

HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.
(CROATIAN ENERGY MARKET OPERATOR)

Pursuant to Article 89 of the Gas Market Act, Official Gazette 18/2018 (hereinafter referred to as: Act) and the Decision giving consent of the Croatian Energy Regulatory Agency, Class: 310-34/18-06/70, Reg. No. 371-01-18-3) as of 29 May 2018 (hereinafter referred to as: Agency) HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (CROATIAN ENERGY MARKET OPERATOR; hereinafter referred to as: Gas Market Operator) has adopted the

RULES
ON THE ORGANIZATION OF THE GAS MARKET

I. GENERAL PROVISIONS

Scope

Article 1

(1) The Rules on the organization of the gas market (hereinafter referred to as: Rules) shall regulate the organization and functioning of the gas market.

(2) The Rules shall define:

- procedures, principles and standards applied in the organization and functioning of the gas market in accordance with the balance group model;
- organization of balance groups, their responsibilities and keeping the register of the balance responsible parties and their direct members;
- contractual relationships between the gas market operator and balance responsible party, balancing service provider and transmission system operator;
- gas transactions at the virtual trading point;
- trading on the gas trading platform;
- settlement of daily imbalance charges for each balance group;
- settlement of balancing actions, in other words, trading on the trading platform and the activated balancing energy through the use of balancing services;
- calculation of neutrality charges for balancing;
- other rules necessary for the organization and operation of the gas market.

Terms and definitions

Article 2

(1) The terms used in this Rules shall bear the meaning laid down by the primary and secondary legislation establishing the energy sector and regulating the energy activities.

(2) Besides the terms referred to in paragraph 1 hereof these Rules also contain the terms bearing the following meaning:

1. *day ahead* means a single gas day on which the transaction or trading is contracted that is meant to be realized on the following gas day;
2. *EIC (Energy Identification Code)* means a unique code used by each participant on the European energy market;
3. *information system* means a software solution set developed by the gas market operator to manage its business processes;
4. *final report* means a monthly report made by the transmission system operator in accordance with the provisions of the Transmission system's network code;
5. *locational product* means a product traded on a trading platform where there is a precisely defined change in gas ownership i.e. at the specific entry and exit points of the transmission system;
6. *marginal buy price* means the price that used for the calculation where the daily imbalance is negative;
7. *marginal sell price* means the price that is used for the calculation where the daily imbalance is positive;
8. *daily imbalance charge of the balance group* means the amount of money that a balance responsible party pays or receives in respect of the established daily imbalance;
9. *title product* means the product that is traded on the trading platform without a specific location of the change in gas ownership;
10. *neutrality charges* means the amount of money for balancing that shall be paid by or to the balance responsible party concerned according to the principle of neutrality;
11. *neutrality* means the principle according to which the gas market operator should record neither gain nor losses due to the performance of its transmission system balancing activities;
12. *negative daily imbalance* means a negative daily deviation of the balance group where the network user's gas off-takes from the transmission system for that gas day exceed its inputs to the transmission system for that gas day;
13. *negative balancing energy* means quantity of gas off-take from the transmission system or the product that the transmission system operator sells on the trading platform with the view to balancing the transmission system;
14. *negative balancing through the use of balancing services* means quantity of gas off-take from the transmission system by the balancing service provider with the view to balancing the transmission system;
15. *accounting period* means a time period from the first gas day to the last gas day in the month included in the final report;

16. *positive daily imbalance* means a daily deviation of the balance group where the input quantity of gas to the transmission system exceeds the off-take from the transmission system for the gas day concerned;
17. *positive balancing energy* means quantity of gas input in the transmission system or the product that the transmission system operator buys on the trading platform with the view to balancing the transmission system;
18. *positive balancing through the use of balancing services* means quantity of gas input in the transmission system by the balancing service provider with the view to balancing the transmission system;
19. *product* means a short-term standardised product means a product which is traded on the trading platform with the view to changing gas ownership in the transmission system;
20. *average applicable day price* is the price calculated as arithmetic mean of a marginal buy price and a marginal sell price for each gas day;
21. *average applicable price* is the price calculated as arithmetic mean of all average applicable day prices in a particular month;
22. *working day* means all days except Saturday and Sunday and public holidays in the Republic of Croatia;
23. *official website* means the website of the gas market operator (www.hrote.hr);
24. *participants on the trading platform* means the balance responsible party or transmission system operator that meets the mandatory requirements for trading on the trading platform;
25. *transaction* means the volume of gas exchanged between two participants at the virtual trading point;
26. *within day* means a gas day on which the transaction or trading is contracted for the remaining hours of the gas day concerned.

II. BALANCE GROUP MODEL

Article 3

For the purpose of ensuring a smooth-running conduct and settlement of the purchasing transactions in the gas market, balanced gas inputs in the and offtakes from the transmission system and a separation of the financial transactions from the physical gas delivery, the Rules define the responsibilities of the gas market participants based on the balance group model.

Organization of a balance group

Article 4

(1) A balance group is an interest organization of the gas market participants carrying out commercial activities particularly relating to balancing and optimisation of balancing costs whose work is run by the balance responsible party.

- (2) Every gas buyer shall be a member of a balance group.
- (3) The balance group consists of direct and indirect members.
- (4) A direct member of the balance group is a gas supplier or gas trader on behalf of which the balance responsible party files an application to the transmission system operator for the capacity reservation in the transmission system.
- (5) An indirect member of the balance group is the end-buyer of gas that enters into a gas supply contract with the direct member of the balance group.
- (6) The balance group is organized and run by the balance responsible party.
- (7) Where there are two or more gas traders and/or gas suppliers that supply other gas suppliers and/or gas buyers from the transmission system members of the same balance group, they designate one of them to be the balance responsible party.
- (8) The metering point of the end-buyer connected to the distribution network can belong only to one balance group.
- (9) By way of derogation from paragraph 8 hereof the metering point on which at the same time the supplier discharging the service of public interest that is also a direct member of the balance group organized and run by the supplier in the gas wholesale market, supplies both the household and non-household customers, shall belong to two different balance groups.
- (10) The balance responsible party shall be liable for the balancing of the balance group that it runs and organizes, in other words, for the balancing of the per-day gas quantities that are injected into the transmission system and taken from the transmission system so as to ensure that the transmission system operator engages in at least possible balancing actions.
- (11) The balance responsible party shall answer for all costs relating to the balancing and deviations of the balance group it organizes and runs.
- (12) The balance responsible party shall keep the register of the direct members of the balance group that it organizes and runs and shall publish it and update the changes thereof on its website.
- (13) The balance responsible party shall inform the gas market operator and the transmission system operator in writing about any change in data referred to under paragraph 12 hereof.
- (14) The gas market operator shall publish the register of the direct members of all balance groups on its official website and update it following the receipt of the written information referred to in paragraph 13 hereof.
- (15) Should the balance responsible party fail to perform its obligations under the contract referred to in Article 7 paragraph 1 of these Rules, should its license for the performance of energy activities lapse or be revoked, it shall be removed from the Register of balance responsible parties and receive a written notice thereabout from the gas market operator.
- (16) In the case referred to in paragraph 12 hereof the direct member of the balance group shall without delay become a member of an active balance group or organize a new balance group.

Register of balance responsible parties

Article 5

The gas market operator shall keep the Register of balance responsible parties and publish it on its official web site. It shall contain the following data:

- full name of the balance responsible party,
- seat and address of the balance responsible party,
- personal identification number (VAT ID) of the balance responsible party,
- registration number of the balance responsible party,
- EIC of the balance responsible party,
- licence for undertaking energy activities which the BRP performs
- register number of the license for carrying out the energy activity,
- issuance/renewal date of the license for carrying out the energy activity,
- date of entry into the Register of balance responsible parties;
- list of direct members of the balance group.

Entry into the Register of balance responsible parties

Article 6

(1) The application for entry into the Register of balance responsible parties shall be submitted to the gas market operator in a form available in the information system.

(2) The gas market operator shall publish the form referred to under paragraph 1 hereof on its official website.

(3) After the entry into the Register of balance responsible parties has been granted, the applicant enters into a contract with the gas market operator referred to under Article 7 paragraph 1 of these Rules and submits to the gas market operator the relevant payment instruments within a time period not exceeding 10 days from the day the contract has been concluded.

(4) After the requirement under paragraph 3 hereof has been fulfilled, the gas market operator shall issue a certificate to the balance responsible party confirming the entry into the Register of balance responsible parties.

(5) The gas market operator shall inform the Agency, the Ministry and the transmission system operator about the entry into and removal from the Register of balance responsible parties.

III. CONTRACTUAL RELATIONSHIPS

Contractual relationships with the gas market operator

Article 7

(1) The gas market operator and the balance responsible party shall regulate their rights and obligations under the Contract regulating mutual rights and obligations between the gas market

operator and the balance responsible party. The form of the standard contract concerned is a constituent part of these Rules available in Appendix 1.a and Appendix 1.b hereof.

(2) The gas market operator and the balancing service provider in the case of negative balancing through the use of balancing services shall regulate their rights and obligations under the Contract on the settlement of negative imbalance. The form of the standard contract concerned is a constituent part of these Rules available in Appendix 2.a and 2.b hereof.

(3) The gas market operator and the balancing service provider in the case of positive balancing through the use of balancing services shall regulate their rights and obligations under the Contract on the settlement of positive imbalance. The form of the standard contract concerned is a constituent part of these Rules available in Appendix 3 hereof.

(4) The gas market operator and the transmission system operator shall regulate the mutual rights and obligations under Contract regulating mutual rights and obligations between the gas market operator and the transmission system operator. The form of the standard contract concerned is a constituent part of these Rules available in Appendix 4 hereof.

(5) The gas supplier, gas trader, transmission system operator and distribution system operator shall conclude an Agreement on the access to the information system of the gas market operator using the form available on the official website.

Payment security

Article 8

(1) The payment guarantee that the balance responsible party is obligated to submit to the gas market operator when concluding the contract referred to under Article 7 paragraph 1 of these Rules is a bank guarantee or cash deposit.

(2) The calculation of the exact amount to secure the payment referred to under paragraph 1 hereof shall be determined by the relevant standard contract referred to under Article 7 paragraph 1 of these Rules.

(3) The payment guarantee that the balancing service provider in the case of negative balancing through the use of balancing services is obliged to submit to the gas market operator when concluding the contract referred to under Article 7 paragraph 2 of these Rules is a bank guarantee or cash deposit.

(4) The amount of the payment guarantee under paragraph 3 hereof shall be determined by the relevant standard contract referred to under Article 7 paragraph 2 of these Rules.

(5) Where the payment guarantee referred to under paragraphs 1 and 3 hereof indicates unfunded monthly liabilities the gas market operator is entitled to ask for additional payment instruments that would settle the monthly liabilities.

IV. TRANSACTIONS AT THE VIRTUAL TRADING POINT

Article 9

- (1) A balance responsible party reserves the right to register a transaction at the virtual trading point.
- (2) The gas market operator shall enable the balance responsible parties to notify the transactions at the virtual trading point on a day-to-day basis.
- (3) The notified transaction referred to in paragraph 2 hereof shall contain the following information:
 - full name and EIC of the seller;
 - full name and EIC of the buyer;
 - gas day/s relating to the transaction;
 - quantity of gas expressed in kWh for the gas day/s relating to the transaction;
 - quantity of gas expressed in kWh for the remaining hours of the gas day where the transaction is notified within gas day.
- (4) The balance responsible parties shall independently arrange their mutual rights and obligations arising from the notified transaction at the virtual trading point, without any interference from the transmission system operator and gas market operator.

Article 10

- (1) The balance responsible parties shall reconcile the notified transactions at the virtual trading point using the information system of the gas market operator not later than 05:00 hours of the current gas day for the following gas day/days, in other words, at least 30 minutes before the transaction has been carried out within gas day.
- (2) Using its information system, the gas market operator shall in not later than 30 minutes inform:
 - the transaction participants about the notified and accepted transaction;
 - the transmission system operator on the accepted transactions between the transaction participants.
- (3) An accepted transaction at the virtual trading point for gas day shall not affect the amount of the previously accepted transactions for the same gas day.
- (4) On a day-to-day basis until 09:00 hours of the current day the gas market operator shall ensure the transmission system operator and the Agency access to the daily report on all accepted transactions at the virtual trading point on the previous gas day. The daily report shall consist of the following information about each transaction:
 - full name and EIC of the seller;
 - full name and EIC of the buyer;
 - quantity of gas involved in the transaction expressed in kWh/d;
 - hourly volume of gas in the transaction expressed in kWh/h;
 - unique transaction code.

(5) The gas market operator shall submit to the Agency the aggregate monthly report including all accepted transactions at the virtual trading point. The aggregate monthly report shall include a list of accepted transactions at the virtual trading point allotted accordingly to each balance responsible party as well as a detailed description of the accepted transactions per each day. The report shall be submitted not later than on the 25th day of the month for the previous month.

V. Trading on trading platforms

Article 11

(1) A trading platform means an electronic platform provided and operated by the gas market operator where trading in products is possible.

(2) A trading platform provides transparent and non-discriminatory trading and ensures anonymous trading in products in line with the Guidelines for the use of trading platform (hereinafter referred to as: Guidelines).

(3) The gas market operator shall publish on its official website the Guidelines that describe the trading on the trading platform and its working hours.

(4) The gas market operator shall inform all the trading participants on the trading platform and the Agency about any change in the Guidelines at least 15 days before the revisions have been published on its official website.

(5) The balance responsible party and the transmission system operator have the right to carry out trades on the trading platform pursuant to an Agreement concluded within the meaning of Article 7 paragraph 5 of these Rules.

(6) The trading on the trading platform is performed in title products and locational products on a day-to-day basis.

(7) Locational products can be traded exclusively between the transmission system operator and the balance responsible party.

(8) The balance responsible party can offer a locational product at the entry points to the transmission system and the exist points of the transmission system that have been determined by the transmission system operator provided that the transmission system capacities have been established at the points concerned.

(9) The gas market operator is entitled to deny access to the trading platform to a balance responsible party that violates the provisions set up in these Rules.

Article 12

(1) The products may be offered within gas day or for the following gas day – day ahead.

(2) The posted offer shall contain the following information:

- type of offer – sale or purchase;
- point of sale or purchase (connection point's name and code);

- gas day referred to in the offer;
- unit price expressed in HRK/MWh;
- quantity of gas expressed in kWh/day.

(3) Every offer referred to in paragraph 2 hereof shall be assigned a unique product code.

(4) The trading shall be deemed concluded by the acceptance of the offer by the trading participant on the trading platform.

(5) After each trade has been concluded the gas market operator shall without undue delay:

- make available to the trading participants in the trading concerned sufficient details to confirm the trade;
- submit trade notification to the transmission system operator about the trading participants, quantities of gas and the day of delivery with respect to the trading concerned;
- publish on the trading platform and on the official website the evolution of the marginal buy price and the marginal sell price after each trade without undue delay as well as an overview of the previously set prices.

(6) The gas market operator shall ensure to the transmission system operator and the Agency access to daily reports on concluded trades on the trading platform on the previous gas day on a day-to-day basis until 09:00 hours on the current day. For every trading concluded such a report shall contain the following information:

- full name and EIC of the seller;
- full name and EIC of the buyer;
- traded quantity of gas expressed in kWh/day;
- hourly quantity of gas with respect to the trading expressed in kWh/h;
- unique trading code;
- point of sale or purchase (connection point's name and code);
- gas day or trading delivery days.

(7) The gas market operator shall submit to the Agency the aggregate monthly report of all the trades on the trading platform. The aggregate monthly report shall contain a list of trades for each balance responsible party and for each day. The report shall be submitted not later than on the 25th day in the month for the previous month.

VI. DAILY IMBALANCE CHARGE CALCULATION

Daily imbalance of the balance group

Article 13

Daily imbalance of the balance group shall be determined by the transmission system operator and submitted in the final report to the gas market operator.

Applicable price

Article 14

(1) Applicable price is the price used for daily imbalance charge calculation. It shall be determined for each gas day as a marginal sell price and a marginal buy price.

(2) A marginal sell price is the lower of:

- the lowest unit price of the product that was used by the transmission system operator as the negative energy balancing on the gas day concerned, or
- the weighted average price of gas in respect of that gas day, minus 10 %.

(3) A marginal buy price is the higher of:

- the highest unit price of the product that was used by the transmission system operator as the positive energy balancing on the gas day concerned, or
- the weighted average price of gas in respect of that gas day, plus 10 %.

(4) The weighted average price of gas shall be the weighted average price of the prices per unit relating to the concluded trades in title products, in other words, quantities of gas traded between balance responsible parties, carried out on the trading platform in respect of a gas day.

(5) Where there have been no trades carried out on the gas trading platform on a particular gas day the derivation of a marginal sell price and a marginal buy price shall be based on the marginal sell price and the marginal buy price recorded on the last gas day on which trades have been concluded on the gas trading platform.

(6) The gas market operator shall publish the following information on its official website for each gas day:

- a marginal buy price;
- a marginal sell price;
- the average applicable day price;
- the price of positive balancing through the use of balancing services
- the price of negative balancing through the use of balancing services.

(7) After the month has passed the gas market operator shall publish on its official website the month average applicable price derived in the preceding month.

Daily imbalance charge calculation for the balance group

Article 15

(1) Based on the final report the gas market operator shall calculate the daily imbalance charge for the balance group and communicate it to the balance responsible party until 16:00 hours of the third working day of the month after the final report for the previous month has been published.

(2) To calculate the daily imbalance charge for the balance group the gas market operator shall multiply the balance group's daily imbalance quantity on a particular gas day by the determined applicable price.

(3) If the balance group's daily imbalance quantity for the particular gas day is positive, to calculate the daily imbalance charge for the balance group the gas market operator shall multiply the determined balance group's daily imbalance quantity by the marginal sell price for that particular gas day.

(4) If the balance group's daily imbalance quantity for the particular gas day is negative, to calculate the daily imbalance charge for the balance group the gas market operator shall multiply the determined balance group's daily imbalance quantity by the marginal buy price for that particular gas day.

(5) The total balance group's positive daily imbalance charge in the settlement period equals the sum of all the positive daily imbalance charges.

(6) The total balance group's negative daily imbalance charge in the settlement period equals the sum of all the negative daily imbalance charges.

(7) If for a particular balance group, the aggregate positive daily imbalance charge is higher than the aggregate negative daily imbalance charge, the balance responsible party shall invoice the gas market operator for the difference in the respective charges not later than on the 20th day of the month for the previous month.

(8) If for a particular balance group, the aggregate negative daily imbalance charge is higher than the aggregate positive daily imbalance charge, the gas market operator shall invoice the balance responsible party for the difference in the respective charges within the time period specified under paragraph 1 hereof.

(9) The gas market operator shall communicate the calculated daily imbalance charges of all balance groups to the Agency until the 25th day of the month for the previous month.

VII. SETTLEMENT OF BALANCING ACTIONS

Article 16

(1) The transmission system operator shall undertake balancing actions by buying or selling of products on the trading platform and/or by activating the balancing energy through the use of balancing services.

(2) The gas market operator shall carry out the settlement for the balance responsible party that participated in the trading of products on the trading platform with respect to the balancing actions undertaken by the transmission system operator and for the balancing energy provider through the use of balancing services.

Settlement of trading on the trading platform

Article 17

(1) Based on the final report the gas market operator shall settle the concluded trades in products on the trading platform with respect to the balancing actions undertaken by the transmission system operator. It shall submit the settlement concerned to the balance responsible party not later than until 16:00 hours on the third working day after the day on which the final report for the previous month has been published.

(2) The cash amount for the product on the trading platform is obtained by multiplying the unit price and the quantity of gas.

(3) For the balance responsible party, the gas market operator shall determine the total cash amount for the product used by the transmission system operator for negative balancing energy and the total cash amount for the product used by the transmission system operator for positive balancing energy.

(4) If the total cash amount for the products used as negative balancing energy is higher than the total cash amount for the products used as positive balancing energy, the gas market operator shall invoice the balance responsible party for the difference in the respective cash amounts within the time period specified under paragraph 1 hereof.

(5) If the total cash amount for the products used as positive balancing energy is higher than the total cash amount for the products used as negative balancing energy, the balance responsible party shall invoice the gas market operator for the difference in the respective cash amounts not later than until the 20th day of the month for the preceding month.

(6) The trade settlements involving the trades on the trading platform shall be submitted by the gas market operator to the Agency and the transmission system operator until the 25th day of the month for the preceding month.

(7) The balance responsible parties shall be independent in regulating their contractual relationships relating to trades on the trading platform with no interference of the gas market operator and comply with the provisions under the Regulation (EU) no 1227/2011 of the European parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency.

Settlement of activated balancing energy through the use of balancing services

Article 18

(1) Based on the final report the gas market operator shall settle the activated negative or positive balancing energy through the use of balancing services. It shall submit the settlement concerned to the balancing service provider with respect to the negative or positive balancing energy not later than until 16:00 hours on the third working day after the day on which the final report for the previous month has been published.

(2) The cash amount for activated negative or positive balancing energy through the use of balancing services is obtained by multiplying the unit price and the quantity of activated balancing energy.

(3) The unit price referred to under paragraph 2 hereof shall be determined within the meaning of the contract concluded between the transmission system operator and the balancing service provider with respect to the negative or positive balancing energy.

(4) For the calculated cash amount relating to the activated negative balancing energy through the use of balancing services the gas market operator shall invoice the balancing service provider with respect to the negative balancing energy through the use of balancing services within a time period referred to in paragraph 1 hereof.

(5) For the calculated cash amount relating to the activated positive balancing energy through the use of balancing services the balancing service provider with respect to the positive balancing energy through the use of balancing services shall invoice the gas market operator not later than until the 20th day in the month for the preceding month.

(6) If the balancing service provider with respect to the negative or positive balancing energy through the use of balancing services is one and the same legal entity and if the total cash amount for the activated negative balancing energy is higher than the total cash amount for the activated positive balancing energy, the gas market operator shall invoice the balancing service provider with respect to the balancing energy through the use of balancing services for the difference in the respective cash amounts within the time period specified under paragraph 1 hereof.

(7) If the balancing service provider with respect to the negative or positive balancing energy through the use of balancing services is one and the same legal entity and if the total cash amount for the activated negative balancing energy is lower than the total cash amount for the activated positive balancing energy, the balancing service provider through the use of balancing services shall invoice the gas market operator for the difference in the respective cash amounts not later than until the 20th day in the month for the preceding month.

(8) The settlements of activated balancing energy through the use of balancing services shall be submitted by the gas market operator to the Agency and the transmission system operator until the 25th day of the month for the preceding month.

VIII. CALCULATION OF NEUTRALITY CHARGES FOR BALANCING

Article 19

(1) For any settlement period the gas market operator shall determine the sum of all cash amounts deriving from the settlements of daily imbalance charges for the balance group, charges for trading on the trading platform with respect to the balancing actions of the transmission system operator and charges for activated balancing energy through the use of balancing services. Additionally, the gas market operator calculates the gain or loss on the account of the gas market operator in the settlement period concerned.

(2) For the gain or loss on the account of the gas market operator, the gas market operator calculates the neutrality charge for balancing that is submitted to the balance responsible party not later than until 16:00 hours of the third day after the final report for the previous month has been published.

(3) If after making the calculations of the neutrality charge for balancing referred to in paragraph 2 hereof the gas market operator makes gain, the balance responsible parties whose daily imbalances have been of the opposite sign from the sign of the total daily imbalance of all balance groups shall receive a cash amount that is calculated by the gas market operator in accordance with the following formula:

$$D_{bs} = \frac{\sum_{i=1}^n |q_{bs,i}|}{\sum_{i=1}^n |q_{BS,i}|} \cdot D_{OTP} \text{ [kn]}$$

Where:

D_{bs} - is the calculated neutrality charge for balancing receivable by a particular balance group [HRK];

$q_{bs,i}$ - is the daily imbalance of a particular balance group that is of the opposite sign from the sign of the total daily imbalance of all balance groups [kWh];

$q_{BS,i}$ - is the total daily imbalance of the balance groups whose daily imbalance is of the opposite sign from the sign of the total daily imbalance of all balance groups [kWh];

D_{OTP} - is the gain on the account of the gas market operator that is subject to calculation of neutrality charge [HRK];

$i=1\dots n$ - is the number of gas days in the settlement period.

(4) The balance responsible party of the balance group entitled to receiving the calculated neutrality charge shall invoice the gas market operator specifying the amount of neutrality charge concerned at the latest until the 20th day of the month for the previous month.

(5) If after the making the calculations of the neutrality charge for balancing referred to in paragraph 2 hereof the gas market operator makes a loss, the balance responsible parties whose daily imbalances have been of the same sign as the sign of the total daily imbalance of all balance groups shall pay to the gas market operator a cash amount that is calculated in accordance with the following formula:

$$G_{bs} = \frac{\sum_{i=1}^n |q_{bs,i}|}{\sum_{i=1}^n |q_{BS,i}|} \cdot G_{OTP} \text{ [kn]}$$

Where:

G_{bs} - is the amount of the calculated neutrality charge for balancing payable by a particular balance group [HRK];

$q_{bs,i}$ - is the daily imbalance of a particular balance group that is of the same sign as the sign of the total daily imbalance of all balance groups [kWh];

$q_{BS,i}$ - is the total daily imbalance of the balance groups whose daily imbalance is of the same sign as the sign of the total daily imbalance of all balance groups [kWh];

G_{OTP} – is the loss on the account of the gas market operator used for the calculation of neutrality charge [HRK];

$i=1...n$ – is the number of gas days in the settlement period.

(6) The gas market operator shall invoice the balance responsible party for the neutrality charge amount payable by the particular balance group within a time period specified under paragraph 2 hereof.

(7) The gas market operator shall submit the calculation of the neutrality charge for balancing to the Agency until the 25th day of the month for the preceding month.

IX. CALCULATION OF THE NOMINATION IMBALANCE

Article 20

(1) Based on the final report the gas market operator shall calculate the nomination imbalance and submit it to the balance responsible party no later than until 16:00 hours on the third working day after the final report for the previous month has been published.

(2) Nomination imbalance shall (ΔN_{bs}) shall be calculated in an absolute amount for each balance group and gas day, applying the following formula:

$$\Delta N_{bs} = |N_{bs} - V_{bs}| \text{ [kWh]}$$

Where:

N_{bs} – is the gas quantity nominated at the exit points of the transmission system for an end buyer connected to the transmission system or at the entry points to the transmission system from gas generation (gas pipeline network) in a gas day, determined for each balance group based on the information on determined gas quantities from the final report in [kWh],

V_{bs} – is the gas quantity taken from the transmission system at the exit points of the transmission system for an end buyer connected to the transmission system or fed-in at the entry points to the transmission system from gas generation (gas pipeline network) in a gas day, determined for each balance group based on the information on the determined gas quantities from the final report in [kWh].

(3) The nomination imbalance figure calculated for a gas day is obtained by multiplying of the 3 % of the average applicable price and the nomination imbalance.

(4) Where at the end of a gas day nomination imbalance (ΔN_{bs}) has been established for a particular balance group, the gas market operator shall invoice the balance responsible party for the difference in the amounts within the time period referred to in paragraph 1 hereof.

(5) The gas market operator shall use the collected amounts referred to in paragraph 4 hereof and make payments to the forecasting party.

(6) The gas market operator shall submit the aggregate figures relating to nomination imbalance calculation for each balance group to the Agency until the 25th day of the month for the previous month.

X. SETTLEMENT BREAKDOWN

Article 21

(1) The settlement relating to calculation of daily imbalance charges of a balance group, for the balance responsible party, for a settlement period, shall contain the following information:

- total quantity of positive daily imbalance of the balance group expressed in kWh;
- total amount of positive daily imbalance charges of the balance group expressed in HRK;
- total quantity of negative daily imbalance of the balance group expressed in kWh;
- total amount of negative daily imbalance charges of the balance group expressed in HRK;
- total amount of calculated daily imbalance charges of the balance group expressed in HRK;
- quantity of gas input into the transmission system on every day of the settlement period expressed in kWh;
- quantity of gas off-take from the transmission system on every day of the settlement period expressed in kWh;
- quantity of positive imbalance of the balance group on every day of the settlement period expressed in kWh;
- quantity of negative imbalance of the balance group on every day of the settlement period expressed in kWh;
- marginal sell price on every day of the settlement period expressed in HRK/kWh;
- marginal buy price on every day of the settlement period expressed in HRK/kWh;
- amount of daily imbalance charge on every day of the settlement period expressed in HRK.

(2) The settlement relating to the trading on the trading platform for the balance responsible party that has concluded the trade/s in products on the trading platform with the transmission system operator, in a settlement period, shall contain the following information:

- total quantity of products used as negative balancing energy expressed in kWh;
- total cash amount for products used as negative balancing energy expressed in HRK;
- total quantity of products used as positive balancing energy expressed in kWh;
- total cash amount for products used as positive balancing energy expressed in HRK;
- total amount of the settled trades of the balance group on the trading platform expressed in HRK;
- unique code of each concluded trade;
- type of product in each concluded trade;
- volume of products in each concluded trade expressed in kWh;
- unit price of the product in each concluded trade expressed in HRK/kWh;
- cash amount for products in each concluded trade expressed in HRK.

(3) The settlement of the activated balancing energy for the provider of balancing services, in a settlement period, shall contain the following information:

- total quantity of activated balancing energy through the use of balancing services expressed in kWh;
- cash amount for the total activated balancing energy through the use of balancing services expressed in HRK;
- per day activated balancing energy through the use of balancing services expressed kWh;
- unit price for the balancing energy through the use of balancing services expressed in HRK/kWh.

(4) The settlement of the neutrality charge for each balance group, for the balance responsible party, in a settlement period, shall contain the following information:

- total daily imbalance of all balance groups expressed in kWh;
- daily imbalance of the balance group expressed in kWh;
- absolute daily imbalance of the balance group of the opposite sign from the sign of the total daily imbalance of all balance groups expressed in kWh;
- absolute daily imbalance of the balance group of the same sign as the sign of the total daily imbalance of all balance groups expressed in kWh;
- sum of absolute daily imbalances of all balance groups of the same sign as the total daily imbalance of all balance groups expressed in kWh;
- sum of absolute daily imbalances of all balance groups of the opposite sign from the total daily imbalance of all balance groups expressed in kWh;
- balance group's share in neutrality charge in the case of loss expressed as %;
- balance group's share in neutrality charge in the case of gain expressed as %;
- total amount of the calculated daily imbalance charge for all balance groups expressed in HRK;
- total accounted amount of the concluded trades on the trading platform expressed in HRK;
- total amount of the accounted activated balancing energy through the use of balancing services expressed in HRK;
- statement of account (gain/loss) of the gas market operator expressed in HRK;
- total amount of settled neutrality charge expressed in HRK.

(5) The settlement of nomination imbalance for the balance responsible party, in the settlement period, shall contain the following information:

- nominated quantity of gas at the exit points from the transmission system or at the entry points to the transmission system for which nomination imbalance has been calculated, expressed in kWh;
- quantity of gas off-take at the exit points of the transmission system or quantity of gas inflow at the entry points of the transmission system for which nomination imbalance has been calculated, expressed in kWh;
- nomination imbalance expressed in kWh;
- quantity that has been calculated for nomination imbalance expressed in kWh,
- average applicable price expressed in HRK;
- cash amount relating to nomination imbalance expressed in HRK.

(6) The gas market operator shall publish on its official website the aggregated data with respect to all settlements referred to under Chapter VI, VII and VIII hereof until the 25th day of the month for the preceding month.

XI. TRANSITIONAL AND FINAL PROVISIONS

Contractual relationship with the balance responsible party

Article 22

Contracts regulating the relationships with the balance responsible party that have been concluded under the Rules on the organization of the gas market (HROTE, 3/2017) shall remain in force.

Article 23

All the Agreements on the access to the software solution package supporting the gas market operator's processes that have been concluded with balance responsible parties under the Rules on the organization of the gas market (HROTE, 3/2017) shall remain in force.

Article 24

These Rules shall be revised upon the proposal of the gas market operator or upon the request of the Agency following the same procedure used in the adoption of these Rules.

Article 25

The Rules on the organization of the gas market (HROTE, 3/2017) shall lapse from the date of entry into force of these Rules, except for Article 14, Article 20 and Article 21 paragraph 5 that lapse on 1 July 2018.

Article 26

These Rules shall be published in the Official Gazette and come into force on the eighth day from the publication day, save Article 14, Article 20 and Article 21 paragraph 5 that come into force on 1 July 2018.

Class: 310-05/18-01/05

Reg. No. 251-544-05-18-1

Zagreb, 29 May 2018

Director: Boris Abramović m.p.

Appendix 1.a

CONTRACT REGULATING MUTUAL RIGHTS AND OBLIGATIONS BETWEEN THE GAS MARKET OPERATOR AND THE BALANCE RESPONSIBLE PARTY

HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (HROTE) (Croatian Energy Market Operator), Ulica Grada Vukovara 284, 10 000 Zagreb, OIB (VAT ID): HR75801633608, represented by its director _____(hereinafter referred to as: Gas market operator),

and

_____(name of the balance responsible party),
_____(address), _____(town), OIB (VAT ID) _____,

represented by _____ (hereinafter referred to as: Balance responsible party),

pursuant to Article 50 item 4 of the Gas Market Act, Official Gazette 18/2018 (hereinafter referred to as: Act) and Article 7 paragraph 1 of the Rules on the organization of the gas market, _____ (hereinafter referred to as: Rules),

on the date of _____ entered into the following

CONTRACT REGULATING THE MUTUAL RIGHTS AND OBLIGATIONS BETWEEN THE GAS MARKET OPERATOR AND THE BALANCE RESPONSIBLE PARTY

Contract ID: BRP _____ (name of the balance responsible party) __ (no)/ __ (yy)

Article 1

The subject of this Contract are payments and payment security for all costs and fees according to the Rules on the payment of yearly and monthly fee for providing the services of the organization of the gas market as public service.

Article 2

- (1) The Balance responsible party shall be obliged, based on the calculation of the Gas market operator, to pay the invoice to the Gas Market Operator within 10 days from the day of issuance.
- (2) The Balance responsible party shall be obliged, based on the calculation and notice from the Gas Market Operator, to issue the invoice to the Gas Market Operator on the working day, until the 20th day of the current months at the latest.
- (3) The Gas market operator is obliged to pay to the Balance responsible party the invoice from paragraph 2 of this article at the latest within 10 days from the day of the issuance of the invoice.

Article 3

- (1) In case of the late payment, the Statutory Default Interest shall be applied.

- (2) The Balance responsible party may within 8 days from the receipt of the invoice, dispute the invoice, in writing, which does not relieve him from the payment of the total disputed amount.
- (3) The Gas Market operator is obliged, within 15 days, to consider the complaint together with the transmission system operator. In case of the acceptance of the complaint, the Gas Market Operator shall correct and submit to the Balance responsible party new invoice with the credit and/or debit note.

Article 4

- (1) The Balance responsible party is obliged to the Gas market operator to pay the yearly and monthly fee for the services of the organization of gas market as the public service, which fee is defined by the decision of the competent authority.
- (2) The Gas market operator shall issue the invoice for the yearly fee in the current year.
- (3) The Gas market operator shall issue the invoice for the monthly fee until the 20th day of current month for the previous month.
- (4) The Balance responsible party is obliged to pay the invoices from paragraph 2 and paragraph 3 of this article within 15 days from the day of issuance.

Article 5

- (1) The amount for the payment security shall be calculated on the data given by the transmission system operator for the reserved capacity, in the way that the share of the total reserved capacity at the entries and exits of the transport system on the yearly level for the balance group within the total reserved capacity at the entries and the exits of the transport system on the yearly level of all balance groups, expressed in percentage, shall be multiplied with 100,000 HRK (one hundred thousand Kuna).
- (2) The minimum amount of the security payment shall be 500,000 HRK (five hundred thousand Kuna).
- (3) If the determined amount of the security payment as per paragraph 1 of this article, is higher than the minimum 500,000 HRK (five hundred thousand Kuna), the amount of the security payment shall be mathematically rounded off to the larger amount which is multiple of the number 100,000.
- (4) The Balance responsible party that has not reserved the transmission system capacity shall have the instrument for security payment in the minimum amount as per paragraph 2 of this article.

Article 6

- (1) The Balance responsible party shall be obliged, within 10 days from the signature of this Contract and for the purpose of securing the payment, to submit non-transferrable, irrevocable and unconditional bank guarantee, in the name of the Gas market operator, payable at its first written demand, in a stipulated format, in the amount of 500.000,00 Kuna (five hundred thousand Kuna) issued by a commercial bank acceptable to the Gas market operator, with validity of 12 months.
- (2) The acceptable bank as per paragraph 1 of this article, shall be bank with business seat in the Republic of Croatia which fulfills the following major conditions: the rate of the basic, regular capital at minimum 4.5 %, the rate of the basic capital at minimum 6% and the rate of the

total (regulatory) capital at minimum of 8%. If the business seat of the bank is outside of the Republic of Croatia, the bank of the Balance responsible party shall send, through SWIFT message, the bank guarantee to the Gas market operator, whose bank shall then check the credit rating of the bank of the Balance responsible party.

- (3) The Balance responsible party shall be obliged, at the latest until the expiry date of the bank guarantee defined in paragraph 1 of this article, submit to the Gas market operator the new security payment instrument, which kind and the amount shall be defined by the Gas market operator in accordance with the article 5 of this Contract and the average claims towards the Balance responsible party during previous 3 months.

Article 7

- (1) In case that the submitted security payment instrument does not cover the monthly obligation, the Balance responsible party shall deliver additional security payment instrument within 10 days from the receipt of the written request of the Gas market operator, which covers such monthly obligation.
- (2) After part or total amount of the security payment instrument is activated, the Balance responsible party shall be obliged, within 10 days from the receipt of the written request, submit to the Gas market operator a new security payment instrument in the same amount.

Article 8

This Contract shall be concluded for indefinite time. In case of the change of laws and regulations, the Parties shall conclude an annex to the Contract concerned or a new contract.

Article 9

- (1) The Gas market operator can terminate this Contract if the Balance responsible party does not fulfill the obligations accepted by this Contract or if the license for the provision of energy activities has revoked.
- (2) The Gas market operator shall be obliged, before submitting the termination notice of the Contract, to send to the Balance responsible party the preliminary written warning stating the nonfulfillment of the accepted obligations and the possibility for termination of the Contract in case of further nonfulfillment.

Article 10

- (1) In case of termination of this Contract, the Contract Parties shall be obliged to settle all mutual claims arising out of this Contract, from the day of the signature until the termination of this Contract.
- (2) After termination of this Contract the Balance responsible party shall be cancelled from the Register of balance responsible parties.

Article 11

- (1) The Contract Parties are agreed that the fulfillment of this Contract shall be suspended temporary only in case of Force Majeure as defined in the Energy Act and in such case the Parties shall be obliged to inform each other in the written form.

- (2) This Contract shall start to be executed immediately upon termination of Force Majeure mentioned in paragraph 1 of this article and in such case the Parties shall be obliged to inform each other in the written form.

Article 12

- (1) The Parties to this Contract shall be obliged to use all exchanged data and information only for the purpose of execution of this Contract, respecting the confidentiality of such data.
- (2) Gas market operator shall use, for the purpose of all calculations under this Contract, the official data received from the transmission system operator.
- (3) The obligation to keep the data confidential shall continue after the termination of this Contract.

Article 13

- (1) The Contract parties shall nominate persons authorized for the communication and execution of this Contract.
- (2) The Contract parties shall inform each other in writing about any change of the nominated persons as per paragraph 1 of this article.

Article 14

- (1) The Contract parties shall all potential disputes arising out of this Contract resolve by mutual agreement.
- (2) In the case that the Parties fail to resolve the dispute by the mutual agreement, the Parties agree the dispute will be settled by competent court in Zagreb.
- (3) The relevant law applicable to the settlement of possible disputes under this Contract is the law of the Republic of Croatia.

Article 15

If any of the provisions under this Contract becomes invalid, all other provisions under the Contract shall remain in force and produce legal effects.

Article 16

- (1) The Balance responsible party shall inform the Gas market operator about any changes in the name of the company, its seat and status as the gas market participant at the latest within 8 days from such change.
- (2) The Parties to the Contract agree that all notices shall be submitted to the address of the Balance responsible party as defined in this Contract. In the case of failure, the notice shall be submitted to the business seat address of the Balance responsible party as stated in the Registry. In case of failure of such delivery, the notices shall be put on the notice-board of the Gas market operator. It shall be deemed that the delivery of notices is completed after 8 days the notice has been put on the notice-board.

Article 17

If the Balance responsible party does not fulfill the obligations arising out of this Contract, the Gas market operator shall inform the competent ministry and the Croatian Energy Regulatory Agency about the nonfulfilment of the obligations in writing.

Article 18

This Contract is concluded in 4 (four) identical copies whereby each Contracting Party receives 1 (one) copy whereas 1 (one) copy shall be delivered to the competent ministry and 1 (one) to the Croatian Energy Regulatory Agency.

In case of any discrepancies between the English and Croatian version, to the extent permissible by the law, the Croatian version shall prevail.

Class: _____

Reg. No. _____

Signed, for and on behalf of the Gas market operator

(signature and seal)

Signed, for and on behalf of the Balance responsible party

(signature and seal)

List of persons in charge of communication and implementation of the Contract

	Gas market operator	Balance responsible party
Operational tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Legal affairs		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Finance and accounting tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		

Bank guarantee format

_____ (name, seat and OIB (VAT ID) of the bank issuing the guarantee) (hereinafter: Guarantor) pursuant to the Contract _____ (name and number of the contract between the client applicant with the bank pursuant to which the guarantee is being issued) is issuing upon request for and on behalf of the company _____ (name, seat and OIB (VAT ID) of the Balance responsible party) (hereinafter: Applicant), and in favour of the company HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (HROTE) (Croatian Energy Market Operator), with its seat in Zagreb, Ulica Grada Vukovara 284, OIB (VAT ID): HR75801633608, founded under the laws of the Republic of Croatia (hereinafter: Beneficiary) an non-transferrable, irrevocable, unconditional guarantee for proper performance of contractual obligations, payable on first demand, quote:

BANK GUARANTEE No. _____ for proper payment under contractual obligations

1. We have been informed that pursuant to the Energy Act, the Gas Market Act and the Rules on the organization of the gas market the Beneficiary and the Applicant have concluded the CONTRACT REGULATING THE MUTUAL RIGHTS AND OBLIGATIONS BETWEEN THE GAS MARKET OPERATOR AND THE BALANCE RESPONSIBLE PARTY, Contract No. _____ DD _____, (hereinafter: Contract) according to which the Applicant is obliged to make payments to the Beneficiary fulfilling herewith its financial obligations under the Contract.

2. According to the legally binding Contract terms the Applicant has undertaken the obligation to get a bank guarantee for the Beneficiary regarding the payment of its obligations under the Contract in the amount of _____ Kuna (please enter the amount specified under the Contract), on the basis of which the bank guarantees payment in full or in part, should the Applicant fail to fulfil the undertaken obligations under the Contract.

3. In consideration of the aforesaid, upon the request of the Applicant, with respect to the performance of the provisions of the Contract, the Guarantor hereby issues an irrevocable and unconditional guarantee for the Applicant and undertakes to pay to the Beneficiary, regardless of any complaint by the Applicant, its bank/banks and/or any other person who would claim that it operates for and on behalf of the Applicant, any amount under this Guarantee claimed by the Beneficiary up to the maximum of _____ Kuna (please specify the amount) (in words: _____) upon the presentation of the first demand in paper form of the Beneficiary delivered by the registered mail to the address of the Guarantor _____ (please specify the address of the Guarantor), stating that the Applicant has failed to meet its payment obligations thereunder in due time, and supporting its statement with the photocopies of the unsettled bills. For the purpose of identity verification, the bank of the Beneficiary shall verify the reference to this guarantee and confirm to the Guarantor the authenticity and validity of the Beneficiary's signature appearing on the Beneficiary's demand. The obligations under this Guarantee shall be automatically reduced by any amount paid by the Guarantor hereunder.

4. This Guarantee shall remain valid for 12 months from the day of its entry into force but not later than _____ (date).

5. After the expiry date of the Guarantee, the Beneficiary shall return to the Guarantor the original copy of this Guarantee. After the expiry date of this Guarantee the Guarantor's liabilities to the

Beneficiary hereunder shall expire in full, regardless of the fact whether the original copy of this Guarantee has been returned to the Guarantor or not.

6. This Guarantee shall enter into force on the day of its issuance.

7. Any disputes regarding this Guarantee shall be settled by the Commercial Court in Zagreb.

8. This Guarantee has been drawn up in 1 (one) original copy.

9. This Guarantee is subject to the Uniform rules for demand guarantees (URDG) 2010 revision, ICC publication no. 758.

Place and date of issue

For the Guarantor _____ (name of the issuing bank)

_____ (name and surname of the authorised officer)

_____ (position of the authorised officer)

(seal and signature)

Appendix 1.b

CONTRACT REGULATING MUTUAL RIGHTS AND OBLIGATIONS BETWEEN THE GAS MARKET OPERATOR AND THE BALANCE RESPONSIBLE PARTY

HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (HROTE) (Croatian Energy Market Operator), Ulica Grada Vukovara 284, 10 000 Zagreb, OIB (VAT ID): HR75801633608, represented by its director _____ (hereinafter referred to as: Gas market operator),

and

_____ (name of the balance responsible party),
_____ (address), _____ (town), OIB (VAT ID) _____,

represented by _____ (hereinafter referred to as: Balance responsible party),

pursuant to Article 50 item 4 of the Gas Market Act, Official Gazette 18/2018 (hereinafter referred to as: Act) and Article 7 paragraph 1 of the Rules on the organization of the gas market, _____ (hereinafter referred to as: Rules),

on the date of _____ entered into the following

CONTRACT REGULATING THE MUTUAL RIGHTS AND OBLIGATIONS BETWEEN THE GAS MARKET OPERATOR AND THE BALANCE RESPONSIBLE PARTY

Contract ID: BRP _____ (name of the balance responsible party) __ (no)/ __ (yy)

Article 1

The subject of this Contract are the payment and the payment security for all costs and fees according to the Rules on the payment of yearly and monthly fee for providing the services of the organization of the gas market as public service.

Article 2

- (1) The Balance responsible party shall be obliged, based on the calculation of the Gas market operator, to pay the invoice to the Gas Market Operator within 10 days from the day of issuance.
- (2) The Balance responsible party shall be obliged, based on the calculation and notice from the Gas Market Operator, to issue the invoice to the Gas Market Operator on the working day, until the 20th day of the current months at the latest.
- (3) The Gas market operator is obliged to pay to the Balance responsible party the invoice from paragraph 2 of this article at the latest within 10 days from the day of the issuance of the invoice.

Article 3

- (3) In case of the late payment , the Statutory Default Interest shall be applied.

- (4) The Balance responsible party may within 8 days from the receipt of the invoice, dispute the invoice, in writing, which does not relieve him from the payment of the total disputed amount.
- (3) The Gas Market operator is obliged, within 15 days, to consider the complaint together with the transmission system operator. In case of the acceptance of the complaint, the Gas Market Operator shall correct and submit to the Balance responsible party new invoice with the credit and/or debit note.

Article 4

- (1) The Balance responsible party is obliged to the Gas market operator to pay the yearly and monthly fee for the services of the organization of gas market as the public service, which fee is defined by the decision of the competent authority.
- (2) The Gas market operator shall issue the invoice for the yearly fee in the current year.
- (3) The Gas market operator shall issue the invoice for the monthly fee until the 20th day of current month for the previous month.
- (4) The Balance responsible party is obliged to pay the invoices from paragraph 2 and paragraph 3 of this article within 15 days from the day of issuance.

Article 5

- (1) The amount for the payment security shall be calculated on the data given by the transmission system operator for the reserved capacity, in the way that the share of the total reserved capacity at the entries and exits of the transport system on the yearly level for the balance group within the total reserved capacity at the entries and the exits of the transport system on the yearly level of all balance groups, expressed in percentage, shall be multiplied with 100,000 HRK (one hundred thousand Kuna).
- (2) The minimum amount of the security payment shall be 500,000 HRK (five hundred thousand Kuna).
- (3) If the determined amount of the security payment as per paragraph 1 of this article, is higher than the minimum 500,000 HRK (five hundred thousand Kuna), the amount of the security payment shall be mathematically rounded off to the larger amount which is multiple of the number 100,000.
- (4) The Balance responsible party that has not reserved the transmission system capacity shall have the instrument for security payment in the minimum amount as per paragraph 2 of this article.

Article 6

- (1) The balance responsible party shall within 10 days from the day of the conclusion of this Contract make a cash deposit in the account no. _____ amounting to _____ HRK _____ (in words).

Article 7

- (1) In case that the cash deposit does not cover monthly obligations, the Balance responsible party shall deposit an additional cash amount that would make up for the monthly obligation concerned within 10 days from the day of the receipt of the written request of the Gas market operator.

(2) Upon a partial or entire payment from the deposit, the Balance responsible party is obliged within a period of 10 days of receiving a written request to pay the Gas market operator a cash deposit in the amount equivalent to the used amount.

Article 8

This Contract shall be concluded for indefinite time. In case of the change of laws and regulations, the Parties shall conclude an annex to the Contract concerned or a new contract.

Article 9

- (1) The Gas market operator can terminate this Contract if the Balance responsible party does not fulfill the obligations accepted by this Contract or if the license for the provision of energy activities has revoked.
- (2) The Gas market operator shall be obliged, before submitting the termination notice of the Contract, to send to the Balance responsible party the preliminary written warning stating the nonfulfillment of the accepted obligations and the possibility for termination of the Contract in case of further nonfulfillment.

Article 10

- (1) In case of termination of this Contract, the Contract Parties shall be obliged to settle all mutual claims arising out of this Contract, from the day of the signature until the termination of this Contract.
- (2) After termination of this Contract the Balance responsible party shall be cancelled from the Register of balance responsible parties.

Article 11

- (1) The Contract Parties are agreed that the fulfillment of this Contract shall be suspended temporary only in case of Force Majeure as defined in the Energy Act and in such case the Parties shall be obliged to inform each other in the written form.
- (2) This Contract shall start to be executed immediately upon termination of Force Majeure mentioned in paragraph 1 of this article and in such case the Parties shall be obliged to inform each other in the written form.

Article 12

- (1) The Parties to this Contract shall be obliged to use all exchanged data and information only for the purpose of execution of this Contract, respecting the confidentiality of such data.
- (2) Gas market operator shall use, for the purpose of all calculations under this Contract, the official data received from the transmission system operator.
- (3) The obligation to keep the data confidential shall continue after the termination of this Contract.

Article 13

- (1) The Contract parties shall nominate persons authorized for the communication and execution of this Contract.

- (2) The Contract parties shall inform each other in writing about any change of the nominated persons as per paragraph 1 of this article.

Article 14

- (1) The Contract parties shall all potential disputes arising out of this Contract resolve by mutual agreement.
- (2) In the case that the Parties fail to resolve the dispute by the mutual agreement, the Parties agree the dispute will be settled by competent court in Zagreb.
- (3) The relevant law applicable to the settlement of possible disputes under this Contract is the law of the Republic of Croatia.

Article 15

If any of the provisions under this Contract becomes invalid, all other provisions under the Contract shall remain in force and produce legal effects.

Article 16

- (2) The Balance responsible party shall inform the Gas market operator about any changes in the name of the company, its seat and status as the gas market participant at the latest within 8 days from such change.
- (2) The Parties to the Contract agree that all notices shall be submitted to the address of the Balance responsible party as defined in this Contract. In the case of failure, the notice shall be submitted to the business seat address of the Balance responsible party as stated in the Registry. In case of failure of such delivery, the notices shall be put on the notice-board of the Gas market operator. It shall be deemed that the delivery of notices is completed after 8 days the notice has been put on the notice-board.

Article 17

If the Balance responsible party does not fulfill the obligations arising out of this Contract, the Gas market operator shall inform the competent ministry and the Croatian Energy Regulatory Agency about the nonfulfilment of the obligations in writing.

Article 18

This Contract is concluded in 4 (four) identical copies whereby each Contracting Party receives 1 (one) copy whereas 1 (one) copy shall be delivered to the competent ministry and 1 (one) to the Croatian Energy Regulatory Agency.

In case of any discrepancies between the English and Croatian version, to the extent permissible by the law, the Croatian version shall prevail.

Class: _____

Reg. No. _____

Signed, for and on behalf of the Gas market operator

(signature and seal)

Signed, for and on behalf of the Balance responsible party

(signature and seal)

List of persons in charge of communication and implementation of the Contract

	Gas market operator	Balance responsible party
Operational tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Legal affairs		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Finance and accounting tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		

Appendix 2.a

CONTRACT ON THE SETTLEMENT OF NEGATIVE IMBALANCE

HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (HROTE) (Croatian Energy Market Operator), Ulica Grada Vukovara 284, 10 000 Zagreb, OIB (VAT ID): HR75801633608, represented by its director _____ (hereinafter referred to as: Gas market operator),

and

_____ (name of the negative balancing energy provider through balancing services), _____ (address), _____ (town), OIB (VAT ID) _____, represented by _____ as negative balancing energy provider through balancing services,

pursuant to Article 7 paragraph 2 of the Rules on the organization of the gas market (hereinafter referred to as: Rules) and Article ____ paragraph ____ of the of the Transmission system operator's network code (hereinafter referred to as: Network code),

on the date of _____ entered into the following

CONTRACT ON THE SETTLEMENT OF NEGATIVE IMBALANCE

Contract ID: NIS _____ (name of the bidder for negative balancing) __ (no)/__ (yy)

Article 1

The negative balancing energy provider through balancing services (hereinafter referred to as: Provider) concluded on _____ (date) with the transmission system operator the contract on the sale of gas (negative balancing energy) number: _____.

Article 2

The subject of this Contract are the calculation, payments and financial safeguards with respect to activated negative balancing energy through balancing services within the meaning of the Rules.

Article 3

(1) The Gas market operator shall invoice the Provider for the established amount relating to the activated negative balancing energy through balancing services.

(2) The Provider shall settle the payment in favour of the Gas market operator within 10 days from the day on which the invoice has been made out.

Article 4

(1) In case the payment is overdue, Statutory Default Interest shall be accrued.

(2) The Provider can lodge a written complaint regarding the bill within 8 days from the receipt of the bill concerned. However, the complaint does exempt the party concerned from the payment of the total amount of the contested bill in question.

(3) The Gas Market operator shall investigate the complaint in collaboration with the transmission system operator within 15 days. In the case that the complaint is accepted the Gas market operator shall revise the invoice and submit the new invoice to the Provider clearing the debt and/or requesting the settlement of payment.

Article 5

(1) With the view to securing the payment the Provider shall within 10 days from the day of the conclusion of this Contract submit a non-transferrable, irrevocable and unconditional bank guarantee to the beneficiary - the Gas market operator, payable at its first written demand, in a stipulated format, in the amount of 2.000,000 (two million Kuna) issued by a commercial bank acceptable to the Gas market operator with a maturity period until _____ (date). After the expiration of its validity the Gas market operator shall return the guarantee to the Provider.

(2) The acceptable bank referred to in paragraph 1 hereof shall be considered a bank with its seat in the Republic of Croatia that meets the following capital requirements (IRC): the minimum 4.5 % CET 1 ratio, the minimum 6 % Tier 1 ratio and the rate of own funds of at least 8 %. If the bank has its seat outside of the Republic of Croatia, the bank of the Provider shall send a SWIFT message format with the bank guarantee to the Gas Market Operator's bank that, in that case, shall check the creditworthiness of the Provider's bank.

Article 6

(1) In the event that the submitted payment instrument referred to in Article 5 paragraph 1 fails to make up for the monthly obligations, the Provider shall deliver additional financial safeguards within 10 days from the day of the receipt of the written request of the Gas market operator.

(2) By invoking a part or a full amount of the payment instrument the Provider shall submit to the Gas market operator a new payment instrument in the amount that would equal the invoked amount within 10 days from the day of the receipt of the written request.

Article 7

(1) This Contract is concluded for a limited period from _____ to _____.

Article 8

(1) The Gas market operator can terminate this Contract if the Provider fails to meet the obligations undertaken by the Contract concerned or if it has terminated the Contract with the transmission system operator or if the license for the provision of energy activities has lapsed.

(2) The Gas market operator commits itself that before sending a written termination notice it would remind the Provider in writing about its non-compliance with the undertaken obligations and draw its attention to a possibility of terminating the Contract in the case that it continues with its non-compliant behaviour.

Article 9

In the event of termination of this Contract the Contract Parties undertake to clear all the debts that have arisen within the meaning of this Contract from the day it has been concluded until the day on which it has been cancelled.

Article 10

(1) The Parties to the Contract agree that the performance of this Contract can be temporarily suspended only in case of force majeure as defined under the Energy Act. The Parties to the Contract undertake to inform each other in writing should this be the case.

(2) The performance of this Contract shall be continued immediately after the force majeure event referred to in paragraph 1 hereof ceases. The Parties to the Contract undertake to inform each other thereof in writing.

Article 11

(1) The Parties to the Contract shall use all the data and information that are exchanged between them exclusively for the purpose of the implementation of this Contract and observing the principle of confidentiality.

(2) For the calculations and settlements under this Contract the Gas Market Operator shall use the official data received from the transmission system operator.

(3) The confidentiality clause continues to apply also after the expiry of the validity period of the Contract concerned.

Article 12

(1) The Parties to the Contract shall appoint persons in charge of communication and implementation of this Contract.

(2) The Parties to the Contract shall inform each other in writing about any change in the appointed persons referred to in paragraph 1 hereof.

Article 13

(1) The Parties to the Contract shall seek to settle any dispute that may arise in connection with this Contract by conciliation between the Parties.

(2) Should an amicable dispute settlement not be possible the Parties to the Contract shall settle the dispute before the competent court in Zagreb that decides in the subject matter concerned.

(3) The relevant law applicable to the settlement of possible disputes under this Contract is the law of the Republic of Croatia.

Article 14

If any of the provisions under this Contract becomes invalid, all other provisions under the Contract shall remain in force and produce legal effects.

Article 15

(1) The Provider shall notify the Gas market operator about any changes in the name of the company, its seat and status as the gas market participant in a time period not exceeding 8 days after the change has occurred.

(2) The Parties to the Contract agree that written communication shall be delivered to the address of the Provider specified in the Contract concerned. Should the delivery turn out unsuccessful, the writings shall be delivered to the address of the seat of the Provider entered into the court register. Should the delivery of the writing still prove unsuccessful, the writing shall be placed on the notice board of the Gas market operator. It shall thereupon be considered that the writing has been delivered after 8 days have lapsed after the day of the placement of the writing on the notice board.

Article 16

Where the Provider does not comply with the obligations undertaken under this Contract, the Gas market operator shall inform in writing the competent ministry and the Croatian Energy Regulatory Agency thereof.

Article 17

This Contract has been drawn up in 4 (four) identical copies whereby each Contracting Party receives 1 (one) copy whereas 1 (one) copy shall be delivered to the competent ministry and, respectively, the Croatian Energy Regulatory Agency.

Class: _____

Reg. No. _____

Signed, for and on behalf of the Gas market operator

(signature and seal)

Signed, for and on behalf of the Provider

(signature and seal)

List of persons in charge of communication and implementation of the Contract

	Gas market operator	Provider
Operational tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Legal affairs		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Finance and accounting tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		

Bank guarantee format

_____ (name, seat and OIB (VAT ID) of the bank issuing the guarantee) (hereinafter: Guarantor) pursuant to the Contract _____ (name and number of the contract between the client applicant with the bank pursuant to which the guarantee is being issued) is issuing upon request for and on behalf of the company _____ (name, seat and OIB (VAT ID) of the negative balancing energy provider through balancing services) (hereinafter: Applicant), and in favour of the company HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (HROTE) (Croatian Energy Market Operator), with its seat in Zagreb, Ulica Grada Vukovara 284, OIB (VAT ID): HR75801633608, founded under the laws of the Republic of Croatia (hereinafter: Beneficiary) an non-transferrable, irrevocable, unconditional guarantee for proper performance of contractual obligations, payable on first demand, quote:

BANK GUARANTEE No. _____ for proper payment under contractual obligations

1. We have been informed that pursuant to the Energy Act, the Gas Market Act and the Rules on the organization of the gas market the Beneficiary and the Applicant have concluded the CONTRACT ON THE SETTLEMENT OF NEGATIVE IMBALANCE, Contract No. _____, DD _____, (hereinafter: Contract) according to which the Applicant is obliged to make payments to the Beneficiary fulfilling herewith its financial obligations under the Contract.

2. According to the legally binding Contract terms the Applicant has undertaken the obligation to get a bank guarantee for the Beneficiary regarding the payment of its obligations under the Contract in the amount of _____ Kuna (please enter the amount specified under the Contract), on the basis of which the bank guarantees payment in full or in part, should the Applicant fail to fulfil the undertaken obligations under the Contract.

3. In consideration of the aforesaid, upon the request of the Applicant, with respect to the performance of the provisions of the Contract, the Guarantor hereby issues an irrevocable and unconditional guarantee for the Applicant and undertakes to pay to the Beneficiary, regardless of any complaint by the Applicant, its bank/banks and/or any other person who would claim that it operates for and on behalf of the Applicant, any amount under this Guarantee claimed by the Beneficiary up to the maximum of _____ Kuna (please specify the amount), (in words: _____), upon the presentation of the first demand in paper form of the Beneficiary delivered by the registered mail to the address of the Guarantor _____ (please specify the address of the Guarantor), stating that the Applicant has failed to meet its payment obligations thereunder in due time, and supporting its statement with the photocopies of the unsettled bills. For the purpose of identity verification, the bank of the Beneficiary shall verify the reference to this guarantee and confirm to the Guarantor the authenticity and validity of the Beneficiary's signature appearing on the Beneficiary's demand. The obligations under this guarantee shall be automatically reduced by any amount paid by the Guarantor hereunder.

4. This Guarantee shall remain valid for 12 months from the day of its entry into force but not later than _____ (date).

5. After the expiry date of the Guarantee, the Beneficiary shall return to the Guarantor the original copy of this Guarantee. After the expiry date of the Guarantee concerned the Guarantor's liabilities

to the Beneficiary hereunder shall expire in full, regardless of the fact whether the original copy of this Guarantee has been returned to the Guarantor or not.

6. This Guarantee shall enter into force on the day of its issuance.

7. Any disputes regarding this Guarantee shall be settled by the Commercial Court in Zagreb.

8. This Guarantee has been drawn up in 1 (one) original copy.

9. This Guarantee is subject to the Uniform rules for demand guarantees (URDG) 2010 revision, ICC publication no. 758.

Place and date of issue

For the Guarantor _____ (name of the issuing bank)

_____ (name and surname of the authorised officer)

_____ (position of the authorised officer)

(seal and signature)

Appendix 2.b

CONTRACT ON THE SETTLEMENT OF NEGATIVE IMBALANCE

HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (HROTE) (Croatian Energy Market Operator), Ulica Grada Vukovara 284, 10 000 Zagreb, OIB (VAT ID): HR75801633608, represented by its director _____ (hereinafter referred to as: Gas market operator),

and

_____ (name of the negative balancing energy provider through balancing services), _____ (address), _____ (town), OIB (VAT ID) _____,

represented by _____ as negative balancing energy provider through balancing services,

pursuant to Article 7 paragraph 2 of the Rules on the organization of the gas market _____ (hereinafter referred to as: Rules) and Article ____ paragraph ____ of the Transmission system operator's network code (hereinafter referred to as: Network code),

on the date of _____ entered into the following

CONTRACT ON THE SETTLEMENT OF NEGATIVE IMBALANCE

Contract ID: NIS _____ (name of the bidder for negative balancing)__(no)/__(yy)

Article 1

The negative balancing energy provider through balancing services (hereinafter referred to as: Provider) concluded on _____ (date) with the transmission system operator the contract on the sale of gas (negative balancing energy) number: _____.

Article 2

The subject of this Contract are the calculation, payments and financial safeguards with respect to activated negative balancing energy through balancing services within the meaning of the Rules.

Article 3

(1) The Gas market operator shall invoice the Provider for the established amount relating to the activated negative balancing energy through balancing services.

(2) The Provider shall settle the payment in favour of the Gas market operator within 10 days from the day on which the invoice has been made out.

Article 4

(1) In case the payment is overdue, Statutory Default Interest shall be accrued.

(2) The Provider can lodge a written complaint regarding the bill within 8 days from the receipt of the bill concerned. However, the complaint does exempt the party concerned from the payment of the total amount of the contested bill in question.

(3) The Gas Market operator shall investigate the complaint in collaboration with the transmission system operator within 15 days. In the case that the complaint is accepted the Gas market operator shall revise the invoice and submit the new invoice to the Provider clearing the debt and/or requesting the settlement of payment.

Article 5

(1) With the view to securing the payment the Provider shall within 10 days from the day of the conclusion of this Contract make a cash deposit in the account no. _____ in the amount of 2.000,000 Kuna (two million Kuna).

Article 6

(1) In the event that the cash deposit concerned fails to make up for the monthly obligations, the Provider shall deposit an additional cash amount that would make up for the monthly obligation concerned within 10 days from the day of the receipt of the written request of the Gas market operator.

(2) Where the cash deposit has been used in part or in full for the collection of payment, the Provider shall make a cash deposit in the account of the Gas market operator in the amount that equals the used amount within 10 days from the day of the receipt of the written request.

Article 7

(1) This Contract is concluded for a limited period from _____ to _____.

Article 8

(1) The Gas market operator can terminate this Contract if the Provider fails to meet the obligations undertaken by the Contract concerned or if it has terminated the Contract with the transmission system operator or if the license for the provision of energy activities has lapsed.

(2) The Gas market operator commits itself that before sending a written termination notice it would remind the Provider in writing about its non-compliance with the undertaken obligations and draw its attention to a possibility of terminating the Contract in the case that it continues with its non-compliant behaviour.

Article 9

In the event of termination of this Contract the Contract Parties undertake to clear all the debts that have arisen within the meaning of this Contract from the day it has been concluded until the day on which it has been cancelled.

Article 10

(1) The Parties to the Contract agree that the performance of this Contract can be temporarily suspended only in case of force majeure as defined under the Energy Act. The Parties to the Contract undertake to inform each other in writing should this be the case.

(2) The performance of this Contract shall be continued immediately after the force majeure event referred to in paragraph 1 hereof ceases. The Parties to the Contract undertake to inform each other thereof in writing.

Article 11

(1) The Parties to the Contract shall use all the data and information that are exchanged between them exclusively for the purpose of the implementation of this Contract and observing the principle of confidentiality.

(2) For the calculations and settlements under this Contract the Gas Market Operator shall use the official data received from the transmission system operator.

(3) The confidentiality clause continues to apply also after the expiry of the validity period of the Contract concerned.

Article 12

(1) The Parties to the Contract shall appoint persons in charge of communication and implementation of this Contract.

(2) The Parties to the Contract shall inform each other in writing about any change in the appointed persons referred to in paragraph 1 hereof.

Article 13

(1) The Parties to the Contract shall seek to settle any dispute that may arise in connection with this Contract by conciliation between the Parties.

(2) Should an amicable dispute settlement not be possible the Parties to the Contract shall settle the dispute before the competent court in Zagreb that decides in the subject matter concerned.

(3) The relevant law applicable to the settlement of possible disputes under this Contract is the law of the Republic of Croatia.

Article 14

If any of the provisions under this Contract becomes invalid, all other provisions under the Contract shall remain in force and produce legal effects.

Article 15

(1) The Provider shall notify the Gas market operator about any changes in the name of the company, its seat and status as the gas market participant in a time period not exceeding 8 days after the change has occurred.

(2) The Parties to the Contract agree that written communication shall be delivered to the address of the Provider specified in the Contract concerned. Should the delivery turn out unsuccessful, the writings shall be delivered to the address of the seat of the Provider entered into the court register. Should the delivery of the writing still prove unsuccessful, the writing shall be placed on the notice board of the Gas market operator. It shall thereupon be considered that the writing has been delivered after 8 days have lapsed after the day of the placement of the writing on the notice board.

Article 16

Where the Provider does not comply with the obligations undertaken under this Contract, the Gas market operator shall inform in writing the competent ministry and the Croatian Energy Regulatory Agency thereof.

Article 17

This Contract has been drawn up in 4 (four) identical copies whereby each Contracting Party receives 1 (one) copy whereas 1 (one) copy shall be delivered to the competent ministry and, respectively, the Croatian Energy Regulatory Agency.

Class: _____

Reg. No. _____

Signed, for and on behalf of the Gas market operator

(signature and seal)

Signed, for and on behalf of the Provider

(signature and seal)

List of persons in charge of communication and implementation of the Contract

	Gas market operator	Provider
Operational tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Legal affairs		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Finance and accounting tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		

Appendix 3

CONTRACT ON THE SETTLEMENT OF POSITIVE IMBALANCE

HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (HROTE) (Croatian Energy Market Operator), Ulica Grada Vukovara 284, 10 000 Zagreb, OIB (VAT ID): HR75801633608, represented by its director _____ (hereinafter referred to as: Gas market operator),

and

_____ (name of the positive balancing energy provider through balancing services), _____ (address), _____ (town), OIB (VAT ID) _____, represented by _____ as positive balancing energy provider through balancing services,

pursuant to Article 7 paragraph 3 of the Rules on the organization of the gas market _____ (hereinafter referred to as: Rules) and Article ____ paragraph ____ of the Transmission system operator's network code (hereinafter referred to as: Network code),

on the date of _____ entered into the following

CONTRACT ON THE SETTLEMENT OF POSITIVE IMBALANCE

Contract ID: PIS _____ (name of the bidder for positive balancing) __ (no)/ __ (yy)

Article 1

The positive balancing energy provider through balancing services (hereinafter referred to as: Provider) concluded on _____ (date) with the transmission system operator the contract on the purchase of gas (positive balancing energy) number: _____.

Article 2

The subject of this Contract is the calculation and payment of activated positive balancing energy through balancing services within the meaning of the Rules.

Article 3

(1) The Provider shall invoice the Gas market operator for the established amount relating to the activated positive balancing energy through balancing services on a working day but not later than on the 20th day of the month.

(2) The Gas market operator shall settle the payment in favour of the Provider referred to under paragraph 1 hereof within 10 days from the day on which the invoice has been made out.

Article 4

In case the payment is overdue, Statutory Default Interest shall be accrued.

Article 5

This Contract is concluded for a limited period from _____ to _____.

Article 6

(1) The Gas market operator can terminate this Contract if the Provider fails to meet the obligations undertaken by the Contract concerned or if it has terminated the Contract with the transmission system operator or if the license for the provision of energy activities has lapsed.

(2) The Gas market operator commits itself that before sending a written termination notice it would remind the Provider in writing about its non-compliance with the undertaken obligations and draw its attention to a possibility of terminating the Contract in the case that it continues with its non-compliant behaviour.

Article 7

In the event of termination of this Contract the Contract Parties undertake to clear all the debts that have arisen within the meaning of this Contract from the day it has been concluded until the day on which it has been cancelled.

Article 8

(1) The Parties to the Contract agree that the performance of this Contract can be temporarily suspended only in case of force majeure as defined under the Energy Act. The Parties to the Contract undertake to inform each other in writing should this be the case.

(2) The performance of this Contract shall be continued immediately after the force majeure event referred to in paragraph 1 hereof ceases. The Parties to the Contract undertake to inform each other thereof in writing.

Article 9

(1) The Parties to the Contract shall use all the data and information that are exchanged between them exclusively for the purpose of the implementation of this Contract and observing the principle of confidentiality.

(2) For the calculations and settlements under this Contract the Gas Market Operator shall use the official data received from the transmission system operator.

(3) The confidentiality clause continues to apply also after the expiry of the validity period of the Contract concerned.

Article 10

(1) The Parties to the Contract shall appoint persons in charge of communication and implementation of this Contract.

(2) The Parties to the Contract shall inform each other in writing about any change in the appointed persons referred to in paragraph 1 hereof.

Article 11

(1) The Parties to the Contract shall seek to settle any dispute that may arise in connection with this Contract by conciliation between the Parties.

(2) Should an amicable dispute settlement not be possible the Parties to the Contract shall settle the dispute before the competent court in Zagreb that decides in the subject matter concerned.

(3) The relevant law applicable to the settlement of possible disputes under this Contract is the law of the Republic of Croatia.

Article 12

If any of the provisions under this Contract becomes invalid, all other provisions under the Contract shall remain in force and produce legal effects.

Article 13

(1) The Provider shall notify the Gas market operator about any changes in the name of the company, its seat and status as the gas market participant in a time period not exceeding 8 days after the change has occurred.

(2) The Parties to the Contract agree that written communication shall be delivered to the address of the Provider specified in the Contract concerned. Should the delivery turn out unsuccessful, the writings shall be delivered to the address of the seat of the Provider entered into the court register. Should the delivery of the writing still prove unsuccessful, the writing shall be placed on the notice board of the Gas market operator. It shall thereupon be considered that the writing has been delivered after 8 days have lapsed after the day of the placement of the writing on the notice board.

Article 14

Where the Provider does not comply with the obligations undertaken under this Contract, the Gas market operator shall inform in writing the competent ministry and the Croatian Energy Regulatory Agency thereof.

Article 15

This Contract has been drawn up in 4 (four) identical copies whereby each Contracting Party receives 1 (one) copy whereas 1 (one) copy shall be delivered to the competent ministry and, respectively, the Croatian Energy Regulatory Agency.

Class: _____

Reg. No. _____

Signed, for and on behalf of the Gas market operator

(signature and seal)

Signed, for and on behalf of the Provider

(signature and seal)

List of persons in charge of communication and implementation of the Contract

	Gas market operator	Provider
Operational tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Legal affairs		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Finance and accounting tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		

Appendix 4

CONTRACT REGULATING MUTUAL RIGHTS AND OBLIGATIONS BETWEEN THE GAS MARKET OPERATOR AND THE TRANSMISSION SYSTEM OPERATOR

HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o. (HROTE) (Croatian Energy Market Operator), Ulica Grada Vukovara 284, 10 000 Zagreb, OIB (VAT ID): HR75801633608, represented by its director _____ (hereinafter referred to as: Gas market operator),

and

_____ (name of transmission system operator),
_____ (address), _____ (town), OIB (VAT ID) _____,

represented by _____ (hereinafter referred to as: Transmission system operator),

pursuant to Article 7 paragraph 4 of the Rules on the organization of the gas market _____ (hereinafter referred to as: Rules),

on the date of _____ entered into the following

CONTRACT REGULATING MUTUAL RIGHTS AND OBLIGATIONS BETWEEN THE GAS MARKET OPERATOR AND THE TRANSMISSION SYSTEM OPERATOR

Contract ID: TSO _____ (name of the Transmission system operator) __ (no)/__ (yy)

Article 1

This Contract regulates the mutual rights and obligations with respect to the proceedings and activities in the gas market in compliance with the Rules and the Transmission system operator's network code (hereinafter referred to as: Network code).

Article 2

This Contract sets forth mutual rights and obligations of the Parties to the Contract with respect to delivery and exchange of information, use of short-term standardised products on the trading platform and activated balancing energy through the use of balancing services.

Article 3

(1) In line with the Rules and the Network code the Transmission system operator shall provide information to the Gas market operator relating to its content, the manner of delivery and the deadlines for the provision of such information.

(2) The Transmission system operator shall be held accountable for the accuracy of information referred under paragraph 1 hereof.

(3) In line with the Rules and the Network code the Gas market operator shall provide information to the Transmission system operator relating to its content, the manner of delivery and the deadlines for the provision of such information.

(4) The Gas market operator shall be held accountable for the accuracy of information referred under paragraph 3 hereof.

Article 4

For and on behalf of the Transmission system operator, the Gas market operator shall make payments and withdrawals of cash amounts with respect to the settlements regulated under the Rules.

Article 5

(1) The Transmission system operator shall use the products on the Gas market operator's trading platform, whereas the Gas market operator shall make calculations concerning the used products within the meaning of the Rules.

(2) The Transmission system operator shall activate the balancing energy through the use of balancing services in accordance with the Network code, whereas the Gas market operator shall make calculations concerning the activated balancing energy through the use of balancing services in accordance with the Rules and the concluded contracts on the settlement of negative or positive imbalance through the use of balancing services.

Article 6

This Contract is concluded for an unlimited duration. In the case of any revisions of the current laws and other ancillary provisions the Parties to the Contract shall conclude an annex to the Contract concerned or a new contract.

Article 7

(1) The Parties to the Contract agree that the performance of this Contract can be temporarily suspended only in case of force majeure as defined under the Energy Act. The Parties undertake to inform each other in writing should this be the case.

(2) The performance of this Contract shall be continued immediately after the force majeure event referred to in paragraph 1 hereof ceases. The Parties undertake to inform each other thereof in writing.

Article 8

(1) The Parties to the Contract shall use all the data and information that are exchanged between them exclusively for the purpose of the implementation of this Contract and observing the principle of confidentiality.

(2) The confidentiality clause continues to apply also after the expiry of the validity period of the Contract concerned.

Article 9

(1) The Parties to the Contract shall appoint persons in charge of communication and implementation of this Contract.

(2) The Parties to the Contract shall inform each other in writing about any change in the appointed persons referred to in paragraph 1 hereof.

Article 10

(1) The Parties to the Contract shall seek to settle any dispute that may arise in connection with this Contract by conciliation between the Parties.

(2) Should an amicable dispute settlement not be possible the Parties to the Contract shall settle the dispute before the competent court in Zagreb that decides in the subject matter concerned.

(3) The relevant law applicable to the settlement of possible disputes under this Contract is the law of the Republic of Croatia.

Article 11

If any of the provisions under this Contract becomes invalid, all other provisions under the Contract shall remain in force and produce legal effects.

Article 12

In case that any Party to the Contract does not comply with the obligations undertaken under this Contract, it shall inform in writing the competent ministry and the Croatian Energy Regulatory Agency about the non-compliance concerned.

Article 13

This Contract has been drawn up in 4 (four) identical copies whereby each Contracting Party receives 1 (one) copy whereas 1 (one) copy shall be delivered to the competent ministry and, respectively, the Croatian Energy Regulatory Agency.

Class: _____

Reg. No. _____

Signed, for and on behalf of the Gas market operator

(signature and seal)

Signed, for and on behalf of the Transmission system operator

(signature and seal)

List of persons in charge of communication and implementation of the Contract

	Gas market operator	Transmission system operator
Operational tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Legal affairs		
Name and surname		
Telephone		
Mobile phone		
E-mail		
Finance and accounting tasks		
Name and surname		
Telephone		
Mobile phone		
E-mail		