is late in submitting any data in connection with his statutory obligation towards the Market Operator in accordance with the relevant implementing regulations, including data related to the period preceding that month.

## 11.5 Due dates of payment

- 11.5.1 Support is paid in two instalments with different dates of payment. Amounts to be paid and due dates are provided in the support payment document
- 11.5.1.1 Three-quarters of the amount of support are payable within 21 calendar days of the date of issuance of the support payment document
  - 11.5.1.2 The remaining one-quarter of the amount of support is payable at the later of the following dates
    - the last day of the second month following the end of the calendar quarter to which the submitted production data pertain, or
    - the date specified under Article 11.5.1.1
- 11.5.2 The maturity of new or adjusted payment documents related to Article 11.7 is as follows
- 11.5.2.1 If the payment has not yet been made according to the original support payment document, the maturity of the new document is determined in accordance with Article 11.5.1
  - 11.5.2.2 If the settled amount in the original document has already been paid out, the maturity of the adjusted document for the payment of support shall be due at the later of the following dates
    - the date specified under Article 11.5.1.2 of the original document, or
    - payable within 21 calendar days of the date of issuance of the adjusted support payment document
  - 11.5.2.3 If the amount stated in the adjusted document is to be refunded by the Producer to the Market Operator, the due date of payment shall be 14 calendar days of the date of issuance of the adjusted document. The Market Operator's bank account number for payment by the Producer is included in the adjusted document.

## 11.6 Method of payment of support

- 11.6.1 Payment is made via bank transfer to a bank account of the Producer that is registered in CS OTE for these purposes. Support is paid out in CZK. The bank account is maintained in CZK at a bank or its branch in the Czech Republic.

- 11.6.2 Payment of support for biomethane is not taxable pursuant to the VAT Act and the support shall be paid out without VAT.
- 11.6.3 Proof of payment of support is not a tax document pursuant to the VAT Act.

#### **11.7 Method of handling complaints concerning settlement**

- 11.7.1 Settlement-related complaints specified in the BTG hereof are binding for support for biomethane production pursuant to the "POZE" Act with the form of green bonuses.
- 11.7.2 Incorrectly entered data, or requests for data correction, are processed in the "POZE" Module upon submission of a complaint in CS OTE by the Producer via user interface.
- 11.7.3 Complaints concerning data incorrectly entered by the Producer, which pertain to a period that has already been settled, must include specification of the production, the period subject to correction and justification of the request. If the complaint is submitted by an authorized Intermediary, identification of the Producer with the registered production source is also required.
- 11.7.4 The standard timeframe for complaint settlement is 60 business days from the date of submission of the complaint by the Producer to CS OTE, assuming all relevant documentation and information has been provided to the Market Operator.
- 11.7.5 Upon request, the Producer shall provide assistance to the Market Operator in handling the complaint. If the Producer fails to respond to the Market Operator's request to cooperate, or refuses to provide additional information, the Market Operator shall have the right to settle the complaint without explanation or additional information.
- 11.7.6 Settlement of support shall be carried out in CS OTE after notification about data correction provided by the Producer.

## **12 FINAL PROVISION**

- 11.1 The Business Terms hereof shall come into effect and become binding for the Market Operator's contractual parties and the Market Operator as of the date of coming into force of approval and posting on OTE's website thereof. The Business Terms hereof are an integral part of contractual relations in electronic form and replace all the previous editions of the Business Terms of OTE, a.s, for the Gas Sector in full. The original hard copy of the Business Terms hereof is deposited at the registered office of the Market Operator.

**The Business Terms hereof have been approved by the Energy Regulatory Office.**