

Pursuant to Article 39, paragraph 1, Article 56, item 7) and Article 57, paragraph 5, in connection to Art. 288 and 48 of the Energy Law ("Official Gazette of RS", No. 145/14),  
on the 394. session held on February 9<sup>th</sup>, 2018 the Council of the Energy Agency of the Republic of Serbia adopted the following

Decision  
on method and deadlines for market test for expression of interest  
in the use of future infrastructure facility of the company „GASTRANS“, LLC, Novi Sad

*(Decision published on AERS webpage on February 12<sup>th</sup>, 2018)*

1. In line with this Decision, the „GASTRANS“ limited liability company, Novi Sad, 12 Narodnog Fronta Street (hereafter: Company) which submitted an exemption application is obliged to perform a market test on the interest in the use of transmission capacities of future infrastructure facility which is planned to be constructed under exemption regime on the territory of the Republic of Serbia, on the route of the gas pipeline which also includes two interconnectors – one of them on the point of entry into the transmission system on the border between the Republic of Serbia and the Republic of Bulgaria (entry on the territory of the Zaječar Municipality) and the other one on the point of exit from the transmission system on the border between the Republic of Serbia and the Republic of Hungary (exit on the territory of the Kanjiža Municipality).
2. For the purpose of non-discriminatory and transparent market test on expression of interest on the use of transmission capacities of a new gas pipeline infrastructure facility, i.e. of interconnectors referred to in item 1 hereof (hereafter: new infrastructure facility), the Company shall be obliged to publish the Expression of Interest Notice for the submission of non-binding bids for reserving capacity (hereafter: Notice) in line with this Decision.
3. The Company shall publish the Notice within a deadline not exceeding 30 days upon the publication of this Decision in at least one national and one international print medium and on the Company website simultaneously in Serbian and English languages.
4. The Company shall submit the text of the Notice to the Energy Agency of the Republic of Serbia (here in after: Agency), prior to publication.  
The Company shall inform neighbouring transmission system operators in the Republic of Bulgaria, Republic of Hungary, BiH and other neighbouring transmission system operators on the publication of the Notice.
5. The Notice shall be addressed to the widest group of entities entitling any national legal person and entrepreneur and any foreign legal person to submit a bid without discrimination.  
The Company shareholders and its subsidiaries and affiliates may also submit a non-binding offer for reserving capacity of new infrastructure facility under the same conditions defined in the Notice for all other entities.
6. The Notice shall define the deadline for the submission of non-binding offers which is at least 30 days long following the date of Notice publication on the Company website.  
The Company may subsequently decide to extend the deadline for the submission of non-binding offers in which case the notice on the extension of the deadline is published on the Company website and the Agency is informed on it in the written form by the Company eight days upon the publication of the notice at the latest.

7. In particular, the Notice shall include:
  - 1) the description of the new infrastructure facility which is planned to be constructed by the Company, especially entry and exit points, as well as the data on maximum operating pressure of the gas pipeline, the operating pressure range on each individual entry/exit point and the estimated commercial operation date;
  - 2) procedure to be followed by interested parties in order to obtain more information about the project indicating whether the Company requires the conclusion of a confidentiality agreement in order to provide access to the information;
  - 3) specification of entities entitled to submit offers in line with item 5 hereof;
  - 4) notice indicating that offers which are to be submitted are non-binding offers for market test purposes, that they neither bind the bidder nor the Company to actually contract capacity reserve, i.e. to conclude a contract on natural gas transmission and that there will be no financial obligations imposed on the bidder in case the bid is withdrawn;
  - 5) template for more detailed description of the bid with an instruction on how to indicate the following data:
    - a) necessary capacity indicated for entry and exit points separately, i.e. for interconnectors on the gas pipeline route and the data on the period for which an interest is expressed (capacity duration) while the template should allow bidders to require different capacities for different time periods if bidders wish so;
    - b) the type of capacity on each individual entry and exit point (firm, interruptible, reverse capacity);
    - c) information on whether the bidder intends to book the capacity or has booked natural gas transmission capacity with a neighbouring transmission system operator and, if this is the case, the bidder should provide data on volume, duration, type of capacity;
    - d) origin of natural gas or business data on the natural gas supplier and/or producer that the bidder plans to provide gas from or with whom the bidder has a contract on natural gas procurement;
    - e) entry and exit points which have not been indicated in the description of the facility referred to in subitem 1) if these are proposed by the bidder as new entry and exit points, indicating the requested capacity volume on each new entry and exit point, duration and type of capacity as well as the desired direction of the physical flow;
    - f) reference pressure, temperature and heat, natural gas quality range;
  - 6) declaration that the submission of a bid under the Notice is a prerequisite for the submission of binding bids;
  - 7) deadline for the submission of bids;
  - 8) obligation to submit the bid in two copies and
  - 9) information that the bidder may indicate certain business data in the bid as confidential.
8. If the Company decides to impose a bidding fee in order to cover part of administrative costs related to the market test, the given fee level shall be published in the Notice and the level of it shall not limit the participation of interested parties.
9. In the Notice, the Company shall inform the interested parties that:
  - 1) the Company has filed an exemption application and published the Notice in line with this Decision which is published on the Agency website;
  - 2) the data which are either already treated as confidential in line with ruling regulations or which are indicated by the bidder as confidential are protected by the Company in line with the regulations of the Republic of Serbia while the Company is entitled to use them for the purpose of drafting project feasibility studies, for the purpose of addressing public institutions of the Republic of Serbia and

international bodies in charge and their members which participate in the exemption application decision-making procedure in line with the Energy Law.

- 3) on the basis of collected results of the market test, the Company shall estimate the needs and possibilities to adjust technical-economic characteristics of the planned infrastructure facility with the scope and duration of the requested exemption of the new infrastructure facility.
10. If, seven working days prior to the deadline for the submission of bids at the latest, an interested party asks for a clarification on the content of the Notice via e-mail, the Company shall submit a response to the interested party via e-mail, three working days since the electronic confirmation of the receipt of the e-mail at the latest while being also obliged to publish both the question of the enquirer and the response of the Company on its website within the same deadline without indicating business data on the identity of the enquirer.
  11. Within a deadline which may not exceed 15 days since the deadline for the submission of bids, the Company shall submit a report with the results collected via the market test to the Agency with the following evidence:
    - 1) proof of publication of Notice with the Notice text which is published in national and international media and on the Company website;
    - 2) one copy of each submitted bid including bids which are not accepted with clear indication of data which were indicated by the bidder as confidential;
    - 3) original copy of notice sent to the operators of neighbouring transmission systems to which the Company plans the new infrastructure facility to be connected;
    - 4) list of questions and answers referred to in item 10 hereof.
  12. Upon the expiration of the deadline for the submission of bids, the Company shall consider the scope of interest in the market in the use of capacity of the new infrastructure facility and, in line with the results, the Company shall either define technical-economic characteristics of the facility in more detail or modify them in order to meet the demand of the market in a manner providing for the compliance of prescribed conditions for the exemption of this facility in line with the Article 288, paragraph 1 of the Energy Law.
  13. The Company shall submit a declaration to the Agency on whether the Company adheres to the submitted application or asks for its amendment in terms of scale and/or duration of exemption with a proposal of method of setting transmission tariff, proposal on allocation of capacity for which exemption is asked, documentation which includes technical-economic analyses of the infrastructure project and analyses which prove the compliance with the prescribed conditions, along with a rationale behind it, 60 days upon the submission of the report referred to in item 11 hereof at the latest.

The Agency shall not adopt a decision on the exemption application prior to adopting a decision on rules and mechanisms of binding capacity allocation and management.
  14. This Decision shall be published on the Agency website ([www.aers.rs](http://www.aers.rs)).

No. 40/2018-D-03/1  
In Belgrade, February 9<sup>th</sup>, 2018.

Council of the Energy Agency of the Republic of Serbia

PRESIDENT OF THE COUNCIL  
(Agency seal)

Ljubo Mačić, *m.p.*