

On the basis of Article 39. paragraph 1 and Article 288. paragraph 7, in connection with Article 56 Item 7) of the Energy Law ("Official Gazette of RS" no. 145/14), the Council of the Energy Agency of the Republic of Serbia, at the 1st. extraordinary meeting held on September 3rd, 2018 renders

DECISION

on rules for allocation of capacity and mechanisms for management of transport capacities of

GASTRANS d.o.o. Novi Sad

1. General provisions

- 1.1. This decision determines the rules for allocation of capacity and mechanisms for managing the capacities on the new interconnector for natural gas (hereinafter referred to as: "**New Interconnector**") as described in request for exemption no. 40/2018-Д-03 which the company GASTRANS društvo sa ograničenom odgovornošću Novi Sad submitted to the Energy Agency of Republic of Serbia on 2 February 2018, in accordance with the Article 288. of the Energy Law ("Official Gazette of RS" no. 145/14, hereinafter referred to as: "**the Law**"), requesting exemption for the New Interconnector from the third party access rules as specified in the Article 283 paragraph 1 of the Law (exemption from obligation to apply terms and conditions for provision of transmission services, exemption of GASTRANS d.o.o. from obligation to apply regulated prices to access to transmission system) and obligation of ownership unbundling as specified in the Article 224 of the Law in accordance with the request for exemption no. 40/2018-Д-03.
- 1.2. The company GASTRANS društvo sa ograničenom odgovornošću Novi Sad (hereinafter referred to as: "**GASTRANS d.o.o.**"), shall apply this decision in case that the Energy Agency of the Republic of Serbia upon GASTRANS` d.o.o. request renders final decision from the Article 288 paragraph 19, granting exemption to the New Interconnector from third party access rules as specified in the Article 283 paragraph 1 (exemption from obligation to apply terms and conditions for provision of transmission services, exemption from obligation to apply regulated prices to access to transmission system) and exemption of GASTRANS d.o.o. from obligation of ownership unbundling from the Article 224 of the Law (hereinafter referred to as: "**Act on Exemption**").

2. Terms

- 2.1. Terms used in this decision shall have the following meanings:

- 1) AERS – Energy Agency of the Republic of Serbia.

- 2) New Interconnector – future pipeline for transmission of natural gas, which crosses the territory of the Republic of Serbia and crosses the border of the Republic of Serbia in the meaning of Article 2 item 25) of the Law, for the purpose of connection with the adjacent transport systems in the Republic of Bulgaria and Hungary, and equipment which is used for their connection thereof, for which GASTRANS d.o.o. submitted a request for exemption to AERS in accordance with Article 288 of the Law on 2 February 2018, no. 40/2018-Д-03.
- 3) Act on Exemption – final positive decision specified in Article 288 paragraph 19 of the Law, granting exemption for the New Interconnector from the applicability of third party access rules as specified in Article 283 paragraph 1 of the Law (exemption from application of terms and conditions for provision of transmission services, exemption from application of regulated prices to access to transmission system) and exemption of GASTRANS d.o.o. from obligation of ownership unbundling of the system operator specified in Article 224 of the Law and determining of the scope and duration of the exemption, provided that AERS renders such decision upon GASTRANS' d.o.o. request dated 2 February 2018, no. 40/2018-Д-03.

The Act on Exemption is a final act from Article 288 paragraph 19 of the Law, which AERS renders after obtaining the opinion of the competent body determined by the Law and decisions by which the Republic of Serbia took obligations in accordance with the Law on ratification of the Energy Community Treaty executed between the European Community and the Republic of Albania, the Republic of Bulgaria, Bosnia and Herzegovina, the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Montenegro, Romania, the Republic of Serbia and the United Nations Interim Administration Mission in Kosovo pursuant to the United Nations Security Council Resolution 1244. ("Official Gazette of RS" no. 62/2006, hereinafter referred to as: "**Energy Community Treaty**").

- 4) Scope of exemption – scope of the New Interconnector` capacity which is exempted from the application of third party access rules as specified in the Article 283 paragraph 1 of the Law (exemption from application of terms and conditions for provision of transmission services, exemption from application of regulated prices to access to transmission system) as well as scope of exemption of GASTRANS d.o.o. from obligation of ownership unbundling as specified in the Article 224 of the Law, which scope AERS determines by the Act on Exemption, provided that such act is rendered.
- 5) Duration of exemption – period for which the New Interconnector capacity is exempted from the application of third party access rules as specified in the Article 283 paragraph 1 of the Law (exemption from application of terms and conditions for provision of transmission services, exemption from application of regulated prices to access to transmission system) and period of exemption of GASTRANS d.o.o. from obligation of ownership unbundling as specified in the Article 224 of the Law which duration of exemption AERS determines in the Act on Exemption provided that such act is rendered.

- 6) Entry point – means entry “Zaječar” where the New Interconnector is connected with the adjacent transmission system in the Republic of Bulgaria operated by Bulgartransgaz EAD.
- 7) Exit point – means any of the following exit points on the New Interconnector:
 - a. exit “Horgoš” – point where the New Interconnector is connected with the adjacent transmission system in Hungary operated by FGSZ Ltd., and
 - b. exit “Paraćin”, exit “Pančevo” and exit “Gospođinci” – all three points where the New Interconnector is connected with the transmission system of the transmission system operator in the Republic of Serbia(all four exit points together “**Exit points**”).
- 8) EPA Party (Party entitled to priority allocation) – companies Gazprom export LLC and JP Srbijagas as the companies that submitted non-binding bids upon GASTRANS d.o.o. Public Invitation for submission of non-binding bids published on March 5th 2018 in Official Gazette of Republic of Serbia No 16/2018 and are entitled to priority allocation on grounds of the Act on Exemption.
- 9) Invitation – GASTRANS` d.o.o. Invitation for the submission of binding bids for allocation of capacity for the execution of an agreement by which parties undertake to execute gas transportation agreement based on the capacity allocated in advance upon fulfilment of respective conditions (hereinafter referred to as: an advance capacity booking agreement) or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, on the New Interconnector in the capacity which is by the Act on Exemption exempted from third party access rules as specified in the Article 283 paragraph 1 of the Law (exemption from application of terms and conditions for provision of transmission services, exemption from application of regulated prices to access to transmission system).
- 10) Priority allocation – capacity allocation made by GASTRANS d.o.o. to EPA Parties in accordance with clause 6 of this decision, up to the volume determined by the Act on Exemption for the priority allocation, provided that AERS renders Act on Exemption which determines right to priority allocation.

3. Subject of decision

- 3.1. This decision is rendered prior to deciding on GASTRANS` d.o.o. request for exemption of the New Interconnector, and shall be applicable when the Act on Exemption becomes final.

GASTRANS d.o.o. shall apply the rules and mechanisms determined by this decision so as to secure:

- 1) nondiscriminatory treatment of all bidders submitting binding bids for allocation of capacity (hereinafter referred to as: "Binding bids"), respecting the right to priority capacity allocation,
- 2) booking of capacity and execution of an advance capacity booking agreements or the gas transportation agreements, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, in a nondiscriminatory manner based exclusively on the results of capacity allocation which GASTRANS d.o.o. shall conduct in accordance with the Act on Exemption and this decision,
- 3) nondiscriminatory conditions for providing services of long-term natural gas transmission, agreed in accordance with the Act on Exemption, with application of this decision and rules governing third party access to the extent that it does not conflict with the Act on Exemption, whereby agreed transmission on the New Interconnector shall commence no later than deadline prescribed in Article 288 paragraph 18 of the Law.

4. Invitation for submission of Binding bids

- 4.1. GASTRANS d.o.o., in accordance with this decision, announce an invitation for submission of Binding bids for the contracting long-term transmission of natural gas in capacity exempted by the Act on Exemption from the obligation of application third party access rules as specified in the Article 283 paragraph 1 (hereinafter referred to as: "**Invitation**").
- 4.2. The Invitation shall be addressed to all companies that submitted non-binding bids.

In the Invitation GASTRANS d.o.o. shall inform all the entities specified in paragraph 1 of this clause that they have the right to withdraw their Binding bids until the expiry of the period determined for submission of Binding bids.

- 4.3. Simultaneously with sending Invitation in accordance with clause 4.2 GASTRANS d.o.o. shall inform the operators of adjacent transmission systems with which GASTRANS d.o.o. plans to connect the New Interconnector on starting of capacity allocation procedure noting that capacities can be allocated in accordance with the Act on Exemption and only up to the volume of technical capacity available in accordance with expected technical design of the New Interconnector.
- 4.4. GASTRANS d.o.o. shall invite the entities referred to in the clause 4.2 of this decision to make Binding bids for executing an advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, on New Interconnector for a period no longer than the duration

of exemption, in the volume and type of capacity which is allocated to the bidder whose Binding bid is accepted, in accordance with this decision.

In the Invitation GASTRANS d.o.o. shall inform the entities referred to in clause 4.2 of this decision that:

- 1) in case the demand for capacities offered under the Invitation exceeds the amount of technical capacities at the Entry point or Exit points in any year available in accordance with expected technical design of the project of the New Interconnector, GASTRANS d.o.o. shall accept Binding bids and allocate the capacities in accordance with this decision and the Act on Exemption in amount not exceeding technical capacities available in accordance with expected technical design of the project of the New Interconnector,
- 2) in case the demand for capacities offered under the Invitation is lower than the amount of technical capacities at the Entry point or Exit points in any year available in accordance with expected technical design of the project of the New Interconnector, GASTRANS d.o.o. reserves the right to adjust expected technical design of the project of the New Interconnector in line with the final results of the binding phase, conducted pursuant to this decision, ensuring capacities for short-term allocation in accordance with the Act on Exemption,
- 3) the service of long-term natural gas transmission is agreed on and provided in accordance with the Act on Exemption with application of the regulations of the Republic of Serbia governing third party access, to the extent that it does not conflict with the Act on Exemption,
- 4) natural gas transmission shall commence no later than deadline prescribed in Article 288 paragraph 18 of the Law,
- 5) the fee for transmission services shall be calculated by applying the tariffs determined by GASTRANS d.o.o. in accordance with the Act on Exemption.

4.5. In the Invitation GASTRANS d.o.o. shall particularly state:

- 1) the volume of available capacities at the Entry point and Exit points, determined in the Act on Exemption for long-term allocation,
- 2) data on available reverse capacity at the Entry and/or Exit points,
- 3) that requested capacity at the Entry point must be equal to requested capacity at the Exit point, i.e. sum of capacities at all Exit points,

- 4) the criteria for ranking Binding bids in case that demand exceeds the available capacity,
- 5) the deadline for submitting Binding bids, not shorter than eight days as of the day of announcement of the invitation, and the final deadline for notifying bidders of acceptance of Binding bids,
- 6) the manner of submission of Binding bids, noting that a copy of the Binding bid shall be submitted to AERS, to the mailing address of its business seat or to email of AERS: aers@aers.rs,
- 7) the bidders' right to complain to GASTRANS d.o.o. within 3 working days as of receipt of the notice on non-acceptance of their Binding bid, in which case the bidder shall submit a copy of the complaint to AERS,
- 8) a notification that the documents prepared by GASTRANS d.o.o. in accordance with the Act on Exemption and this decision which are accompanying the Invitation are integral part of the Invitation.

4.6. The accompanying documents referred to in clause 4.5 item 8) which GASTRANS d.o.o. shall submit along with the Invitation shall contain:

- 1) the description and planned technical characteristic of the New Interconnector, the planned date to start the operations, the manner of notifying of the dynamic of execution of works,
- 2) the Binding bid form, containing instructions on the manner of presenting business data on the bidder and the mandatory data that shall be stated in a Binding bid, particularly:
 - a. data on requested capacity at the Entry point and Exit points, the type of capacity (firm, reverse) and duration of booking, taking into account that capacity may be requested in different volumes for different years,
 - b. the minimum requested capacity that the bidder is ready to accept in case GASTRANS d.o.o., during the process of allocation, allocates a lesser capacity than requested,
 - c. the reference conditions of temperature and calorific value of natural gas,
 - d. the right of the bidder to mark the business or commercial data it considers confidential,
 - e. a notification as to whether the bidder or other entity with which the bidder has agreed on purchase of natural gas, has allocated or submitted a Binding bid to an adjacent

transmission system operator (in which case data on the volume, type and duration of the capacity shall be stated);

- 3) the tariffs for the Entry point and Exit points which GASTRANS d.o.o. forms in accordance with the Act on Exemption,
 - 4) if in Invitation delivering of financial security to prove the seriousness of a bid is required, its amount cannot be higher than 10% of the bookings value,
 - 5) a template of an advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, prepared in accordance with the Act on Exemption with the application of the rules regulating third party access to the natural gas transmission system to the extent that it does not conflict with the Act on Exemption, as well as ancillary documents and codes which need to be entered into or acceded by a transmission system user for the use of allocated capacity and the transport of gas through the New interconnector and which were prepared by GASTRANS d.o.o. prior to publishing the Invitation,
 - 6) a company act describing the allocation procedure by implementing the requirements of this decision and the Act on Exemption, which will stipulate in details the procedure of execution of the gas transportation agreement, whereby, if an advance capacity booking agreement shall be executed before the execution of the gas transportation agreement, containing the deadlines and conditions for the execution of the gas transportation agreement.
- 4.7. GASTRANS d.o.o. may require the bidders to provide sufficient evidence of their ability to provide financial security if and to the extent required under the documents from clause 4.6 paragraph 1 item 5) above.
- 4.8. GASTRANS d.o.o. may organize some or all parts of the capacity allocation process to be performed by a third party' capacity allocation platform, provided that GASTRANS d.o.o. is ultimately responsible for the allocation process in accordance with this decision and capacity allocation results.

5. Examining the Binding bids

- 5.1. GASTRANS d.o.o. shall examine whether the Binding bids contain all required data, and if it determines that a Binding bid contains formal irregularities, which prevent further process (incomprehensive, inaccurate, incomplete) GASTRANS d.o.o. shall invite the bidder to remedy such Binding bids by an additional deadline, not shorter than 3 working days.

In the Invitation to remedy a Binding bid, GASTRANS d.o.o. shall caution the bidder that in case the bidder does not remedy such Binding bid by the additional deadline, this Binding bid shall be deemed as not submitted.

If the Invitation specifies that Binding bids received after the deadline will not be taken into consideration, GASTRANS d.o.o. shall notify any bidder thereof, which submitted a Binding bid after expiry of the deadline.

6. Priority allocation of long-term capacities

6.1. GASTRANS d.o.o. shall first make priority allocation of capacities to EPA Parties up to the volume determined in the Act on Exemption for priority allocation.

6.2. If the total demand for capacities which shall be allocated in priority at any Entry point or Exit points in any gas year exceeds the amount determined in the Act on Exemption for priority allocation for EPA Parties, GASTRANS d.o.o. shall inform accordingly EPA Parties that submitted Binding bids and invite them to submit the amended Binding bids within the period not longer than 10 calendar days, so that the total amount of Binding bids by EPA Parties does not exceed the amount of capacity determined for priority allocation in the Act on Exemption.

If EPA Parties amend Binding bids so that the total demand in accordance with the amended Binding bids is less than or equal to the capacity determined in the Act on Exemption for priority allocation, GASTRANS d.o.o. shall accept new Binding bids and allocate capacities to EPA Parties in accordance with this decision.

If EPA Parties do not amend their Binding bids within the prescribed period, GASTRANS d.o.o. shall allocate capacities to EPA Parties pro rata to the demands from their Binding bids.

6.3. If the total demand for capacities by EPA Parties is less than or equal to the amount determined for priority allocation in the Act on Exemption, GASTRANS d.o.o. shall accept all Binding bids in requested amounts and capacity for priority allocation which remains unallocated will be offered as short term capacity with priority to EPA Parties.

6.4. By completing the priority allocation in accordance with this clause 6 of the decision, GASTRANS d.o.o., in accordance with the results of priority allocation, accepts Binding bids and allocates capacities for EPA Parties.

GASTRANS d.o.o. shall deliver to EPA Parties signed copies of an advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, to sign for the purpose of securing proof on the executed business.

7. Procedure for allocation of long-term capacities to third parties

- 7.1. To all other bidders that do not have the right to priority capacity allocation referred to in clause 6 of this decision, GASTRANS d.o.o. shall allocate capacities in accordance with the provisions of clauses 7 and 8 of this decision, up to the volume determined by the Act on Exemption for such other bidders.
- 7.2. If the total demand of other bidders is less than or equal to the amount of capacity determined for allocation to other bidders, GASTRANS d.o.o. shall accept all Binding bids and reserve the respective capacities, without discrimination.

If upon allocation referred to in paragraph 1 of this clause, part of the capacity remains unallocated, GASTRANS d.o.o. may adjust the expected technical design and technical capacity of the New Interconnector as close as possible to the technical design required to meet all allocated long-term capacities and short-term capacities to be provided in accordance with the Act on Exemption.

- 7.3. If total demand of bidders, which are third party in the sense of this decision, for any gas year, exceeds available capacities at least at one Exit point, GASTRANS d.o.o. shall allocate capacities in accordance with the ranking list of Binding bids which it shall prepare taking into account the criteria set out in clause 8 of this decision.

Upon ranking of Binding bids, GASTRANS d.o.o. shall first allocate long-term capacities on the Exit points to the first-ranked Binding bid, and then to the next-ranked Binding bid etc., until all capacities on the Exit points determined for third party allocation by the Act on Exemption are allocated.

- 7.4. The last-ranked bidder on the rank list to which only part of the requested capacity can be allocated, shall be informed by GASTRANS d.o.o. that the amount of allocated capacity is less than the requested one, i.e. minimum requested capacity.

By delivery of the results of allocation, GASTRANS d.o.o. informs the bidder referred to in paragraph 1 of this clause, on acceptance of its Binding bid if the bidder amends its Binding bid in subsequently determined period of time, not less than 3 working days, so that the amended Binding bid corresponds to the results of allocation, otherwise the Binding bid shall be deemed rejected.

If the bidder acts in accordance with the GASTRANS's d.o.o. proposal referred to in paragraph 2 of this clause 7.4 and submits a new Binding bid corresponding to the results of allocation, GASTRANS

d.o.o. shall allocate the capacity and inform the bidder of acceptance of the new Binding bid and of allocation of the capacity, in accordance with this decision.

- 7.5. When capacity at all Exit points is allocated according to the ranking list, GASTRANS d.o.o. shall allocate to each bidder the capacity at the Entry point which shall be equal to the sum of allocated capacities to the relevant bidder at Exit points.

Upon capacity allocation at the Entry point and Exit points GASTRANS d.o.o. shall allocate the capacities in accordance with the results of allocation and inform the bidder of the allocation within the deadline specified in the Invitation.

Along with the confirmation of capacity allocation, GASTRANS d.o.o. shall deliver to the bidder signed copies of an advanced capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, to sign, in order to secure evidence thereof.

- 7.6. In the gas transportation agreement, GASTRANS d.o.o. and the user shall agree on transmission of natural gas in accordance with the Act on Exemption with the application of the rules governing third party access to the extent that it does not conflict with the Act on Exemption.

The gas transportation agreement shall stipulate the obligation of the New Interconnector users (both EPA parties and third parties) to provide the security instruments (including in the form of letters of credit, bank guarantees, parent company guarantees, cash collateral or similar instruments proving comparable level of creditworthiness) in accordance with the good practice and the requirements of the lenders based on the assessment of creditworthiness of the New Interconnector users. GASTRANS d.o.o. is entitled to, during the validity of the gas transportation agreement, request the substitution of the security instruments and the amounts that are secured by the security instrument, whereby GASTRANS d.o.o. is obliged, in non-discriminatory manner, to determine the criteria in respect to the occurrence of the changes or circumstances which make the existing security instruments inadequate and on the basis of which it will require substitution of the security instruments and the amounts that are secured by the security instrument.

- 7.7. A Binding bid from the ranking list for which capacity could not be allocated shall be deemed rejected, and GASTRANS d.o.o. shall notify the bidder 8 days before the deadline specified in the Invitation as the deadline for notifying of acceptance of Binding bids. The notification on rejection of the Binding bid shall also contain an instruction on the bidder's right to file a complaint to GASTRANS d.o.o. within a minimum of 3 working days from the date of receipt of the notification.

8. Criteria and manner of ranking Binding bids of other bidders in the capacity allocation procedure

- 8.1. Prior to capacity allocation, GASTRANS d.o.o. shall rank Binding bids referred to in clause 7 of this decision by applying the criterion of duration of transportation service and volume of requested capacity as specified in 8.2 of this decision.
- 8.2. GASTRANS d.o.o. shall rank Binding bids starting from a Binding bid of the longest duration with the highest requested capacity and first allocate the available capacity to the first-ranked Binding bid and then to Binding bids with next ranks to ensure the economically justifiable investments for maximum possible period of bookings offered by GASTRANS d.o.o.

9. Mechanisms for capacity management

- 9.1. GASTRANS d.o.o. shall determine the model of the gas transportation agreement made in accordance with this decision, so that it contains all the essential elements of the gas transportation agreement, the rights and obligations of the contracting parties determined in accordance with the Act on Exemption and with the application of rules governing third party access, to the extent that it does not conflict with the Act on Exemption during the agreed duration of the gas transportation agreement.

In the model of the gas transportation agreement referred to in the paragraph 1 of this clause GASTRANS d.o.o. regulates particularly conditions for the provision of long-term natural gas transmission services to users as well as the manner of long-term realization of users' contractual obligations related to terms of use of transmission service, especially the obligations of announcing the quantity, obligations in case of exceeding the contracted capacity, obligation in case of imbalance, as well as the users' right to secondary trading of capacities and the right of GASTRANS d.o.o. to offer users' unused capacity on the market accordingly referring to the Act on Exemption and regulations with the application of the rules governing third party access, to the extent that it does not conflict with the Act on Exemption, during the duration of the gas transportation agreement.

10. Notification

- 10.1. Before sending the Invitation, GASTRANS d.o.o. shall notify the entities that submitted non-binding bids and have not paid the fee determined by the Public Invitation for the submission of non-binding bids for reservation of capacities ("Official Gazette of RS" No. 16/18) to execute the missing fee payment within in the subsequent deadline in order to be able to participate in the binding phase.

If it decides to condition submission of Binding bids by amending the existing confidentiality agreement or by executing a new one, GASTRANS d.o.o. shall notify all potential bidders in the Invitation or before making the Invitation.

10.2. GASTRANS d.o.o. shall deliver to all potential bidders and AERS, for the information and consultation, the proposal of content of the Invitation, proposal of an advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, and proposal of act determining the pricing method, and determine the deadline for submission of comments which is not shorter than 10 days.

On submission of proposals referred to in the paragraph 1 of this clause to all bidders, GASTRANS d.o.o. shall deliver evidence to AERS in period determined by this decision.

GASTRANS d.o.o. shall notify AERS and potential bidders on the results of the consultations by publishing the questions and answers on its website within 3 days upon expiry of deadline referred to in paragraph 1 of this clause.

10.3. The final wording of the Invitation and accompanying documentation prepared in Serbian and English language in compliance with the AERS's suggestions, shall be submitted to AERS no later than 5 working days before the day which GASTRANS d.o.o. determines as the day of publishing of Invitation. AERS shall confirm on its website whether the Invitation and accompanying documentation have been prepared in accordance with this decision and if not, shall set a deadline for their harmonization.

10.4. When AERS confirms the compliance of the Invitation and the accompanying documentation, GASTRANS d.o.o. announces the Invitation on its website of which it directly informs all potential bidders.

10.5. GASTRANS d.o.o. shall notify AERS no later than 15 days after the date of execution by GASTRANS d.o.o. of all advance capacity booking agreements or of all gas transportation agreements, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision about the amount and type of capacity contracted in accordance with this decision at the entry point and each of the Exit points for each individual user.

11. Final provisions

11.1. GASTRANS d.o.o. may announce the Invitation for submission of Binding bids before the Act on Exemption is rendered provided that it considers it necessary to provide compliance with deadlines under the Invitation with deadlines already determined by at least one of the adjacent transmission system operators in their invitations for submission of Binding bids for the development of incremental capacity to which GASTRANS d.o.o. plans to connect the New Interconnector.

In case described under paragraph 1 of this clause GASTRANS d.o.o. shall draft the Invitation in accordance with this decision and the act on exemption referred to in Article 288 paragraph 3 of the Law (preliminary decision of AERS).

This decision as well as clause 11 of this decision applies fully in case GASTRANS d.o.o. publishes the Invitation before rendering the Act on Exemption.

11.2. If GASTRANS d.o.o. announces the Invitation before the Act on Exemption is rendered (final decision of AERS pursuant to the Article 288 paragraph 19 of the Law), GASTRANS d.o.o. shall make capacity allocation in accordance with clauses 6-8 of this decision, while taking into account the deadlines of corresponding capacity allocation procedures to be held by the adjacent operators.

11.3. All results of capacity allocation obtained before rendering of the Act on Exemption shall be considered as preliminary results of allocation.

If GASTRANS d.o.o. decides to notify the bidders on the preliminary result of the allocation, it shall indicate in the Invitation that the delivery of the notification of the preliminary allocation is not acceptance of the offer nor confirmation of the performed allocation of capacity, and that GASTRANS d.o.o. reserves the right to subsequently modify the preliminary results in accordance with the final Act on Exemption.

After AERS renders the Act on Exemption, GASTRANS d.o.o. shall perform allocation in accordance with the Act on Exemption upon which it confirms or amends the preliminary allocation results, and inform without delay first the bidders whose Binding bid has not been accepted in accordance with this decision.

Upon expiry of the deadline for filing a complaint by bidder referred to in the paragraph 3 of this clause, GASTRANS d.o.o. allocates capacity allocated in accordance with the Act on Exemption, of which it informs bidders whose Binding bids it accepted pursuant to this decision.

11.4. If the Act on Exemption imposes conditions that were not provided for in the Invitation, including the amounts of expected tariffs, GASTRANS d.o.o. shall inform all bidders thereof and invite them to make statement whether they withdraw the Binding bids due to changed prices or transmission conditions or they want to amend the Binding bids in part related to the capacity volume, given that the deadline for submission of statement may not be shorter than 3 working days.

Depending on the content of the statement from paragraph 1, GASTRANS d.o.o. may allocate the capacities pursuant to this decision to the bidders who have not withdrawn their Binding bids (changes the preliminary allocation results) and inform them on the results in accordance with the clause 11.2 of this decision.

- 11.5. When the requirements set in the Act on Exemption require the amendments of the content of template of an advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, GASTRANS d.o.o. shall at the request of AERS, at the latest within 15 days from the day of receipt of the Act on Exemption, provide the AERS the amended text of an advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, in order to verify its compliance, upon which it acts in accordance with clause 11.4 of this decision.
- 11.6. In case GASTRANS d.o.o. decides to execute an advance capacity booking agreement or the gas transportation agreement depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, before rendering of the Act on Exemption, GASTRANS d.o.o.:
- i) shall contract provisions governing right and obligation to amend an advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, for the purpose of harmonization with the Act on Exemption, related to either the volume of agreed capacity so it corresponds to the result of new allocation conducted pursuant to the clauses 11.3 and 11.4 of this decision or terms of realization of an advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, including the right of GASTRANS d.o.o. to unilaterally terminate the agreements if following new capacity allocation there is no space for realization of the agreements due to lack of available capacities; and
 - ii) shall provide a bidder the right to terminate the executed advance capacity booking agreement or the gas transportation agreement, depending on the agreement which will be executed following the allocation of capacity pursuant to this decision, e, if the required change results in a material amendment of the allocated capacity of the bidder or conditions for usage of such allocated capacity.
- 11.7. This decision shall cease to be valid on the date of deliverance of notification, referred to in clause 10.5 of this decision.
- 11.8. This decision is to be published on the website of AERS.

Council of the Energy Agency of the Republic of Serbia

No. 40/2018-Д-03/42

Date: September 3rd, 2018

President of the Council
(L.S.)

Dejan Popović (M.P.)