

**GENERAL TERMS AND CONDITIONS FOR PARTICIPATION AND ACCESS TO CAPACITY  
IN THE BINDING CAPACITY ALLOCATION PHASE AT THE INTERCONNECTION POINTS  
BETWEEN UKRAINE AND THE REPUBLIC OF MOLDOVA**

## **1. General provisions**

1.1. This document governs the general terms and conditions that the Network User (NU) must accept in order to participate in the Auction and to have access to the incremental capacity made available in the annual auction conducted on the Regional Booking Platform (RBP).

1.2. Transmission services for the capacity allocated under the Tender shall be provided in accordance with the Contract on the provision of natural gas transmission services, the Agreement regarding the capacity reservation procedure at the entry/exit points of the transmission system of "Vestmoldtransgaz" LLC via the regional online platform used by the TSO, the General Terms and Conditions for participation and access to capacity in the committed phase of allocation of incremental capacity at the interconnection points, as well as in accordance with the applicable tariff.

1.3. The general terms and conditions of the auction do not exclude the provisions of the Gas Transport Contract, in particular regarding the financial guarantees, which confirm the financial capacity of the NU to fulfill his financial obligations in order to enforce the gas transmission contract.

1.4. By sending the Application for Participation and Access and subsequently submitting a bid in the Tender, the NU accepts without reservation the conditions set out in the General Terms and Conditions, the Contract on the provision of natural gas transmission services and the Agreement regarding the capacity reservation procedure at the entry/exit points of the transmission system of "Vestmoldtransgaz" LLC via the regional online platform used by the TSO.

1.5. The general terms and conditions for participation and access to the capacity in the engaging phase of incremental capacity allocation are presented in Romanian and English. In the event of a discrepancy between the Romanian and English versions, the Romanian version will prevail.

## **2. Definitions**

**Auction** - annual capacity auction, conducted under the conditions set out in the Network Code on capacity allocation mechanisms, under which incremental capacity of the interconnection point IP Kaushany and IP Grebenyky will be made available.

**Incremental capacity** - a possible future increase, through market-based procedures, of technical capacity or new capacity created where none currently exists, which may be offered on the basis of investments in physical infrastructure or long-term capacity optimisation, and which may be subsequently allocated subject to a positive economic test result.

**Tariff for transmission service** - payment to be paid by the NU for the transmission services provided.

**Economic test** - a test applied to assess the economic viability of incremental capacity projects.

**Gas Year** - the period of time between the first gas day of October of the current year and the first gas day of October of the following year.

### **3. The commitment phase of Incremental Capacity Allocation**

3.1. In the commitment stage of incremental capacity allocation within the Project, "Vestmoldtransgaz " LLC will provide incremental capacity for the IP Kaushany on the Ukraine-Moldova flow direction and the IP Grebenyky on the Moldova-Ukraine flow direction under in the form of 15 (fifteen) annual incremental capacity products, for 15 (fifteen) gas years, from October 1, 2027 07:00 to October 1, 2042, 07:00.

3.2. In the Incremental Capacity Allocation commitment phase, each annual product will be made available through a single, separate Incremental Capacity Auction:

- for IP Kaushany at the level of 172 818 671 kWh/day (UA-MD),
- for IP Grebenyky at the level of 158 818 500kWh/day (MD-UA)

3.3. "Vestmoldtransgaz" LLC will make the investment decision to implement the Project only if there is a commitment from the NUs to purchase the respective incremental capacities in the annual auction 2024 and if the result of the economic test are positive for both Vestmoldtransgaz and Gas TSO of Ukraine.

3.4. By participating in a Bidding Process, each NU will have to agree the following:

- The Capacity Allocation referred to in the Incremental Capacity Process is conditional on a positive Economic Test (ET) result of the OTS concerned;
- In case of a negative result of the Economic Test performed before the Capacity Allocation, Vestmoldtransgaz shall return, if applicable, any Financial Guarantee deposited by the NU and no transmission capacity shall be contractually allocated;
- In case of a positive result of the Economic Test carried out before the Capacity Allocation, the NU shall sign Annex 1 "Information on the contracted capacity related to each corresponding entry or exit point and the period during which the transmission of natural gas will take place" to the Contract for the provision of natural gas transmission services;
- If after a positive Economic Test the incremental capacity is not allocated to the Network User, the Financial Guarantees will be returned;
- submitting a request for participation and access to "Vestmoldtransgaz" LLC

3.5. The NU accepts that said request will constitute an irrevocable commitment and is obliged to comply with the following provisions:

- The Contract for the provision of natural gas transmission services;
- The Agreement regarding the capacity reservation procedure at the entry/exit points of the transmission system of "Vestmoldtransgaz" LLC via the regional online platform used by the TSO;
- General terms and conditions for participation and access to capacity in the committed phase of allocation of incremental capacity at interconnection points, subject to a positive economic test.

### **4. Conditions for participation in an auction**

4.1. "Vestmoldtransgaz" LLC will carry out the hiring stage of incremental capacity allocation on the RBP Platform, in accordance with the terms and conditions of use of the hiring platform on the day of the Auction.

4.2. To participate in the auctions, the NU must comply with the following:

- a) to conclude a Contract ob the provision of natural gas transmission services,
- b) to register successfully, through coodonation with Vestmoldtransgaz, on the RBP platform,

- c) to submit the financial guarantees in the amount and form established in the Contract regarding the provision of natural gas transmission services, the Agreement regarding the capacity reservation procedure at the entry/exit points of the transmission system of "Vestmoldtransgaz" LLC through the regional online platform used by the TSO, General terms and conditions of participation and access to capacity in the committed stage of allocation of incremental capacity to interconnection points.
- d) not have outstanding debts towards "Vestmoldtransgaz" LLC for the natural gas transmission services provided previously;

4.3. The transmission services related to the capacity allocated in the Auction shall be carried out in accordance with the Contract on the provision of gas transmission services concluded, together with its Annexes, the Agreement regarding the capacity reservation procedure at the entry/exit points of the transmission system of "Vestmoldtransgaz" LLC via the regional online platform used by the TSO, as well as in accordance with the Tariff, being binding at all times.

## **5. Financial guarantee for participation in the auction and allocation of incremental capacity**

5.1. To participate in the Auction, the Participant must submit a financial guarantee of participation and a financial guarantee that confirms the financial capacity of the NU to fulfill his obligations towards Vestmoldtransgaz according to the offer, in the form, date and amount specified in the Contract on the provision of gas transmission services concluded, together with its Annexes and on the Agreement regarding the capacity reservation procedure at the entry/exit points of the transmission system of "Vestmoldtransgaz" LLC through the regional online platform used by TSO.

5.2. The financial payment guarantee is presented by the NU and can be in the form of:

- a) a letter of bank guarantee in lei MDL or the equivalent in Euro at the NBM exchange rate on the day the guarantee is issued; and/or
- b) a bank transfer to the TSO's bank account in lei MDL or the equivalent in Euro at the NBM exchange rate on the day the guarantee is collected; and/or
- c) a guaranteed account (collateral deposit) in lei MDL or the equivalent in Euro at the NBM exchange rate on the day the guarantee is issued; and/or
- d) an escrow account in lei MDL or the equivalent in Euro at the NBM exchange rate on the day the guarantee is issued.

5.3. In the case of submitting the financial guarantee in the form of a bank guarantee, Vestmoldtransgaz requests that the guarantee document indicate that the guarantee is irrevocable, non-transferable, unconditional and payable at the first request of "Vestmoldtransgaz" LLC.

5.4. The NU will submit a financial guarantee of participation and a financial guarantee of payment according to the concluded Contract on the provision of natural gas transmission services, with its Annexes and the Agreement regarding the capacity reservation procedure at the entry/exit points of the transmission system of "Vestmoldtransgaz" LLC through the regional online platform used by OST.

5.5. The value of the financial guarantee to be submitted by the NU in case of capacity request within the Auction, will be determined as follows:

- I. one (1) annual product — must be twice the monthly average of the Network User's financial obligations towards "Vestmoldtransgaz" LLC;

- II. two (2) annual products - must be three (3) times the monthly average of the NU's financial obligations to "Vestmoldtransgaz" LLC;
- III. three (3) annual products — must be four times higher than the monthly average of the NU's financial obligations towards "Vestmoldtransgaz" LLC;
- IV. four (4) annual products - must be five times the monthly average of the NU's financial obligations towards "Vestmoldtransgaz" LLC;
- V. five (5) annual products — must be six times the monthly average of the NU's financial obligations towards "Vestmoldtransgaz" LLC;
- VI. from six (6) to seven (7) annual products - must be seven times higher than the monthly average of the NU's financial obligations towards "Vestmoldtransgaz" LLC;
- VII. from eight (8) to nine (9) annual products — will be eight times higher than the monthly average of the NU's financial obligations towards "Vestmoldtransgaz" LLC;
- VIII. from ten (10) to eleven (11) annual products - must be nine times the monthly average of the NU's financial obligations towards "Vestmoldtransgaz" LLC;
- IX. from twelve (12) to thirteen (13) annual products - is ten times the monthly average of the financial income of the NU's obligations towards "Vestmoldtransgaz" LLC;
- X. fourteen (14) annual products - must be eleven times the average monthly financial obligations of the NU towards "Vestmoldtransgaz" LLC;
- XI. fifteen (15) annual products - must be twelve times the average monthly financial obligations of the NU towards "Vestmoldtransgaz" LLC;

5.6 The binding offers of the NU will be accepted only within the limits of the financial guarantee that was established in favor of "Vestmoldtransgaz" LLC in accordance with the provisions above.

5.7. Ten (10) Working Days after the completion of the capacity allocation within the Auction, the NU will have the right to request the adjustment of the value of the financial guarantee constituted to the level of capacity allocated to the Participant, respectively the calculation of the value of the financial guarantee based on the volume of capacity that was given to him allocated as a result of the Auction considering the existing available capacity reserved, in addition to the incremental capacity, if applicable.

5.8. From the moment of making available to the NUs the capacity created as a result of the implementation of the Project by "Vestmoldtransgaz" LLC and "Gas TSO of Ukraine", the value of the financial guarantee that the NU must maintain will be calculated based on the tariffs for the provision to transport services for the annual product allocated to the Participant following the Auction, in accordance with the Tariff in force.

5.9. The NU who obtained the incremental capacity within the Auction is obliged to maintain the financial guarantee constituted in favor of "Vestmoldtransgaz" LLC, in full and in the form provided for in the General Terms and Conditions of the Auction, from the moment specified in point 5.3 until the last day of of the second (2) month from the end of the last gas year of the transmission services provided to the NU as part of the capacity allocated in the incremental capacity commitment stage.

5.10 "Vestmoldtransgaz" LLC does not owe the NU any interest for the period in which the amount of the Financial Guarantee constituted in the form of a financial deposit was kept with him in accordance with this document, nor any other additional payments of commissions, expenses, etc. associated with the Financial Guarantee.

## **6. Delays in ensuring of capacity and/or interruption of Project implementation.**

6.1. "Vestmoldtransgaz" LLC notifies the NUs, regarding any delays in securing the additional capacity allocated within the Auction and/or any interruption in the implementation of the Project.

6.2. The date of completion of the Project implementation works may be postponed for a period not exceeding twenty-four (24) months, provided that the NU's are notified.

6.3. In case of postponement of the implementation of the Project, "Vestmoldtransgaz" LLC shall unilaterally cancel the capacity allocation for the period from the date of granting access to the capacity that was allocated in the mandatory incremental capacity allocation phase, until the new date of the start of granting access to the capacity within a period of twenty-four (24) months.

6.4. The NU will not have the right to refuse access to the capacity that was allocated in the mandatory phase of incremental capacity allocation to and will be carried over after the new start date of granting access to the capacity.

6.5. Within fourteen (14) days from the date of receipt of a draft capacity allocation, providing for appropriate adjustments, the NU shall sign Annex No 1 to the Contract for the provision of natural gas transmission services.

6.6. In case of changes in the implementation of the Project that lead to the creation of less capacity than the capacity planned under the Project and provided that the capacity that is allocated in the mandatory phase of the incremental capacity allocation exceeds the capacity actually created in the relevant gas year, "Vestmoldtransgaz" LLC shall proportionally reduce the amount of allocated capacity by the amount of capacity actually created for all network users that received access to capacity in the relevant gas year.

6.7. Within fourteen (14) days from the date of receipt of a draft capacity allocation, which provides for appropriate adjustments, the NU shall forward to Vestmoldtransgaz the signed capacity allocation or the total or partial refusal.

6.8. If the NU does not submit a signed capacity allocation to "Vestmoldtransgaz" LLC within fourteen (14) days from the date of receipt of a draft capacity allocation providing for the corresponding adjustments, the NU shall be deemed to have refused all capacity in the relevant gas year.

6.9. "Vestmoldtransgaz" LLC shall not be liable for lost profits of the Network User or any consequential damages arising from delays in the implementation of the Project and/or unavailability of incremental capacity and/or any actions or inactivity of an operator of an adjacent gas transmission system in the incremental capacity procedure.

## **7. Miscellaneous**

7.1. The Application for Participation and Access to Capacity in the Commitment Phase of Incremental Capacity Allocation at the interconnection points between Ukraine and the Republic of Moldova is an integral part of this document and, upon signature by the Network User and submitted to "Vestmoldtransgaz" LLC, becomes an integral part of the Contract on the provision of natural gas transmission Service.

**REQUEST FOR PARTICIPATION AND ACCESS**

**ON CAPACITY IN THE COMMITMENT STAGE OF ALLOCATING INCREMENTAL CAPACITY AT THE INTERCONNECTION POINTS BETWEEN UKRAINE AND THE REPUBLIC OF MOLDOVA**

"Network user" (The identification data of the NU will be filled in, has become aware of the terms and conditions of the allocation procedure and the provision of access to the incremental capacity and accepts without exception all the terms and conditions of access to the capacity allocated in the allocation auction of the incremental capacity, which were approved by the National Agency for Energy Regulation of the Republic of Moldova (ANRE) Decision no. \_\_\_ dated \_\_\_\_\_.\_\_\_\_.\_\_\_\_\_.

By signing this Request for participation and access to capacity in the engaging phase of incremental capacity allocation at the interconnection points between Ukraine and the Republic of Moldova (IP Kaushany, IP Grebenyky), NU agrees to the general terms and conditions to participate in the auction and to have access to the incremental capacity made available during the annual auction held on the Regional Booking Platform (RBP), in accordance with the provisions of the Network Code approved by ANRE no. 420/2019.

**NOTE:** This Application is an integral part of the Contract on the provision of natural gas transmission services no. \_\_\_ from the date of \_\_\_\_\_.\_\_\_\_.\_\_\_\_\_ .

Network User

\_\_\_\_\_  
(function, full name, signature)