

**1st Annual quarterly gas transmission capacity auction of
Magyar Gáz Tranzit Ltd.
regarding the firm bundled capacity products
for the 2017/2018 Gas Year**

We kindly inform you that Magyar Gáz Tranzit Ltd. (hereinafter referred to as MGT) has published on its website (www.gaztranzit.hu) the 1st annual quarterly bundled, firm capacity auction of 2017/2018 Gas Year for the Balassagyarmat SK>HU cross-border interconnection point, as an entry point according to the following:

Date of capacity auction:

7th of August 2017 07:00 UTC (daylight saving), 09:00 CET (Hungary)

Product:

Interconnection point name and code: 21Z000000000358C Balassagyarmat EUSTREAM - SK/Balassagyarmat MGT - HU		
Offered firm monthly capacity at Balassagyarmat SK>HU cross- border interconnection point as entry point	5 290 208 kWh/hour (GCV 25°C/0°C)	
Contract periods	RBP quarters	Calendar quarters
	RBP 2017/18 Q1	2017 Q4: 1.October 2017- 31. December 2017
	RBP 2017/18 Q2	2018 Q1: 1. January 2018 -31. March 2018
	RBP 2017/18 Q3	2018 Q2: 1. April 2018 - 30. June 2018
	RBP 2017/18 Q4	2018 Q3: 1. July 2018 – 30. September 2018
Type of transmission capacity	firm, bundled	

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

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

Tariff:

The Reserve Price (HUF/kWh/h) is calculated in accordance with the effective Regulations – 7/2017 (VII.13.), 8/2016 (X.13.), 11/2016 (XI.14.), 13/2016 (XII.20.) – of the Hungarian Energy and Public Utility Regulatory Authority considering the monthly and seasonal factors (GCV 25/0).

Based on the Commission Regulation (EU) No. 2017/459 of 16 March 2017 (CAM NC) the Ascending Clock auctions shall enable System Users to place volume bids to requested quantities against escalating prices, which are defined price steps, announced in consecutive bidding rounds, starting at the Reserve Price considering the monthly and seasonal factors. System Users with a winning bid in the auction are obliged to pay the capacity fee related to the obtained capacity and the eventual auction extra charge calculated on the basis of the underlying price step. In case of interruptible capacity the Reserve Price is equal with transmission capacity fee of non-interruptible capacity.

Conditions of applications of capacity auction:

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

1. has completed the registration at the RBP Portal.
2. has concluded the System Usage Framework Contract with MGT
3. has submitted the copy of the full or limited trading license granted by the Hungarian Energy and Public Utility Regulatory Authority or statement regarding transiting through Hungary/ storage leasing in Hungary to MGT.
4. has provided auction financial guarantee to MGT no later than 12:00 CET of the 2nd working days before the beginning of auction.

According to the Government Decree 19/2009 (I. 30.) implementing the Act XL of 2008 on Gas Supply (GET Vhr.), no financial obligation and no capacity booking is required at Vecsés connection point, but requestors must have Network Usage Framework Contract for transmission to the adjacent FGSZ system.

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

Based on the Business Code and GTC of MGT the winning bidder System User shall provide contractual financial guarantee to MGT, submit the signed Capacity Booking IT Platform User Agreement and its shipper pair by the adjacent System Operators 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