

Draft Code on Gas Balancing

in Transmission Systems

An ENTSOG Draft Network Code for Public Consultation

Approved by the ENTSOG Board on 12 April 2012

This document constitutes the Draft Code on Gas Balancing in Transmission Systems developed by ENTSOG (hereinafter the 'Network Code').

The Network Code was developed following an invitation letter from the European Commission to draft a network code on gas balancing rules which was received by ENTSOG on 4 November 2011. The development of such code is based upon the Framework Guidelines on Gas Balancing in Transmission Systems published by ACER on the 18 October 2011.

This Network Code is accompanied by a Supporting Document for Public Consultation on the Draft Code on Balancing (Ref. BAL 241-12, available on the ENTSOG website) to invite the stakeholders to provide views on issues raised throughout the document as part of the public consultation.

For the avoidance of doubt, the Supporting Document for Public Consultation shall not be construed as part of the Network Code and is publicly disclosed to the market for consultation purposes only and without any commitment whatsoever from ENTSOG as to the final content of the Network Code. Any and all interested parties, in their capacity as professional stakeholder, shall be responsible for seeking to obtain the accurate and relevant information needed for their own assessment and decision to respond to the consultation.

ENTSOG hereby disclaim all responsibility for changes to the Network Code as presented. Such changes may result from amongst others the results of the consultation or comitology procedure.

Additionally, the content of the Network Code and Supporting Document for Public Consultation should not be considered to give rise to any specific right or obligation whatsoever to ENTSOG or any of its Members as to any stakeholder.

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Having regard to Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (hereinafter the 'Directive');

Having regard to Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (hereinafter the 'Regulation') and especially Article 6;

Having regard to the ACER Framework Guidelines on Gas Balancing in Transmission Systems dated 18 October 2011 (hereinafter the 'Framework Guidelines');

Having regard to the Invitation Letter of the European Commission to draft a Network Code on gas balancing rules dated 4 November 2011;

[Having regard to the outcome of the Comitology Procedure and final decision dated [●].]

Whereas:

The Regulation defines several tasks for ENTOSOG. Amongst these is the development of European-wide harmonised Network Codes in the areas referred to in Article 8 (6) of the Regulation to be applied by all Transmission System Operators for Gas.

The process for delivering a Network Code by ENTOSOG is based on the procedure as set out in article 6 of the Regulation.

With regard to balancing rules referred in Article 8 (6) lit j) of the Regulation, ACER published on the Framework Guidelines pursuant to Article 6 (2) of the Regulation.

These Framework Guidelines were reviewed by the European Commission and approved as the basis for ENTOSOG's work on the Network Code.

This Network Code was developed upon the basis of the ENTOSOG Gas Balancing Launch Documentation which was published on 2 December 2011 (BAL0125-11) at the beginning of the code development process and inputs from ENTOSOG members via its Balancing Working Group and from external stakeholders via the stakeholder joint workshops (SJWSs) held regularly between October 2011 and March 2012. The materials from latter are to be found on <http://www.entsog.eu/publications/balancing.htm>

CHAPTER I.
GENERAL PROVISIONS

Article 1.

Subject matter and scope

1. This Network Code sets out provisions regarding gas balancing regimes within the borders of the European Union with the aim to facilitate gas trading across Balancing Zones toward greater market integration.
2. This Network Code defines gas balancing rules, including network-related rules on nominations procedures, on imbalance charges and on operational balancing as required by Article 8 (6) lit j) of the Regulation.
3. The Network Code does not cover the specific measures regarding emergency defined under the National Rules to be implemented by the TSOs.
4. This Network Code aims to harmonise gas balancing arrangements for cross-border trade to support the completion and functioning of the European internal gas market and to ensure the security of supply and appropriate access to the relevant information to facilitate efficient trade to move forward greater market integration.
5. The rules applying to balancing regimes may need to take into account in certain circumstances and for certain issues Distribution Systems. The present Network Code shall therefore include relevant provisions in respect thereof applying to DSOs with the aim to harmonize DSOs' roles where and to the extent necessary for the due implementation of the provisions of this Network Code.

Article 2.

Definitions

For the purposes of this Network Code, the definitions set out in Annex I shall apply.

Article 3.

Principles

The requirements established in this Network Code and respective implementation by the TSOs are based on the principles of fairness, non-discrimination, transparency and competitiveness in accordance with the Regulation and the Directive.

Article 4.

Confidentiality

1. Without prejudice to the obligation related to relevant binding rules regarding the confidentiality of commercially sensitive information under European legislation as transposed in the country of operation, each TSO shall preserve the confidentiality of the information and data submitted to it for the implementation of this Network Code and shall not disclose any of these to third parties save for the use of such confidential information exclusively for the purpose for which it has been submitted, notably to verify the compliance of requirements set forth in this Network Code.

2. Notwithstanding the above, Item 1 Article 4 shall not apply where a TSO is compelled under relevant EU or national law to disclose such confidential information, under the conditions set forth in the relevant European and/or national legislation.

Article 5.

Relationship with European and national legislation

1. This Network Code shall be without prejudice to the rights of member states to maintain or introduce measures in the applicable National Rules that contain more detailed provisions than those set out herein provided that such measures are consistent with the general principles set out in this Network Code.
2. This Network Code is without prejudice to public service obligations of a TSO arising out of European legislation as applied in the competent member state with regard to balancing.
3. This Network Code is without prejudice to the regulatory regime for cross border issues pursuant to Article 42 of the Directive and to the responsibilities and powers of the regulatory authorities established according to Article 41 (6) of the Directive.
4. This Network Code is without prejudice to specific measures implemented under the Regulation or Regulation (EU) 994/2010 on security of gas supply.
5. The TSOs shall not be held liable for non-compliance with any provision of this Network Code, if this arises as a result of complying with specific measures under another regulation which shall prevail.
6. This Network Code provides the minimum requirements to be complied with and any decision of a member state or individual TSO to go beyond shall in no circumstances affect the content of the present Network Code.

Article 6.

Application of this Network Code

1. In the event of any conflict or inconsistency between the terms of this Network Code and any provisions related to balancing contained in another network code or national legislation, the terms of this Network Code shall prevail to the extent and in accordance with the provisions set forth in the present Chapter I.
2. This Network Code shall be amended to the extent needed as from the coming into force to adapt its provisions to any changes in terms of needs, obligations or legislation in accordance with Article 7 of the Regulation.

CHAPTER II.
BALANCING SYSTEM

Article 7.

General principle

1. The Network Users shall take primary responsibility through the performance of Balancing Activities to balance their Portfolios in order to minimise the need for TSOs to undertake Balancing Actions through the balancing mechanisms defined under the present Network Code.

2. The balancing regime shall reflect genuine system needs, taking into account the resources available to TSOs and appropriately incentive Network Users to balance their Portfolios efficiently.

Article 8.

Trade notifications and Allocations

1. Gas transfer between two (2) Portfolios shall be made through trade notifications (disposing and acquiring accordingly) submitted to the relevant TSO in respect of the Gas Day.
2. The timing for submitting , withdrawing and amending trade notifications shall be defined by the TSO in the relevant transport contract or other legally binding arrangement with Network Users taking into account the Lead Time (if any) for processing thereof.
3. A trade notification shall provide at least the following information:
 - a) the Gas Day for which gas is transferred;
 - b) the identification of the concerned Portfolios;
 - c) whether it is a disposing or an acquiring trade notification;
 - d) the Notification Quantity expressed in kWh/d for daily Notification Quantity and in kWh/h for hourly Notification Quantity as required by the TSO concerned.
4. If the TSO receives a corresponding set of a disposing and an acquiring trade notifications and the Notification Quantities are equal then the TSO shall allocate the Notification Quantity to the Portfolios concerned:
 - a) an Exit Allocation equal to the Notification Quantity to the Portfolio of the Network User making the disposing trade notification; and
 - b) an Entry Allocation equal to the Notification Quantity to the Portfolio of the Network User making the acquiring trade notification.
5. The TSO may provide a specific default rule for the process referred to in Item 4 above should the Notification Quantities not be equal.
6. A Network User may make a trade notification on a Gas Day irrespective of whether any nomination was made by this Network User for that Gas Day.

CHAPTER III.
CROSS-BORDER COOPERATION

Article 9.
General provisions

The TSOs shall cooperate in order to integrate European gas markets by merging entry and exit zones or create cross-border Balancing Zones wherever and to the extent it is technically feasible and economically reasonable, or through other means such as market coupling.

Article 10.
Consultation process on proposals to integrate European gas market

1. The TSOs with common boundaries of their entry/exit zone(s) shall consult the relevant stakeholders on proposals for project development with regard to such zone(s) where opportunities to integrate their entry/exit zone(s) are identified.
2. In this process the TSOs shall consult stakeholders on options for cooperation.
3. The proposal(s) shall include an impact assessment of the expected costs and benefits and on the timeline of the completion.
4. Upon the closing of the consultation, the TSOs involved shall make the results available and send them to ENTSOG.
5. ENTSOG shall consolidate and compile these results to be shared with the relevant national regulatory authorities and ACER.
6. To finalise the proposal(s) the relevant TSOs will work within ENTSOG in the light of comments made by ENTSOG, the national regulatory authorities involved and ACER, if any.
7. The relevant TSOs shall finalise and submit the final proposals for approval to the relevant national regulatory authorities and for information to ACER and ENTSOG.
8. The submitted proposals could include shipper-led cross-border portfolio balancing, which would allow Network Users to net their imbalances between adjacent Balancing Zones, cross-border TSO balancing, which would allow TSOs to act as intermediaries to facilitate access to flexible gas in adjacent markets and a joint balancing platform for TSOs in adjacent Balancing Zones, which would allow TSOs to buy and sell balancing gas, where sufficient interconnection exists.
9. The involved national regulatory authorities shall coordinate amongst themselves to reach the best outcome possible when providing a joint decision on this proposal within three (3) months as from the submission by the TSOs referred to in Item 7 above. Any decision shall be duly reasoned and communicated to the TSOs concerned.
10. The national regulatory authorities may seek an opinion or a recommendation from ACER, based on the provisions of the Agency Regulation.
11. The requirements set forth in Article 10 shall not prevent in any case TSOs in any of the gas regions (as defined in the European regional initiatives) from bringing forward or consulting on proposals to merge Balancing Zones or for cross-border balancing in the meantime.

Article 11.
ENTSOG review process

1. ENTSOG shall review the progress of the harmonisation of balancing rules in adjacent Balancing Zones assessing the existing level of harmonisation and changes or measures in that respect implemented if any.
2. To conduct the assessment, ENTSOG will involve the relevant stakeholders where and to the extent necessary.
3. Based on that assessment, ENTSOG will publish on its website a report containing the conclusion of the assessment together with recommendations where relevant, on additional measures needed to further harmonise the existing balancing rules, which may facilitate the achievement of cross-border cooperation.
4. The first review process shall take place no later than two (2) years after the date of entry into force of this Network Code. ENTSOG shall then conduct this review regularly, on a two year basis.
5. Such review shall be given due consideration by the TSOs when identifying opportunities to further integrate European gas markets.

CHAPTER IV.
OPERATIONAL BALANCING

Article 12.
General provisions

1. The TSO shall undertake Balancing Actions in order to:
 - a) maintain the Transmission System within its operational limits;
 - b) achieve an end of day Linepack position in the Transmission System different from the one anticipated on the basis of expected Inputs and Off-takes for that Gas Day being consistent with the objectives of the daily balancing regime
2. While undertaking Balancing Actions the TSO shall consider at least on the following information in respect of a Balancing Zone:
 - a) the TSO's own estimates of demand of gas over and within the Gas Day;
 - b) nomination and Allocation information and measured gas flows;
 - c) distribution of gas.
3. The TSO shall undertake Balancing Actions through:
 - a) buying or selling of Short Term Standardised Products (Title Market Products, Locational Market Products, Temporal Market Products and Temporal Locational Market Products) on a Trading Platform; and/or

- b) use of Balancing Services.
4. While undertaking Balancing Actions the TSO shall take into account the following principles:
- a) the Balancing Actions shall be undertaken on a non-discriminatory basis;
 - b) the Balancing Actions shall have regard to any obligation upon TSOs to operate an economic and efficient Transmission System.

*Article 13.
Merit order*

Subject to the principles set forth in Item 4 Article 12, while deciding on the appropriate Balancing Actions to undertake, the TSO shall at least consider the following criteria:

1. The TSO shall seek to prioritize the use of Title Market Products where and to the extent appropriate over any other available Short Term Standardised Products.
2. The TSO shall consider the use of Locational Market Products when, in order to keep the Transmission System within its operational limits, gas flow changes are needed at specific Entry and/or Exit Points and/or to start from a specific period of time within the Gas Day.
3. The TSO shall consider the use of Temporal Market Products when, in order to keep the Transmission System within its operational limits, gas flow changes are needed within a specific period of time within the Gas Day. The TSO shall only use a Temporal Market Product when in its discretion under defined circumstances it would be more efficient and economic than buying or selling of a combination of Title Market Product or Locational Market Product.
4. Subject to Article 16, the TSO shall consider the use of Balancing Services.

*Article 14.
Trading Platform*

1. In each Balancing Zone at least one (1) Trading Platform shall be available for trades in Short Term Standardised Products.
2. Such Trading Platform shall provide sufficient support to both the Network Users to trade and the TSOs for the purpose of undertaking appropriate Balancing Actions. The Trading Platform shall be sufficiently accessible and available to facilitate trades in all relevant Short Term Standardised Products thereon.
3. In absence of the sufficient support as set forth in Item 2 above, the relevant TSO shall either seek to ensure that this support is provided on an existing Trading Platform, or where no Platform exists take the necessary measures towards the establishment of a Trading Platform as set forth in Item 1 above, that provides this support.

4. As soon as reasonably possible after each trade is concluded the Trading Platform Operator shall make available for the relevant Trading Participants the sufficient related information on the trade.
5. The Trading Participant shall be responsible for submitting the trade notification to the relevant TSO as defined in Article 8 unless the responsibility is assigned to a Trading Platform Operator or a third party in accordance with the applicable rules of the Trading Platform.
6. The Trading Platform Operator shall:
 - a) publish the evolution of the Marginal Buy Price and Marginal Sell Price as soon as reasonably possible after each trade unless there are more than one (1) Trade Platform Operators in the same Balancing Zone; in such case b) shall apply;
 - or
 - b) unless decided by the concerned TSOs elects to provide such information, provide the relevant TSO with the relevant information to be able to publish the evolution of Marginal Buy Price and Marginal Sell Price as soon as reasonably possible.
7. The Trading Platform Operator shall not allow a trade unless the Trading Participants are entitled to make trade notifications on this Trading Platform.
8. The TSO shall immediately inform the Trading Platform Operator of Network User's losing the right to make trade notifications which shall result in the suspension of the Network User's right to trade on the Trading Platform.

Article 15.

Short Term Standardised Products

1. The Short Term Standardised Products shall be traded for delivery on a within-day or day ahead basis. Weekend and bank holiday shall be considered as one single day for that purpose.
2. The Short Term Standardised Products shall be the subject matter of the relevant trades referred to in Items 4-7 below to be entered into by the Trading Participants.
3. The originating participant is the Trading Participant that posts a bid or an offer to trade on the Trading Platform and the accepting participant is the Trading Participant that accepts it.
4. Where a Title Market Product is traded the following conditions shall be met:
 - a) One (1) Trading Participant makes an acquiring trade notification and the other makes a disposing trade notification;
 - b) both trade notifications shall specify the gas quantity transferred from the Trading Participant who makes a disposing trade notification to the one who makes an acquiring trade notification;

- c) gas quantity transferred shall be specified through the Notification Quantity that may be either daily or hourly. An hourly Notification Quantity shall be applied to all the remaining hours of the Gas Day from a specified start time and shall be equal to zero for all the hours before this start time.
5. Where a Locational Market Product is traded the following conditions shall be met:
- a) The TSO shall have determined the relevant Entry and Exit points (or groups thereof) that can be used;
 - b) all the conditions specified for Title Market Product in Item 4 above are fulfilled;
 - c) the originating Trading Participant modifies the quantity of gas to be injected and/or off-taken to/from the Transmission System by an amount equal to the Notification Quantity and provides evidence in the form of Confirmed Quantity (-ies) for the specified Entry and/or Exit Point(s);
 - d) the originating participant shall submit nomination(s) or re-nomination(s) in accordance with the requirements established in Chapter V.
 - e) the originating participant that makes a disposing or acquiring Trade Notification shall submit:
 - nomination(s) for the Entry or Exit Point(s) (as relevant) with regard to which the originating participant has not submitted any nomination(s) before; and/or
 - re-nomination(s) that modifies(y) the Network User's nomination(s) for the Entry Point(s) by increasing or reducing (as relevant) the gas quantity specified in nomination(s); and/or
 - re-nomination that modifies(y) the Network User's nomination(s) for the Exit Point(s) by reducing or increasing (as relevant) the gas quantity specified in nomination(s).
6. Where a Temporal Market Product is traded the following conditions shall be met:
- a) the conditions specified in Item 4 a) and b) above are fulfilled;
 - b) an hourly Notification Quantity shall be applied to the hours of the Gas Day from a specified start time up to a specified end time and shall be equal to zero for all the hours before or after (respectively) the start or end (respectively) time.
7. Where a Temporal Locational Market Product is traded all the conditions specified in Item 5 a), c), d) and e) and Item 6 above are fulfilled.

*Article 16.
Balancing Services*

1. For the purpose of undertaking Balancing Actions through the use of Balancing Services, the TSO shall consider when procuring these Balancing Services at least the following:

- a) Liquidity of the Short Term Wholesale Gas Market and the impact of using Balancing Services on this Liquidity;
 - b) Lead Time of the Balancing Services relative to the response time of available Short Term Standardised Products;
 - c) how often the Balancing Actions need to be undertaken;
 - d) location at which the gas needs to be delivered;
 - e) gas quality issues;
 - f) cost of balancing the Transmission System.
2. Balancing Services shall be procured in a market based manner, through transparent and non-discriminatory procedures.
 3. The TSO shall review the use of its Balancing Services each year in order to assess whether available Short Term Standardised Products would better meet the TSO's operational requirements for the next year.
 4. The TSO shall publish on a yearly basis on their websites the information with regard to the Balancing Services procured and related cost incurred.

*Article 17.
Incentives*

1. The relevant national regulatory authority may incentivise the TSOs to foster market Liquidity, to promote the TSO's efficient undertaking of the Balancing Actions and/or to maximize the undertaking of Balancing Actions through the trade in Short Term Standardised Products
2. The TSOs may submit to the relevant national regulatory authority for approval, an incentive mechanism to foster market Liquidity, to promote the TSO's efficient undertaking of the Balancing Actions and/or to maximise the undertaking of Balancing Actions through the trade in Short Term Standardised Products.
3. The incentive mechanisms shall:
 - a) be based on the TSO's performance via capped payments to/by the TSO for outperformance and underperformance that are measured against predetermined performance target which may include but not be limited to costs targets ;
 - b) be subject to regular review by the TSO together with the relevant national regulatory authority to evaluate where and to what extent changes thereto may be needed;
 - c) ensure the application thereof reflects accurately the allocation of responsibilities between the acting parties;

- d) be adapted to the current state of development of the relevant gas market where it is to be implemented.

CHAPTER V.
NOMINATIONS

Article 18.
General provisions

1. Gas quantity for the Gas Day shall be expressed as required by the TSO in kWh/d for daily nominations (respectively re-nominations) or in kWh/h for hourly nominations (respectively re-nominations).
2. For the purpose of undertaking Balancing Activities, the TSO may require Network Users to provide further information on nominations (respectively re-nominations) in addition to the requirements set forth in this Network Code, including in particular, but not limited to, an accurate, updated and sufficiently detailed forecast of the expected Inputs and Off-takes in accordance with the specific need(s) of the TSO for the Balancing Activity concerned.
3. Provisions of this Chapter V regarding Interconnection Points shall apply to Virtual Interconnection Points *mutatis mutandis*.
4. Provisions of Articles 19-22 regarding the timings and deadlines shall apply to single nominations (respectively re-nominations) *mutatis mutandis*.

Article 19.
Information provision regarding nominations (re-nominations) at Interconnection Points

1. Nominations (respectively re-nominations) provided by Network Users to the TSOs with regard to Interconnection Points shall contain at least the following information:
 - a. Interconnection Point identification;
 - b. direction of contractual gas flow;
 - c. Network User identification or, if applicable, its Portfolio identification;
 - d. Network User's Counterparty(-ies) identification or, if applicable, Network User's Counterparty's(-ies') Portfolio identification;
 - e. start and end time for which the nomination (respectively re-nomination) is submitted;
 - f. the Gas Day D;
 - g. the gas quantity to be transported.

Article 20.

Nomination procedure at Interconnection Points

1. Network Users may submit to TSOs the nomination(s) for the Gas Day D no later than the Nomination Deadline on Gas Day D-1.
2. The last nomination received by the TSO before the Nomination Deadline from a Network User shall be taken into account by the TSO.
3. TSOs shall send the Confirmation Notice regarding the Confirmed Quantities to the respective Network Users no later than the Confirmation Deadline on Gas Day D-1.
4. The TSOs at either side of the Interconnection Point, may agree to offer a Pre-Nomination Cycle within which:
 - a) Network Users are not obliged to submit nominations;
 - b) Network Users may submit to TSOs the nominations for the Gas Day D no later than the 12:00 UTC or, when daylight saving time is applied, 11:00 UTC on Gas Day D-1;
 - c) TSOs shall send the Processed Quantities to the respective Network Users no later than the means 12:30 UTC or, when daylight saving time is applied, 11:30 UTC on Gas Day D-1.
5. In the absence of valid nominations sent by the Network Users before the Nomination Deadline, the respective TSOs shall apply the relevant Default Nomination Rule at the Interconnection Point concerned.

Article 21.

Re-nomination procedure at Interconnection Points

1. Network Users may submit re-nominations within the re-nomination period which starts immediately after the Confirmation Deadline and ends not earlier than three (3) hours before the end of the Gas Day D.
2. The TSO shall start a re-nomination cycle at the start of every hour within the re-nomination period.
3. The re-nomination(s) shall be expressed in the same units as the corresponding nomination(s).
4. The last re nomination received by the TSO before the start of the hour shall be taken into account by the TSO in the re nomination cycle.
5. TSOs shall send the Confirmation Notice regarding the rescheduled gas quantities for the Gas Day D to the respective Network Users within two (2) hours from the start of each re-nomination cycle and before any gas flow change is due to comes into effect.

Article 22.

Specific provisions at Interconnection Points

1. Where daily and hourly nominations (respectively re-nominations) co-exist at an Interconnection Point, the relevant TSOs or national regulatory authorities (as the case may be) may consult with the relevant stakeholders for the purpose of identifying whether harmonised nominations (respectively re-nominations) should be submitted at both sides of this Interconnection Point. This consultation shall consider at least the following:
 - a) financial impact on TSOs and Network Users;
 - b) impact on cross-border trade;
 - c) impact on the daily balancing regimes at the Interconnection Point
2. In furtherance of this consultation held, the proposed changes (if any) shall be approved by the relevant national regulatory authorities and the TSOs shall amend the existing Interconnection Agreements and the transport contracts affected accordingly and publish such changes. .

Article 23.

Rejection of nominations (re-nominations) or partial rejection at Interconnection Points

1. The TSO may reject or partially accept :
 - i. a nomination (respectively re-nomination) as soon reasonably possible and no later than 2 (two) hours after nomination (respectively re-nomination) cycle starts in the following cases:
 - a) is not valid for not complying with the requirements as to its content; and/or
 - b) is submitted by an entity other than a Network User or a party not entitled to act as or on behalf of a Network User; and/or
 - c) exceeds the Network Users' allocated capacity for the remaining hours at the Interconnection Point except where a re-nomination is made within the Gas Day and no capacity was offered in the firm capacity auction starting on the hour bar and preceding receipt of the re-nomination and interruptible capacity is available.
 - d) The TSO shall take into account physical constraint, if any.
 - ii. a re-nomination as soon reasonably possible and no later than 2 (two) hours after re-nomination cycle starts in the following additional cases:
 - a) in the case of hourly nominations result in an expected gas flow change before the beginning of the re-nomination cycle; and/or
 - b) in the case of Daily Nominations result in a negative Implied Nomination Flow Rate.

2. In case the Network User's intended Inputs are not equal to the Network User's intended Off-takes, the TSO may reject Network Users' nomination (re-nomination) entirely or partially only if the integrity of the Transmission System may be endangered due to the extent of the imbalance and the TSO is not able to prevent it by undertaking any Balancing Action. Before proceeding with rejection or partial rejection, the TSO may request the Network User to perform the re-nomination or decide on the re-nomination which shall be limited to the difference of the Network User's intended Inputs and Off-takes.
3. The TSO shall not reject a Network User's nomination (respectively re-nomination) on the grounds that this Network User's intended Input would not be equal to the Network User's intended Off-takes other than in accordance with Item 2 above.
4. In case a nomination (respectively re-nomination) is rejected, the TSO shall use the last confirmed nomination (respectively confirmed Re-nomination), if any, or apply the Default Nomination Rule.

Article 24.

Nomination and re-nomination procedure at non-Interconnection Points

1. The TSO shall determine which non-Interconnection Points nominations (respectively re-nominations) are required.
2. Where nominations (respectively re-nominations) are required at non-Interconnection Points the following principles shall apply:
 - a) Network Users shall be entitled to submit re-nominations for the Gas Day, considering the technical flexibility of these points;
 - b) the TSO shall confirm or reject the submitted nominations (respectively re-nominations) as soon as reasonably possible.

Article 25.

Transitional measures for and nominations (re-nominations)

1. TSOs may propose transitional measures for nominations (respectively re-nominations) at Interconnection Points subject to approval by the relevant national regulatory authority.
2. These measures shall at least provide the Network Users with the right to submit nominations (respectively re-nominations) for Gas Day D on Gas Day D-1 and to submit re-nominations for Gas Day D on Gas Day D.

CHAPTER VI.
DAILY IMBALANCE CHARGES

Article 26.
General provisions

1. Network Users shall be bound to pay or entitled to receive (as the case may be) Daily Imbalance Charges in relation to their Daily Imbalance Quantity at the end of the Gas Day.
2. Daily Imbalance Charges shall be identified separately on the TSO's invoice to Network Users.
3. A Daily Imbalance Charge is applied in a Balancing Zone.
4. The Daily Imbalance Charge shall be cost reflective, take account of the prices associated with TSO's Balancing Actions, if any, and the Small Adjustment, if any, to provide incentives for Network Users to balance their Portfolio(s).

Article 27.
Daily Imbalance Charge Calculation Methodology

1. The TSO shall submit its Daily Imbalance Charge Calculation Methodology to the relevant national regulatory authority for approval.
2. Once approved, the Daily Imbalance Charge Calculation Methodology shall be available to Network Users on a relevant website accessible to the public. Any update shall be made available in a timely manner.
3. The Daily Imbalance Charge Calculation Methodology shall define the Daily Imbalance Quantity calculation as provided in Article 28 and the applicable Price calculation, including any other parameters that may be necessary and the Small Adjustment calculation as provided in Article 29.
4. The present Article is without prejudice of the right of the national regulatory authority to fix the referred to methodology which shall be consistent with the provisions set forth in the present Chapter VI.

Article 28.
Daily Imbalance Quantity calculation

1. The TSO shall calculate a Daily Imbalance Quantity for each Network User in accordance with the following formula:

$$\text{Daily Imbalance Quantity} = \text{Inputs} - \text{Off-takes}$$

2. Where a Linepack Flexibility Service is offered and/or any arrangement whereby Network Users provides gas to cover shrinkage gas including gas in kind the Daily Imbalance Quantity calculation shall be adapted accordingly.

3. Where the sum of a Network User's Inputs for the Gas Day is equal to the sum of its Off-takes for this Gas Day then a Network User is deemed balanced for this Gas Day.
4. Where the sum of a Network User's Inputs for the Gas Day is not equal to the sum of its Off-takes for this Gas Day then a Network User's is deemed imbalanced for this Gas Day and Daily Imbalance Charges shall be applied as provided in Article 30.

*Article 29.
Applicable Price*

1. For the purpose of Daily Imbalance Charge calculation as provided in Article 30 the applicable Price is determined as follows:
 - a) Marginal Sell Price where the Daily Imbalance Quantity is positive (the Network User's Inputs for that Gas Day exceeds its Off-takes for that Gas Day), or
 - b) Marginal Buy Price where the Daily Imbalance Quantity is negative (the Network User's Off-takes for that Gas Day exceeds its Inputs for that Gas Day).
2. A Marginal Sell Price and a Marginal Buy Price shall be calculated for each Gas Day pursuant to the following:
 - a) A Marginal Sell Price is calculated as the lower of:
 - The lowest price of any trades in Title Market Products in which the TSO is involved in respect of the Gas Day, or
 - The Weighted Average Price of gas traded in respect of that Gas Day, minus a Small Adjustment (as provided in Items 3-4 below).
 - b) A Marginal Buy Price is calculated as the higher of:
 - The highest price of any trades in Title Market Products in which the TSO is involved in respect of the Gas Day, or
 - The Weighted Average Price of gas traded in respect of that Gas Day, plus a Small Adjustment (as provided in Items 3-4 below).
 - c) A default rule shall be defined in case Item 2 a) and b) do not allow for the derivation of a Marginal Sell Price and/or Marginal Buy Price.
3. The Small Adjustment shall:
 - a) incentivise Network Users to balance their Inputs and Off-takes;
 - b) be designed and applied in a non-discriminatory manner in order to:
 - not deter market entry;

- not impede the development of competitive markets;
 - c) not have a detrimental impact on cross-border trade.
4. The value of the Small Adjustment may differ for determining the Marginal Buy Price and the Marginal Sell Price.

*Article 30.
Daily Imbalance Charge*

1. To calculate Daily Imbalance Charges for each Network User, the TSO shall multiply a Network User's Daily Imbalance Quantity (as provided in Article 28) by the applicable Price (as provided in Article 29).
2. Daily Imbalance Charges shall be applied as follows:
 - a) If a Network User's Daily Imbalance Quantity for the Gas Day is positive (i.e. the Network User's Inputs for that Gas Day exceeds its Off-takes for that Gas Day) then this Network User shall be deemed to have sold gas to the TSO equivalent to the Daily Imbalance Quantity and therefore shall be entitled to receive a credit in respect of Daily Imbalance Charges from the TSO; and
 - b) If a Network User's Daily Imbalance Quantity for the Gas Day is negative (i.e. the Network User's Off-takes for that Gas Day exceeds its Inputs for that Gas Day) then this Network User shall be deemed to have purchased gas from the TSO equivalent to the Daily Imbalance Quantity and therefore shall be obliged to pay Daily Imbalance Charges to the TSO.

*Article 31.
Imbalance settlement procedure*

1. Where information is provided pursuant to Article 41 to the Network Users under Base Case and Variant 2 as defined in Item 5 a) and c) Article 40:
 - a) the TSO shall provide the relevant Network Users with an initial Daily Imbalance Quantity accompanied by sufficient supporting information on the day following Gas Day D, where technically and operationally feasible, but no later than three (3) Business Days after Gas Day D;
 - b) the TSO shall provide Network Users with a final Daily Imbalance Quantity following the expiration of the aforementioned period of time, within the period approved by the national regulatory authority.
2. Where information is provided pursuant to Article 41 to the Network Users under Variant 1 as defined in Item 5 b) Article 40, the Daily Imbalance Quantity provided up to one (1) day after Gas Day D shall be final.

CHAPTER VII.
WITHIN DAY OBLIGATIONS

Article 32.
General provisions

1. Where the TSO needs to take Balancing Actions to manage the Transmission System's position within the Gas Day, subject to prior approval from the competent national regulatory authority it may impose Within Day Obligations on Network Users.
2. Within Day Obligations shall only be used for the purpose of ensuring the system integrity of Transmission System and minimising the TSO's need to take Balancing Actions.
3. In case a Balancing Zone gathers more than one (1) TSO, the present Chapter shall be understood as referring to all the TSOs concerned within that Balancing Zone acting jointly.

Article 33.
TSO's procedure

1. Any Within Day Obligation proposed by the TSO shall meet the following criteria:
 - a) A Within Day Obligation and related Within Day Charge, if any, shall not pose any undue barriers on cross-border trade and new Network Users' entering the European gas market;
 - b) A Within Day Obligation shall only be applied where the Network Users are provided with sufficiently accurate information in a timely manner regarding their Inputs and/or Off-takes to comply with the Within Day Obligation;
 - c) the main costs to be incurred by the Network Users in relation to their balancing obligations shall relate to their position at the end of the Gas Day;
 - d) to the extent possible, Within Day Charges shall be reflective of the costs of the TSO for the undertaking of any associated Balancing Actions;
 - e) the Within Day Obligation will not result in Network Users' being financially settled to a position of zero during the Gas Day.
2. The TSO shall publically consult stakeholders, including the relevant national regulatory authorities and TSOs in adjacent Balancing Zones, on any Within Day Obligation it proposes to introduce, including the methodology and assumptions used in arriving at the conclusion that it meets the criteria provided in Item 1 above.
3. Following the consultation process, the TSO shall produce a recommendation document which shall include the finalised proposal and be made publically available, subject to any confidentiality obligations the TSO may be bound by.
4. The recommendation document shall also be sent by the TSO to ENTSOG for information and to the competent national regulatory authority for approval under the process set out in Article 34.

5. The recommendation document referred to in Item 3 and 4 above shall include an analysis of:
- a) the necessity to incentivise Network Users to manage Inputs and Off-takes during the Gas Day in order to ensure system integrity and to minimise the need for the TSO to take Balancing Actions taking into account the Transmission System's characteristics and the flexibility available to the TSO through buying or selling of Short Term Standardised Products or use of Balancing Services as provided in Chapter IV;
 - b) the expected financial impacts on Network Users;
 - c) the effect on new Network Users' entering the European gas market, including any undue negative impact thereon;
 - d) the effect on cross-border trade, including the potential impact on balancing in any adjacent Balancing Zone;
 - e) the impact on the Short Term Wholesale Gas Market, including the Liquidity thereof;
 - f) the Within Day Obligation not being discriminatory.

Article 34.

National regulatory authority decision making

1. A proposal to either implement or amend a Within Day Obligation can be made at any time by the TSO.
2. The TSO's proposal provided pursuant to Article 33 shall be either approved by the relevant national regulatory authority within six (6) months following its receipt or be deemed to be approved in the case where within this period of time it does not provide a reasoned opinion as to why the TSO's proposal has been rejected.
3. In deciding whether or not to approve a Within Day Obligation, the national regulatory authority shall consider the following:
 - a) whether this Within Day Obligation meets the criteria as provided in Item 1 Article 33;
 - b) whether the benefits of introducing this Within Day Obligation in terms of economic and efficient operation of the Transmission System, outweigh any potential negative impacts thereof.
4. While assessing whether the proposed Within Day Obligation meets the criteria as provided in Item 1 Article 33 the relevant national regulatory authority shall:
 - a) consider the extent to which this Within Day Obligation will minimise the TSO's use of Short Term Standardised Products and Balancing Services in order to maintain the Transmission System within its operational limits as provided in Chapter IV;

- b) consider the extent to which any Within Day Charge corresponds to the cost of the TSO for the undertaking of any associated Balancing Actions;
 - c) establish if this Within Day Obligation represents a barrier to new Network Users' entering the European gas market;
 - d) inform the relevant national regulatory authorities in adjacent Balancing Zones and in cooperation therewith consider the impact on adjacent Balancing Zones and any consequential cross subsidies;
 - e) assess the requirement that the TSO's Balancing Actions are carried out only to an extent necessary to maintain the Transmission System within its operational limits;
 - f) have regard to the fact that Within Day Charges constitute a small proportion in relation to Daily Imbalance Charges incurred by all the Network Users over a period of a gas year;
 - g) consider whether Network Users have sufficiently accurate information in a timely manner to comply with the Within Day Obligation.
5. A decision to reject a proposal shall be accompanied by a reasoned opinion and notified to ACER for information.
 6. Where during the process of approval an adjacent national regulatory authority has a concern that the Within Day Obligation proposed by the TSO may adversely impact on cross-border trade, it may seek an opinion or a recommendation from ACER, based on the provisions of the Agency Regulation.
 7. In the absence of a reasoned opinion to reject a proposal, the relevant TSO may seek an opinion or a recommendation from ACER to reconsider the proposal.
 8. Where Items 6 and 7 above applies, ACER shall monitor the balancing provisions, including Within Day Obligations and may request from the competent national regulatory authority for the approval process to review any obligation not complying with the criteria set forth in Item 1 Article 33.
 9. The competent national regulatory authority shall notify to the TSO concerned as soon as reasonable possible such request and potential consequence incurred on the proposal in particular should the Within Day Obligation affected by ACER's request have already been applied by the TSO following the decision of approval of the national regulatory authority.

Article 35.

Existing Within Day Obligations

1. Where the TSO has existing Within Day Obligations at the date of entry into force of this Network Code, within six (6) months from such date, this TSO shall

- consult relevant stakeholders, including the relevant national regulatory authorities and TSOs in adjacent Balancing Zones regarding such existing Within Day Obligations,
- publish the recommendation document as provided in Article 33, and
- obtain approval by the relevant national regulatory authority to continue the use of the existing Within Day Obligations in accordance with Article 34.

CHAPTER VIII.
NEUTRALITY ARRANGEMENTS

Article 36.
Principles of neutrality mechanism

1. The TSO shall not gain or lose by the payment and receipt of Daily Imbalance Charges, Within Day Charges, Balancing Actions charges and other charges related to its Balancing Activities.
2. Therefore, the TSO shall pass to Network Users any costs or revenues arising from the Balancing Activities undertaken by TSOs.

Article 37.
Balancing Neutrality Charges

1. The methodology for Balancing Neutrality Charges calculation and apportionment amongst the Network Users shall be approved by the competent national regulatory authority and published on a relevant website accessible to the public.
2. The apportionment of Balancing Neutrality Charges to a Network User shall be related to the extent this Network User makes use of the relevant Entry and/or Exit Point(s) concerned or Transmission System as relevant under the related methodology.
3. Where relevant the TSO's methodology for Balancing Neutrality Charges may provide rules for the division of the Balancing Neutrality Charge components and the subsequent apportionment of such sums amongst the Network Users in order to reduce cross subsidies.
4. TSOs shall publish on their websites relevant data regarding aggregate Balancing Neutrality Charges at the same frequency as Balancing Neutrality Charges are invoiced to Network Users.
5. The present Article is without prejudice of the right to the national regulatory authority to fix the referred to methodology which shall be consistent with the provisions set forth in the present Chapter VIII.

Article 38.
Recovery of Balancing Neutrality Charges

1. The Balancing Neutrality Charges shall be paid by or to the Network User concerned.
2. Balancing Neutrality Charges shall be identified separately when invoiced to Network Users and this invoice shall be accompanied by sufficient supporting information.

3. The TSO shall be entitled to take necessary measures and impose relevant contractual requirements to Network Users to mitigate the default in payment.

CHAPTER IX.

INFORMATION PROVISION

Article 39.

Information provided by TSOs to Network Users

1. The information provided to Network Users by the TSO shall refer to the following:
 - a) The overall status of the Transmission System pursuant to Chapter 3.4.5 of Annex 1 to the Regulation;
 - b) The TSO's Balancing Actions as provided in Chapter IV;
 - c) The Network User's Inputs and Off-takes for the Gas Day as provided in Articles 40 to 45.
2. The information flows provided under the Network Code aim to support the daily balancing regime.
3. The information flows referred to herein seeks to be a suite of information to support the Network Users in balancing their Portfolios.

Article 40.

General provisions

1. The form to make the information provided by the TSO to Network Users available shall be in accordance with the following criteria:
 - a) Where applicable, such information shall meet the requirements set forth in Chapter 3.1.1 of Annex 1 to the Regulation
 - b) The other information data foreseen hereunder in Items 2 and 3 Article 39, shall meet the following criteria:
 - on the TSO's website or other system providing the information in electronic format;
 - accessible to the Network Users free of charge
 - in a user-friendly manner;
 - clear, quantifiable and easily accessible;
 - on a non-discriminatory basis;
 - in consistent units (either in kWh or kWh/d and kWh/h);

- in the official language(s) of the member state and in English.
2. Where a measured quantity cannot be obtained from a meter, a replacement value may be used. Such measure shall be used as an alternative reference without any further warranty from the TSO.
 3. Providing access to the information for the purpose of this Network Code shall not be construed as giving any specific warranty other than the availability of information in a defined format and device and related access to the Network Users under normal conditions of use. In no circumstances, the TSOs shall be liable to any further warranty in particular as to the IT system of the Network Users.
 4. The treatment of any change to the gas quantity after the final Allocation has been set shall be out of the scope of the Network Code.
 5. For the purpose of this Chapter, three (3) different models are foreseen and defined hereafter.
 - a) "Base Case" refers to the model for information provision on Non Daily Metered Off-takes, where this information will be a day ahead and within day forecast due to the absence of information being metered during the Gas Day.
 - b) "Variant 1" refers to another model where information on Non Daily Metered Off-takes and on Daily Metered Off-takes is metered on the Transmission System during the Gas Day.
 - c) 'Variant 2' refers to a third model where the information provision on Non Daily Metered Off-takes shall be a day-ahead forecast due to the absence of information being metered during the Gas Day. For the avoidance of doubt, in this model, TSOs are entitled not to provide an update of this forecast during the Gas Day since the Network Users Daily Imbalance Quantity shall be based on this day-ahead forecast for Non Daily Metered Off-takes.

One model shall be applied per Balancing Zone once approved by the competent national regulatory authority.

For those Balancing Zones where Variant 2 is applied upon the date of entry into force of this Network Code, it shall be applied thereafter. For other Balancing Zones where Variant 2 is sought to be applied, a prior market consultation shall be conducted and the relevant national regulatory authority approval shall be obtained by the TSO.

Article 41.

Network User's Off-takes before and during the Gas Day

(1) Intraday Metered Off-takes

1. Where Network Users do not have access to such information, the TSO shall upon confirmation of the concerned Network Users provide them with a minimum of two (2) updates of at least

their aggregate Intraday Metered Off-takes for their measured flows from either of the two (2) options as decided by the TSO:

- each update covers gas flows from the beginning of the such Gas Day D, or
 - each update covers incremental gas flow after that reported in the previous update.
2. The first update or the first updates (as the case may be) shall cover at least four (4) hours of gas flows within the Gas Day D. An update shall be provided within four (4) hours from the end of the final hour of gas flows but no later than 17:00 UTC or, when daylight saving time is applied, 16:00 UTC.
 3. The time of the second update provision shall be defined upon approval by the relevant national regulatory authority.

(2) Daily Metered Off-takes

1. Where Variant 1 is applied, on Gas Day D the TSO shall provide Network Users with a minimum of two (2) updates of the aggregate Daily Metered Off-takes for their apportionment of measured flows from the beginning of the Gas Day D or from the time the previous information was provided. Each update shall be provided within two (2) hours from the end of the final hour of gas flows.

(3) Non Daily Metered Off-takes

1. Where Base Case is applied:
 - a) On Gas Day D-1, the TSO shall provide the Network Users with a Non Daily Metered Derived Forecast for Gas Day D no later than 12:00 UTC or, when daylight saving time is applied, 11:00 UTC.
 - b) On Gas Day D, the TSO shall provide the Network Users with a minimum of two (2) updates of their Non Daily Metered Derived Forecast.
 - The first updated Non Daily Metered Derived Forecast shall be provided no later than 13:00 UTC or, when daylight saving time is applied, 12:00 UTC.
 - The time of the second updated Non Daily Metered Derived Forecast provision shall be defined upon approval by the relevant national regulatory authority taking into consideration the following:
 - accessibility to Short Term Standardised Products on a Trading Platform;
 - accuracy of the Non Daily Metered Derived Forecast as compared to the time of its provision;
 - time when the re-nomination period ends (as provided in Item 1 Article 21);

- time of the first updated Non Daily Metered Derived Forecast provision.

2. Where Variant 1 is applied

- a) On Gas Day D the TSO shall provide Network Users with the relevant information on the aggregate Non Daily Metered Off-takes for their apportionment of measured flows as set forth in Item (2) above. These updates shall comprise the relevant information as set forth in Item (2) 2 Article 43.

3. Where Variant 2 is applied,

- a) On Gas Day D-1 the TSO shall provide Network Users with the relevant information as provided in Item (3) 1 a) above.

Article 42.

Network User's Inputs and other Off-takes during the Gas Day

1. At those Intraday Metered Entry Points and Exit Points not covered in Article 41 above to the Balancing Zone where a Network User's Allocation equals its Confirmed Quantities, the TSO shall not be obliged to provide information other than the Confirmed Quantities.
2. At all other Intraday Metered Entry Points and Exits Points not covered in Article 41 above to the Balancing Zone the TSO shall provide each Network User with its aggregate measured flows to the Balancing Zone a minimum of two (2) times per Gas Day.
3. The timeline requirements shall be the same as the ones provided for Intraday Metered Off-takes in Item 1 Article 41.
4. Where the TSO is not responsible for apportioning the gas between Network Users as part of the Allocation process, as an exception to Item 2 above, it shall provide the measured flows in aggregate at least two (2) times per Gas Day.

Article 43.

Network User's Off-takes after the Gas Day

(1) Intraday and Daily Metered Off-takes

1. Following Gas Day D, the TSO shall provide Network Users with for Intraday Metered Off takes and Daily Metered Off-takes, an allocation, based on all measured flows, expressed in energy, for the Gas Day D in accordance with Article 31.
 - a) As regards of initial and final allocations, level of detail, breakdown, granularity regarding the information referred to in the present Item, shall be defined by the applicable National Rules.

(2) Non Daily Metered Off-takes

1. Following Gas Day D, the TSO shall provide Network Users for Non Daily Metered Off –takes with the relevant information on an aggregate basis :
 - a) The Network User is provided with an estimation based of the apportioned measured flows, expressed in energy, for the Gas Day. This estimate will comprise the total flows to the Distribution System less those Off-takes, taking into account all further Inputs and Off-takes, such as where relevant shrinkage, connected Distribution Systems, etc..
 - b) Except Variant 2, where the Network Users Allocation for its Non Daily Metered Off-takes is set at the Non Daily Metered Derived Forecast provided day ahead.
 - c) As regards of initial and final allocations, level of detail, breakdown, granularity regarding the information referred to in the present Item, shall be defined by the applicable National Rules.

Article 44.

Cost benefit analysis

1. Within two (2) years from the date of entry into force of this Network Code, TSOs shall assess the costs and benefits of a more frequent information provision to Network Users including the possibility to change the related timelines for such provision.
2. The TSO shall consult the stakeholders on this assessment, in cooperation with the relevant DSOs where they are affected.
3. On the basis of this assessment and consultation results, the relevant national regulatory authority shall decide on whether there is a need for the Network Users to have a more frequent information provision and/or the related timelines for provision of this information should be changed. .
4. Until such assessment is completed and any changes implemented, Network Users may be entitled to a tolerance regarding Within Day Obligations if any, subject to the approval of the relevant national regulatory authority. Any transitional arrangement agreed shall be sent to ACER by the TSO for information upon agreement.

Article 45.

Information from DSOs and Forecasting Party

(1) General provisions

1. Each DSO associated to a Balancing Zone and relevant Forecasting Party(-ies), if any, shall provide the TSOs with the relevant information necessary for such TSOs for the purpose of information provision to the Network Users under the present Network Code.

2. This information shall be consistent with the criteria set forth in Item 1 Article 40.
3. This information shall be provided to a TSO in the same format as defined by the applicable National Rules and consistent with the format used by the concerned TSO to provide information to the Network Users.
4. The TSO or DSO or Forecasting Party (as the case may be) may propose an incentive regarding the provision of an accurate Non Daily Metered Derived Forecast which shall be consistent with provisions of Item 2 Article 17 and subject to the relevant national regulatory authority approval.
5. The relevant national regulatory authority in a Balancing Zone shall designate the Forecasting Party(-ies) after prior consultation with the TSOs and DSOs concerned.

(2) Information obligations of the DSOs towards the TSO

1. With regard to Intraday and Daily Metered Inputs and Off-takes the requirements for information provision by DSOs shall be as follows:
 - a) On Gas Day D the DSO shall provide the TSO with at least two (2) updates of Network Users aggregate Intraday Metered and Daily Metered if Variant 1 applies where relevant Off-takes and Inputs of measured flows within the time sufficient for the TSO to provide the information to Network Users as referred to in Items (1) and (2) Article 41;
 - b) The DSO shall provide the TSO with Intraday Metered and Daily Metered aggregate Off-takes and Inputs for the Network Users' measured flows per Gas Day D on, where technically and operationally feasible, Gas Day D+1 but no later than three (3) Business Day after the Gas Day.
 - c) Where relevant, the DSO shall provide the TSO with the final figures regarding the Intraday Metered and Daily Metered measured flows referred to in Item 2 above within the time sufficient for the TSO to provide the information to Network Users as referred to in Item 1 b) Article 31;
 - d) The level of detail, breakdown, granularity regarding the information referred to in the present this Article shall be the same as defined by the TSO concerned to provide the information to the Network Users.

(3) Information obligations of the DSOs towards the Forecasting Party

1. DSOs are responsible for providing the Forecasting Party with sufficient and updated information for the purpose of the Non Daily Metered Derived Forecast methodology application as set forth in Item (4) 2 below. The information referred to above shall be provided in a timely manner in accordance with the timelines defined by the Forecasting Party's to be consistent with its needs.

(4) Information obligations of the Forecasting Party

1. With regard to Non Daily Metered Off-takes on Distribution System the requirements for information provision by Forecasting Party shall be as follows:
 - a) Where Base Case or Variant 2 are applied, on Gas Day D-1 the Forecasting Party shall provide the TSO with a Non Daily Metered Derived Forecast for Gas Day D no later than 11:00 UTC or, when daylight saving time is applied, 10:00 UTC, unless a later time sufficient for the TSO to provide this information to the Network Users is agreed by the TSO and the Forecasting Party.
 - b) On Gas Day D the Forecasting Party shall provide the TSO with a minimum of two (2) updates of their Non Daily Metered Derived Forecast. The first updated Non Daily Metered Derived Forecast shall be provided no later than 12:00 UTC or, when daylight saving time is applied, 11:00 UTC, unless a later time sufficient for the TSO to provide this information to the Network Users is agreed by the TSO and the Forecasting Party. The time of the second updated Non Daily Metered Derived Forecast provision shall be defined upon approval by the relevant national regulatory authority.
 - c) Following Gas Day D, the Forecasting Party shall provide the TSO with each Network Users Non Daily Metered Off-takes per Gas Day D on, where technically and operationally feasible, Gas Day D+1 but no later than three (3) Business Day after the Gas Day.
 - d) Where relevant, the Forecasting Party shall provide the TSO with the final figures regarding the Non Daily Metered Off-takes measured flows referred to in Item c) above within the time sufficient for the TSO to provide the information to Network Users as referred to in Item 1 b) Article 31.
 - e) The level of detail, breakdown, granularity regarding the information referred to in the present this Article shall be the same as defined by the TSO concerned to provide the information to the Network Users.
2. The Non Daily Metered Derived Forecast methodology shall be based on a statistical demand model, with each Non Daily Metered Off-take assigned with a Load Profile. The methodology shall be subject to public consultation before its adoption.
3. A report on the accuracy of the Non Daily Metered Derived Forecast shall be published by the Forecasting Party at least every 2 (two) years.
4. Where relevant, TSOs shall provide the relevant data regarding gas flows within the time sufficient for the Forecasting Party to comply with its obligations under this Article.

CHAPTER X.
LINEPACK FLEXIBILITY SERVICE

Article 46.
General provisions

1. TSOs may offer the provision of a Linepack Flexibility Service to Network Users subject to prior approval of the relevant national regulatory authority.
2. The neutrality mechanism set forth in Chapter VIII shall not apply to Linepack Flexibility Service.
3. Where relevant, any requirement as to the notification by a Network User of the use of a Linepack Flexibility Service shall be consistent with the National Rules for nominations.
4. The terms and conditions applicable to a Linepack Flexibility Service shall be consistent with the main responsibility of a Network User to balance its Inputs and Off-takes over the Gas Day.

Article 47.
Conditions for provision of Linepack Flexibility Service

1. Linepack Flexibility Service shall be allowed to be provided once all the following criteria are met:
 - a. The TSOs shall not need to enter into any contracts with any other infrastructure provider, such as storage facilities or supply terminal, for the purpose of provision of a Linepack Flexibility Service;
 - b. The revenues generated by the TSOs from the provision of a Linepack Flexibility Service shall at least be equal to the costs incurred or to be incurred in providing this service;
 - c. Linepack Flexibility Service shall be offered on a transparent and non-discriminatory basis and can be offered using competitive mechanisms;
 - d. TSOs cannot charge, either directly or indirectly, a Network User for the costs incurred by the provision of a Linepack Flexibility Service, should this Network User not avail of it;
 - e. Provision of a Linepack Flexibility Service shall not impose additional or more stringent Within Day Obligations on any Network Users;
 - f. Provision of a Linepack Flexibility Service shall not have a detrimental impact on cross-border trade; and
 - g. The provision of a Linepack Flexibility Service should not lead to an increase in TSOs Balancing Actions.

CHAPTER XI.
IMPLEMENTATION, INTERIM MEASURES AND ENTRY INTO FORCE

Article 48.

Implementation

1. The TSOs shall comply with the provisions of this Network Code after the expiration of a twelve (12) – month period from the date of its entry into force except where and to the extent specific exemptions and interim measures are applicable as referred to below.
2. Within such twelve (12)-month period, the TSOs shall adapt their relevant contractual terms and conditions and national network code, if any, to the extent affected by this Network Code to be endorsed by the competent regulatory authority.
3. Notwithstanding Item 1 above, TSOs may apply transitional measures for nominations (respectively re-nominations) at Interconnection Points as approved by the relevant national regulatory authority referred to in Article 25.
4. Notwithstanding Item 1 above, a national regulatory authority may on a request of a TSO issued within six (6) months from the date of entry into force of this Network Code, grant to the TSO an additional twelve (12)-month period for the compliance of the requirements set forth herein provided no interim measure(s) detailed in Article 51 is implemented by such TSO. In such case the concerned national regulatory authority shall request from the Agency an opinion which will be duly considered by the national regulatory authority to give such additional period. The national regulatory authority's decision shall be notified to the requesting TSO no later than nine (9) months after the date of entry into force of this Network Code.

Article 49.

Interim Measures: general provisions

1. Where the Short Term Wholesale Gas Market is not sufficiently liquid, suitable interim measures shall be implemented by the TSOs. These measures shall be in accordance with a roadmap (as provided in Item 5 Article 50) developed by each TSO which will take into account the local market development and which shall seek to facilitate the TSO's future procurement of flexible gas on the wholesale market.
2. The implementation of the roadmap including any of the interim measures detailed in Article 51 is subject to the prior approval from the relevant national regulatory authority pursuant to the process set out in Article 50.
3. The resort to an interim measure is without prejudice to the implementation of any other interim measures as alternative or additionally.

Article 50.

Interim measures: annual report

1. Where interim measures are implemented, every twelve (12) months, the TSOs concerned shall send a report updating the roadmap where appropriate to the relevant national regulatory authority for approval to justify the reasons of implementing or continuing to implement interim measures.
2. The first report shall be submitted to the relevant national regulatory authority within three (3) months following the date of entry into force of this Network Code.
3. Such report shall provide rationale for the application of interim measure(s) and shall propose a roadmap to evolve the interim measure(s) where appropriate.
4. Interim measures shall foresee the termination no later than five (5) years after the coming into force of the Network Code.
5. The mentioned report shall include:
 - a) The roadmap including at least
 - the interim measure(s) to be applied;
 - identification of sequencing of incremental measures designed to remove the interim measure(s), including the criteria for making these steps and an assessment of the timing of these steps.
 - b) A description of the state of development of the Short Term Wholesale Gas Market and an explanation why the interim measure(s) are needed due to this state;
 - c) An assessment of how the interim measure(s) will increase the liquidity of the Short Term Wholesale Gas Market
6. Before submitting the report with the roadmap proposal, the TSO shall consult the relevant stakeholders on the proposed roadmap and relevant part of the report.
7. The report shall also be sent to ACER for information in parallel, for the purpose of the overall monitoring the reports of the TSOs pursuant to Article 9(1) of the Regulation. Upon receipt of the report sent by a TSO, ACER may provide a reasoned opinion to the relevant national regulatory authority within two (2) months regarding the roadmap proposals if deemed necessary or requested by the national regulatory authority concerned. In the absence of an opinion at the expiration of two (2)-month period, it shall be deemed acceptable.
8. Within three (3) months from the receipt of the report the relevant national regulatory authority, taking full account of ACER's opinion, if any, shall approve the roadmap proposals and/or may require the TSO to modify a proposal therein. Where no approval or request to modify any

proposal therein is notified to the TSO by the expiration of three (3)-month period, the report and any proposals therein shall be deemed approved.

9. Where the modification is required, the relevant national regulatory authority shall deliver a reasoned opinion. In such case, an amended roadmap shall be proposed by the TSO and resubmitted for the final approval to the relevant national regulatory authority and subsequent adoption.
10. While taking the decision on the roadmap proposals, the relevant national regulatory authority shall take into account the effect of the roadmap proposal on balancing regimes' harmonisation, the facilitation of market integration and on non-discrimination, effective competition and the efficient functioning of the gas market.
11. The approval stated in Item 8 above shall be notified to the TSO and ACER. ACER may request the relevant national regulatory authority to amend its approval decision, should the decision be not sufficiently reasoned or failing to duly consider an opinion issued in respect thereof, at its discretion or upon request from the concerned TSO.
12. The report submitted by the TSO may include other measures that aim at promoting competition and liquidity in the provision of short-term gas flexibility including interim portfolio nominations that might assist focus liquidity in specific TSO and Network Users' balancing windows and optional information release ahead of Balancing Actions where the TSO assesses that the release of information will enhance competition and liquidity.

Article 51.

Specific provisions under interim regimes

(1) Balancing Platform

1. Where the Short Term Wholesale Gas Market is, or is anticipated to be, insufficiently liquid or where Temporal and Locational Market Products required by the TSO cannot reasonably be procured on this market then a Balancing Platform shall be established for the purpose of TSO Balancing.
2. A Balancing Platform shall have the following characteristics:
 - a) comply with the requirements set forth for a Trading Platform as provided in Article 14;
 - b) the TSO shall be Trading Participant in all the trades;
 - c) trades shall be made in a transparent and on a non-discriminatory manner through a system of bids and offers.
3. The TSOs shall consider whether a joint Balancing Platform may be implemented for adjacent Balancing Zones in the framework of the cross border cooperation defined in Chapter III or where there is a sufficient interconnection and such joint Balancing Platform is deemed efficient

to be implemented. A joint Balancing Platform shall be established and operated by the TSOs concerned through contractual arrangements for the due functioning and cooperation.

(2) Contracts for flexible gas

1. Where the TSO proves that as a result of insufficient interconnection between Balancing Zones, a Balancing Platform cannot increase the liquidity of the Short Term Wholesale Gas Market and cannot enable the TSO to undertake efficient Balancing Activities, it may seek approval from the relevant national regulatory authority for alternatives to a Balancing Platform referred to in Article 51(1).
2. In the case stated in Item 1 above, the TSO shall seek, via its roadmap referred to in Article 50, approval from the relevant national regulatory authority for the following:
 - a) To enter into a contract for Balancing Services;
 - b) To include gas in LNG facilities in the Balancing Zone in a small market via contractual arrangements.
3. The terms and conditions of such contractual arrangements to be entered into as well as the applicable prices and duration shall be approved by the relevant national regulatory authority within [XX] months upon submission by the TSO and published on its website.

(3) Release of surplus flexible gas

1. Where long term contracts for the procurement of flexible gas (including those with term more than one year) that are in force at the date of entry into force of this Network Code provide the TSO with a right to off-take or input specified volumes of flexible gas, the TSO shall aim to reduce these volumes of flexible gas.
2. While determining the amount of surplus flexible gas available for Off-take or input under long term contracts in force the TSO shall consider the use of the Short Term Standardised Products.
3. The surplus flexible gas may be released either:
 - a) pursuant to the terms of the existing contract where it contains relevant provisions permitting to reduce the gas quantity committed upon and/or to terminate the existing contract; or
 - b) as follows in the absence of such contractual rights:
 - The contract remains in force until *termination pursuant to the applicable terms and conditions*
 - *The contracting parties shall* consider additional arrangements in order to release back to the market any surplus gas not required for balancing purposes to give access to the other Network Users to greater volumes of flexible gas.

4. Any cost associated with reducing the flexible gas quantity provided under these contracts shall be recovered through the neutrality mechanism as provided in Chapter VIII.
 5. Where the contracts in force provide for reducing the flexible gas by amounts consistent with the surplus availability, the TSO shall do so as soon as reasonably possible after the date of entry into force of this Network Code or as soon as the existence of the surplus can be established.
 6. ENTSOG shall consult stakeholders on rules of procedure to apply for the release of flexible gas provided in Item 3 b) above, namely on further details of each option, the circumstances relevant to their use and the financial aspects. ENTSOG shall finish this consultation within six (6) months after the date of entry into force of this Network Code. The results of the consultation shall be published thereafter.
 7. TSOs shall consult the relevant stakeholders on specific proposals to be implemented as interim measures for release of any surplus flexible gas under long term contracts in force, taking due consideration of ENTSOG consultation results.
 8. TSO shall publish information on its Balancing Actions undertaken pursuant to the long term contracts in force.
 9. The relevant national regulatory authority may set targets for the proportion by which these long term contracts should be reduced in order to increase the liquidity of the Short Term Wholesale Gas Market.
- (4) Interim imbalance cash-out price determination
1. Where interim measures referred to in Items (1), (2), (3) above are necessary the Price derivation may be calculated in accordance with the related roadmap referred to in Article 50 which shall substitute the Daily Imbalance Charge Calculation Methodology (as provided in Article 27).
 2. In that case, the Price derivation may be based upon an administered price, a proxy for a market price or derived from Balancing Platform trades.
 3. The proxy for a market price shall seek to satisfy the criteria set forth for the Small Adjustment (as provided in Article 29).
- (5) Tolerances
1. Tolerances may be applied in case Network Users do not have access to:
 - a) A Liquid Short Term Wholesale Gas Market or short term flexible gas;
 - b) sufficient information regarding their Inputs and Off-takes.
 2. Tolerances shall be applied:
 - a) with regard to Network Users' Imbalance position;

- b) on a transparent and non-discriminatory basis;
 - c) only to the extent necessary and for the minimum duration required.
3. The application of Tolerances may reduce a Network User's exposure to Marginal Buy Price or Marginal Sell Price (as the case may be) in respect of a part of or all the Network User's Daily Imbalance Quantity for the Gas Day.
 4. Tolerance Level shall be calculated on a daily basis for each Network User.
 5. Tolerance Level shall be the maximum quantity of gas available to be bought or sold by each Network User at a Weighted Average Price. If there is a remaining quantity of gas which constitutes each Network Users Daily Imbalance Quantity which exceeds the Tolerance Level, it shall be bought or sold at Marginal Buy Price or Marginal Sell Price (as the case may be).
 6. The calculation of Tolerance Level shall be designed to meet the following criteria:
 - a) Tolerance Level shall reflect the Transmission System's flexibility and Network User needs;
 - b) Tolerance Level should reflect the level of risk to the Network User in managing the balancing of its Inputs and Off-takes;
 - c) Tolerance Level shall not undermine the development of the Short Term Wholesale Gas Market;
 - d) Tolerance Level applied shall not result in an increase of the TSO's Balancing Actions' costs that are unduly excessive.
 7. Tolerance Level shall be calculated on the basis of each Network User's Inputs (excluding VTP Buys) and Off-takes (excluding VTP Sells) categories for each Gas Day. These categories shall be defined in National Rules.
 8. National Rules may provide for a Non Daily Metered Off-take category. The Tolerance Level applicable for a Non Daily Metered Off-take category shall be based upon the difference between the relevant Non Daily Metered Derived Forecast and Non Daily Metered Exit Allocation.
 9. Tolerance Level may include a component calculated taking into account the application of the Non Daily Metered Forecast Deviation which is the amount by which the relevant Non Daily Metered Derived Forecast:
 - a) If the Daily Imbalance Quantity is positive, exceeds the Non Daily Metered Exit Allocation;
 - b) If the Daily Imbalance Quantity is negative, is less than the Non Daily Metered Exit Allocation.

*Article 52.
Entry into force*

This Network Code shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.



ANNEX I. DEFINITIONS

Words and expressions set out herein shall have the meaning given to them in the Regulation 715/2009 and Directive 2009/73/EC save where otherwise provided. For the purpose of this Network Code, the following additional definitions shall apply:

- (1) 'ACER' means the Agency for the Cooperation of Energy Regulators established through Regulation EC/713/2009.
- (2) 'Agency Regulation' means the Regulation EC/713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators.
- (3) 'Allocation' means the quantity of gas allocated to a Network User by a TSO at an Entry Point or Exit Point expressed in KWh referred to under the Network Code for the purpose of determining Daily Imbalance Quantity.
- (4) 'Balancing Action' means an action undertaken by the TSO to change the gas flows onto and/or off the Transmission System with the aim to keep it within its operational limits. Buying and selling of gas by the TSO related to fuel gas for compressor stations and/or shrinkage shall not be considered as Balancing Actions under the Network Code.
- (5) 'Balancing Activities' means all the activities undertaken by TSOs or Network Users to fulfill the obligations set out in this Network Code which shall include but not be limited to Balancing Actions.
- (6) 'Balancing Neutrality Charges' means charges amounting to the difference between the amounts received or receivable and the amounts paid or payable by the TSO due to performance of its Balancing Activities which is payable to or recoverable from the relevant Network Users.
- (7) 'Balancing Platform' means a Trading Platform used only for interim purposes and where a TSO shall be a Trading Participant to all trades.
- (8) 'Balancing Services' means services provided via a contract for the supply of gas between a TSO and a third party in order to ensure the Transmission System remains within operational limits. Balancing Services is a type of Balancing Actions.
- (9) 'Balancing Zone' means an entry-exit system, which may consist of more than one system, as defined in Article 2(13) of the Directive, to which a specific balancing regime is applicable. For the avoidance of doubt, Distribution Systems or part of them may be a part of a Balancing Zone.
- (10) 'Business Day' means a week day excluding the week end and bank holiday.
- (11) 'Comitology Procedure' means the procedure according to Article 5a (1) to (4) and Article 7 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission referred to in Article 28(2) of the Regulation.

- (12) 'Confirmation Deadline' means 15:00 UTC or, when daylight saving time is applied, 14:00 UTC on Gas Day D-1.
- (13) 'Confirmation Notice' means the message issued by a TSO confirming to the Network User the Confirmed Quantity on a Gas Day D.
- (14) 'Confirmed Quantity' means the quantity of gas confirmed by a TSO to be scheduled to flow on Gas Day D. The Confirmed Quantities will take into account Processed Quantities and the matching process used for comparing and aligning Nominated Quantities of Network Users at both sides of a specific Interconnection Point, which will result in the Confirmed Quantity for the Network Users involved.
- (15) 'Daily Imbalance Charge' means an amount of money a Network User pay or receive in respect of a Daily Imbalance Quantity per Gas Day for a Portfolio.
- (16) 'Daily Imbalance Charge Calculation Methodology' means the methodology used to derive Daily Imbalance Charges on the basis of quantities and price as detailed in Chapter V.
- (17) 'Daily Imbalance Quantity' means the difference in Inputs and Off-takes for a Network User's Portfolio for a Gas Day.
- (18) 'Daily Metered Off-take' means an Exit Point where the gas quantity off taken is measured once per Gas Day.
- (19) 'Default Nomination Rule' means a rule agreed between TSOs at both sides of an Interconnection Point to apply to a Network User's nomination (respectively re-nomination), where the Network User fails to send a valid nomination by the Nomination Deadline or a nomination (respectively re-nomination) is rejected and there is no confirmed nomination (respectively confirmed re-nomination) issued. The Default Nomination Rule in place at an Interconnection Point shall be known by the Network Users of the TSOs.
- (20) 'Directive' means the Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.
- (21) 'Distribution System' means the distribution networks to ensure the distribution as defined in Article 2(5) of the Directive.
- (22) 'DSO' means a distribution system operator as defined in Article 2(6) of the Directive.
- (23) 'Entry Allocation' means the quantity of gas allocated to a Network User by a TSO at an Entry Point in respect of the Gas Day.
- (24) 'Entry Point' means a point where gas enters a Balancing Zone.
- (25) 'ENTSOG' means the European Network of Transmission System Operators for Gas , an organization for cooperation of the European TSOs as defined in Article 4 of the Regulation
- (26) 'Exit Allocation' means the quantity of gas allocated to a Network User by a TSO at an Exit Point in respect of the Gas Day.
- (27) 'Exit Point' means a point where gas exits a Balancing Zone.

- (28) 'Forecasting Party' means the party responsible for deriving the Non Daily Metered Derived Forecast. It may be a TSO, DSO or a third party.
- (29) 'Framework Guidelines' means the ACER Framework Guidelines on Gas Balancing in Transmission Systems dated 18 October 2011.
- (30) 'Gas Day' means the period from 5:00 to 5:00 UTC for winter time and from 4:00 to 4:00 UTC when daylight saving time is applied.
- (31) 'Implied Nomination Flow Rate' means the Network User's nomination in a daily nomination regime expressed in kWh/h and divided by the number of hours of Gas Day D as regard to Nomination and by the remaining number of hours of Gas Day D from the hour on which a re-nomination is to take effect as regard to re-nominations.
- (32) 'Input' means quantity of gas which has entered or is due to enter the Balancing Zone at an Entry Point plus VTP Buys.
- (33) 'Interconnection Agreement' means an agreement entered into by and between TSOs, whose systems are connected at a particular Interconnection Point, which specifies terms and conditions, operating procedures and provisions, in respect of delivery and/or withdrawal of gas at the Interconnection Point with the purpose of facilitating efficient interoperability of the interconnected Transmission Systems.
- (34) 'Interconnection Point' means a cross-border interconnection point, whether it is physical or virtual, between two or more member states as well as interconnection between adjacent entry-exit systems within the same member states, in so far as these points are subject to booking procedures by Network Users being active at that Interconnection Point.
- (35) 'Intraday Metered Off-take' means an Exit Point where the gas quantity off taken is measured a minimum of two (2) times within the Gas Day. For the avoidance of doubt this measurement excludes smart meters.
- (36) 'Lead Time' means the time between the TSO identifying a need to undertake a Balancing Action and the actual commencement of the physical delivery of the gas subject to that Balancing Action.
- (37) 'Liquidity' means the ability to quickly buy or sell reasonable volumes of gas without causing a significant change in price and without incurring significant trade costs. A key feature to identify a liquid market is the large number of buyers and sellers willing to trade at all times. The assessment of market Liquidity shall include a consideration of the traded volumes, churn rates and the number of players on the market.
- (38) 'Linepack Flexibility Service' means a service provided by a TSO to Network Users which allows such Network Users to balance their Inputs and Off-takes over a period greater than a Gas Day.]
- (39) 'Load Profile' means a formula of the variation in gas demand versus variables such as temperature or day of week. A Load Profile will vary according to customer type (e.g. residential, commercial and industrial customers), temperature and holiday seasons.
- (40) 'Locational Market Product' means a Title Market Product with a corresponding specific Entry and/or Exit point(s) as detailed in Chapter IV.

- (41) 'Marginal Sell Price' means the price as defined in Item 2 Article 29.
- (42) 'Marginal Buy Price' means the price as defined in Item 2 Article 29.
- (43) 'National Rules' means the applicable national regulation to a TSO providing more detailed provisions than those set out in this Network Code as deemed necessary by the competent member state in particular for the due implementation of this Network Code. The National Rules that may be more stringent for the TSO concerned are deemed consistent with the general principles set out in the Network Code and *a fortiori* the Regulation.
- (44) 'Network Code' means this present Network Code on Gas Balancing in Transmission Systems pursuant to Article 8 (6) lit j) of the Regulation.
- (45) 'Network User' means a customer of a TSO holding a transport contract with such TSO. .
- (46) 'Network User Counterparty' means the Network User who delivers or collects gas from a Network User at an Interconnection Point.
- (47) 'Nomination Deadline' means 13:00 UTC or, when daylight saving time is applied, 12:00 UTC on Gas Day D-1.
- (48) 'Non Daily Metered Off-take' means an Off-take for which the meter value is read and collected less frequently than once per Gas Day.
- (49) 'Non Daily Metered Derived Forecast' means a forecast of a Network User's quantity of Non Daily Metered Off-takes for a Gas day.
- (50) 'Notification Quantity' means the specified gas quantity transferred from one Trading Participant to another.
- (51) 'Off-take' means a quantity of which has exited or is due to exit the Balancing Zone at an Exit Point plus VTP Sells.
- (52) 'Portfolio' means the division of a Network User's Inputs and Off-takes to be treated completely independently under the Network Code. A Network User may have several Portfolios.
- (53) 'Pre-Nomination Deadline' means 12:00 UTC or, when daylight saving time is applied, 11:00 UTC on Gas Day D-1.
- (54) 'Price' means Marginal Buy Price or Marginal Sell Price or the Weighted Average Price where a Tolerance applies.
- (55) 'Processed Quantities Deadline' means 12:30 UTC or, when daylight saving time is applied, 11:30 UTC on Gas Day D-1.
- (56) 'Processed Quantity' means the quantity of gas that the TSO is scheduling for flow, which takes into account the Network User's nomination, contractual provisions and the technical capacity available.
- (57) 'Regulation' means Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005.

- (58) 'Short Term Wholesale Gas Market' means a market for Short Term Standardised Products.
- (59) 'Short Term Standardised Product' means one of products as stated in Item 3 Article 12.
- (60) 'Small Adjustment' means a price that is used in the derivation of the Marginal Buy Price and Marginal Sell Price.
- (61) 'Temporal Locational Market Product' means a Title Market Product where the gas is transferred from one Trading Participant to another during a specific period of time within a Gas Day and with a corresponding specific Entry and/or Exit point(s) as detailed in Chapter IV.
- (62) 'Temporal Market Product' means a Title Market Product where the gas is transferred from one Trading Participant to another during a specific period of time within a Gas Day as detailed in Chapter IV.
- (63) 'Title Market Product' means the product defined in Chapter IV.
- (64) 'Tolerance' means a reduction of a Network User's financial exposure to Marginal Buy Price and Marginal Sell Price.
- (65) 'Tolerance Level' means an amount of the Daily Imbalance Quantity to which the Weighted Average Price is used instead of the System Marginal Buy Price or System Marginal Sell Price.
- (66) 'Trading Participant' means a Network User or a TSO involved in trades on a Trading Platform on which the Network User or the TSO is registered.
- (67) 'Trading Platform' means an electronic platform provided and operated by a Trading Platform Operator by means of which Trading Participants may post and accept (including the right to revise and withdraw) bids and offers for flexible gas in accordance with the terms and conditions applicable on the Trading Platform.
- (68) 'Trading Platform Operator' means a party operating a Trading Platform.
- (69) 'Transmission System' means a high pressure transmission network of a TSO consisting of terminals, compressor stations, pipeline systems and Off-take points.
- (70) 'TSO' means a Transmission System operator as defined under Article 2(4) the Directive or the entity responsible for keeping the system in balance under this Network Code in accordance with and to the extent defined by the applicable National Rules
- (71) 'UTC' means the used time reference defined and recommended by ITU-T.
- (72) 'Virtual Interconnection Point' means the aggregation of Interconnection Points between two (2) or more adjacent Transmission Systems into one (1) commercial point.
- (73) 'VTP Buys' means the sum of a Network User's natural gas purchases at the virtual trading point in respect of a Gas Day.
- (74) 'VTP Sells' means the sum of a Network User's natural gas sales at the virtual trading point in respect of a Gas Day.
- (75) 'Weighted Average Price' means the energy weighted average price of short-term trades in Title Market Products carried out at the virtual trading point in respect of a Gas Day. The

related trades shall be made on pre-identified Trading Platforms, [*exchanges or via recognized price reporting*], as determined by TSOs and approved by national regulatory authorities.

- (76) 'Within Day Charge' means a charge levied by TSOs on Network Users for their failing to fulfill a Within Day Obligation.
- (77) 'Within Day Obligation' means a specific obligation imposed by TSOs on Network Users regarding Network Users' Inputs and Off-takes within the Gas Day.