

**Gas transmission capacity auction of Magyar Gáz Tranzit Ltd.
regarding the standard Long Term (Yearly), firm, bundled capacity
products
for the 2017/2018 gas year and the following 14 gas years**

We kindly inform you that Magyar Gáz Tranzit Ltd. (hereinafter: MGT) has published on its website (www.gaztranzit.hu) and on RBP Portal its Long Term (yearly) standard, bundled non-interruptible capacity products for auction for the Balassagyarmat SK>HU cross-border interconnection point, as an entry point for the 2017/2018 gas year and the upcoming 14 gas years according to the following:

Hereby we would like to inform the honoured System Users, MGT submitted its Business Code to the Hungarian Energy and Public Utility Regulatory Authority (hereinafter: HEA) on 13. 01. 2017, which has not been approved yet. Our Company has published this present capacity auction based on the current Business Code and structure of contractual guarantee.

Following the acceptance of our modified Business Code by HEA the conditions of applications of capacity auction and steps after the winning bid will be amended, which You will be informed immediately after the approval.

Date of capacity auctions:

6th of March 2017 08:00 UTC (winter time), 09:00 CET (Hungary)

Products:

Interconnection point name and code: 1Z000000000358C Balassagyarmat EUSTREAM - SK/Balassagyarmat MGT - HU	
Offered Long Term (yearly) capacity at Balassagyarmat SK>HU cross-border interconnection point as entry point	4 761 187 kWh/hour (GCV 25°C/0°C)
Contract periods (Gas years)	2017/2018, 2018/2019, 2019/2020, 2020/2021, 2021/2022
Type of transmission capacity	standard, firm, bundled

Interconnection point name and code: 1Z000000000358C Balassagyarmat EUSTREAM - SK/Balassagyarmat MGT - HU	
Offered Long Term (yearly) capacity at Balassagyarmat SK>HU cross-border interconnection point as entry point	4 232 166 kWh/hour (GCV 25°C/0°C)
Contract periods (Gas years)	2022/2023, 2023/2024, 2024/2025, 2025/2026, 2026/2027, 2027/2028, 2028/2029, 2029/2030, 2030/2031, 2031/2032
Type of transmission capacity	standard, firm, bundled

Adjacent Transmission System Operator is: eustream a.s. (Slovakia)

The capacity auction will take place on RBP (Regional Booking Platform): <https://rbp.eu/>

Tariff:

The Reserve Price (HUF/kWh/h) is calculated in accordance with the current Regulations – 8/2016 (X.13.), 11/2016 (XI.14.), 13/2016 (XII.20.) and 14/2016 (XII.20.) – of the HEA.

Based on the Commission Regulation (EU) No 984/2013 of 14. October 2013. (CAM NC) the Ascending Clock auctions shall enable System Users to place volume bids – related to each gas year – to requested quantities against escalating prices, which are defined price steps, announced in consecutive bidding rounds, starting at the Reserve Price. System Users with a winning bid in the auction are obliged to pay always the actual the capacity fee defined in the Tariff decree related to the obtained capacity product and the eventual auction premium calculated on the basis of the underlying price step and the Reserve Price.

Conditions of applications of capacity auction:

The capacity auction will take place on RBP (Regional Booking Platform) of FGSZ Ltd: <https://rbp.eu/>

The System User shall be entitled to participate in the auction, if

1. has completed the registration at the RBP Portal.
2. has submitted to MGT
 - a. the copy of the full or limited trading license granted by the Hungarian Energy and Public Utility Regulatory Authority or
 - b. the declaration of transit through the territory of Hungary/contract storage of natural gas based on the Hungarian Grid Code.
3. has filled in and send back the officially signed Capacity Auction statement:
 - via e-mail: comdisp@gaztranzit.hu and
 - via mail: Magyar Gáz Tranzit ZRt. H-1031 Budapest, Záhony u. 7/B.
4. has provided auction financial guarantee to MGT no later than 12:00 CET of the 2nd working days before the beginning of auction

After the winning of the capacity auction:

System User shall undertake to conclude officially signed Contract with MGT within 10 days after the closing of Capacity Auction related to allocated and won capacities.

Bidders shall undertake to conclude the needed capacity booking and natural gas transmission contracts with Eustream and FGSZ in case of an accepted capacity request. In default of it MGT will not be able to fulfil the gas delivery.

Requestor shall submit its shipper pair by the adjacent System Operators no later than 5th working days before the first requested gas day. In default of it MGT is not able to accept the nominations.

This translation is not an authenticated translation of the Hungarian call, the original call is the Hungarian version.

In case of any questions please do not hesitate to contact our colleagues via e-mail: comdisp@gaztranzit.hu