

## *Interconnection Agreement Template*

### **Introduction**

The purpose of this Interconnection Agreement Template (“Template”) is to fulfil, in accordance with Article 5 of the Network Code on Interoperability and Data Exchange Rules (“INT NC”), the obligation of the European Network of Transmission System Operators for Gas (ENTSOG) to develop and publish an interconnection agreement template covering the default terms and conditions set out in Articles 6 to 10 of the INT NC.

If transmission system operators fail to agree on one or more of those terms and conditions in their interconnection agreement, they shall conclude an interconnection agreement on the basis of the default terms and conditions defined in this Template in respect of any term they failed to agree upon.

### **Scope**

The Interoperability Network Code (articles 6-10) sets out default terms and conditions for the mandatory sections of an Interconnection Agreement. This template recognises and highlights these default terms and conditions. However, it does not place any additional obligations (contractual or otherwise) upon TSOs beyond those contained in the INT NC.

This Interconnection Agreement template is not intended to, nor is it required to, serve as a complete Interconnection Agreement. Adjacent transmission system operators will be required to further develop its content by agreeing further details which may include but shall not be limited to:

- a) any necessary details to complete the articles of this template such as values for the limits of the operational balancing account, reference to control, measurement, nominations (single/double sided), matching, dispatching and allocation procedures;
- b) any mention to additional TSO’s and their role in case there are more than two involved in the interconnection point and if necessary to Virtual Interconnection Points.
- c) the mandatory terms required by the code which are outside the scope of this template: amendment process and settlement of disputes;
- d) other articles to cover other terms outside the scope of the network code such as definitions, liability, confidentiality, shut-off, force majeure termination, swap procedures, gas quality and pressure;
- e) the requirements of applicable national legislation

The content of this template may be used only partially or modified by the Parties when concluding an Interconnection Agreement.



This Agreement is made the ..... day of ....., by and between:

..... (hereinafter called "TSO A"), operator of the Transmission System XXX;

..... (hereinafter called "TSO B"), operator of the Transmission System YYY;

For the Interconnection Point ..... (hereinafter referred to as the interconnection point)

Hereafter collectively referred to as "Parties" and individually referred to as "TSO X", .

Now, therefore, the Parties agree as follows:

**Article 1: Rules for flow control** (*in accordance with Article 6 of INT NC*)

- 1.1. The Parties shall cooperate to facilitate a controllable, accurate, predictable and efficient gas flow across the interconnection point.
- 1.2. Gas flow shall be steered at a level of accuracy sufficient to minimise the deviations from the agreed gas flow according with 1.4 and at a level of stability in line with the efficient use of the gas transmission networks.
- 1.3. The Party operating the flow control equipment shall, in cooperation with the other transmission system operator(s), be responsible for steering the gas flow across the interconnection point.
- 1.4. The Parties shall decide on the quantity and direction of the gas flow for each hour of the gas day. Both decisions shall reflect:
  - (a) the result of the matching process;
  - (b) the operational balancing account correction;
  - (c) any efficient flow control arrangements between the parties for purposes such as ramp-up, ramp-down, minimum flow, split of the flow at the virtual interconnection point if any, and/or switch of flow direction or operational cost efficiency;
  - (d) any arrangement managing cross-border trade restrictions due to gas quality differences and/or odourisation practices.

- 1.5. The quantity of gas or the gas flow direction or both may be altered, if this is needed, in order to:
- (a) comply with provisions laid down in national or Union safety legislation applicable to the interconnection point;
  - (b) comply with requirements laid down in Emergency Plans and Preventive Action Plans developed in accordance with Regulation (EU) No 994/2010 of the European Parliament and of the Council<sup>1</sup>;
  - (c) react in case the operator's system is affected by an exceptional event.

**Article 2: Measurement principles for gas quantity and quality** (*in accordance with Article 7 of INT NC*)

- 2.1. The measurement equipment shall be installed, operated and maintained by the transmission system operator in control of the measurement equipment.
- 2.2. The Party designated in 2.1, shall have the obligation to make all relevant information and data in respect of the measurement of gas flows at the interconnection point available to the other Party(ies) in a timely manner .
- 2.3. Regarding the obligations set out in Article 7, paragraph 3, of the INT NC, EN1776 "Gas Supply. Natural Gas Measuring Stations. Functional Requirements" in the version applicable at the time of the signature of this agreement shall apply.

**Article 3: Rules for the matching process** (*in accordance with Article 8 of INT NC*)

- 3.1. The application by the Parties of the matching rule described in this article shall lead to identical confirmed quantities for each pair of network users at both sides of the interconnection point when processed quantities are not aligned.
- 3.2. The matching rule shall be the lesser rule<sup>2</sup>.
- 3.3. The Party in control of the flow control equipment shall be the matching transmission system operator.

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<sup>1</sup> Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC (OJ L 295, 12.11.2010, p.1)

<sup>2</sup> The application of the lesser rule may only be restricted in case the conditions of point 2.2.3.1 of Annex I of Regulation (EC) No 715/2009 are fulfilled and its application would prevent the offer of firm capacity from the congestion management procedures.

3.4. The Parties agree the following time schedule<sup>3</sup> in order to complete the matching process, taking into account the data that needs to be exchanged and all calculation and communication steps required to inform networks users in an accurate and timely manner. The duration of each process is specified from the starting point of the nomination or re-nomination cycle:

- (a) Calculating and sending of processed quantities of gas by the initiating transmission system operator: within 45 minutes.
- (b) Calculating and sending of confirmed quantities of gas by the matching transmission system operator: within 90 minutes.
- (c) Sending confirmed quantities of gas to network users and scheduling the gas flow across the interconnection point: within 2 hours.

3.5. When processing nominations, the parties shall calculate gas flow on a consistent basis taking into account any temporary reduction of capacity due to any of the conditions referred to in Article 1(5) of this agreement.

**Article 4: Rules for the allocation of gas quantities** *(in accordance with Article 9 of INT NC)*

4.1. The Parties shall ensure the consistency between the allocated quantities at both sides of the interconnection point.

4.2. The Parties agree to implement an operational balancing account as allocation rule for steering differences.

4.3. The steering difference shall be allocated to an operational balancing account of the Parties and the allocations to be provided by each Party to their respective network users shall be equal to the confirmed quantities.

4.4. The transmission system operator in control of the measurement equipment shall recalculate the operational balancing account with validated quantities and communicate it to the other Party.

4.5. The operational balancing account shall be maintained as close to zero as possible.

4.6. The limits of the operational balancing account shall take into account the specific characteristics of each interconnection point and the interconnected transmission network, in particular:

- (1) physical characteristics of the interconnection point;

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<sup>3</sup> These sequential steps shall be without prejudice to the rule for minimum interruption lead times referred to in Article 22 of Regulation (EU) No 984/2013 and paragraph 2 (d) of this Article

- (2) linepack capability of each transmission network;
- (3) the total technical capacities at the interconnection point;
- (4) gas flow dynamics at the interconnected transmission networks;

4.7. Where the defined limits of the operational balancing account are reached, the Parties agree to extend those limits in order to provide allocations to network users that are equal to their confirmed quantities or otherwise allocate quantities to network users proportionally based on the measured quantity.

**Article 5: Communication procedures in case of exceptional events** (*in accordance with Article 10 of INT NC*)

- 5.1. In pursue of a communication procedure which facilitates fast and simultaneous communication in cases of exceptional events, the Parties shall at least perform: an oral communication in English for information, followed by an electronic written confirmation.
- 5.2. The Party affected by an exceptional event shall be required, as a minimum, to inform its network users with respect to point (5.2.2) and (5.2.3) of this paragraph if there is a potential impact on their confirmed quantities and the adjacent transmission system operator(s) with respect to point (5.2.1) and (5.2.3) of this paragraph of the occurrence of such exceptional event and to provide all necessary information about:
  - 5.2.1. the possible impact on the quantities and quality of gas that can be transported through the interconnection point;
  - 5.2.2. the possible impact on the confirmed quantities for network users active at the concerned interconnection point(s);
  - 5.2.3. the expected and actual end of the exceptional event.
- 5.3. This Article applies without prejudice to the provisions set forth under Regulation (EC) No 1227/2011 of the European Parliament and of the Council and to its implementing acts