

**Gas transmission capacity auction of Magyar Gáz Tranzit Ltd.
regarding the annual quarterly standard interruptible bundled capacity
products
for the 2016/2017 gas year**

We kindly inform you that, Magyar Gáz Tranzit Ltd. (hereinafter referred to as MGT) has published on its website (www.gaztranzit.hu) and on RBP Portal its the annual quarterly (2016 Q4, 2017 Q1, 2017 Q2, 2017 Q3) standard, bundled interruptible capacity products for auction for the Balassagyarmat SK>HU cross-border interconnection point, as an entry point for the 2016/2017 gas year according to the following:

Date of capacity auctions:

4th of July 2016 07:00 UTC (daylight saving), 09:00 CET (Hungary)

Products:

Interconnection point name and code: 21Z000000000358C Balassagyarmat EUSTREAM - SK/Balassagyarmat MGT - HU	
Offered quarterly capacity at Balassagyarmat SK>HU cross-border interconnection point as entry point	2 116 083 kWh/hour (GCV 25°C/0°C)
Contract periods	2016 Q4: 1.10.2016 - 31.12.2016 2017 Q1: 1.1.2017 - 31.3.2017 2017 Q2: 1.4.2017 - 30.6.2017 2017 Q3: 1.7.2017 - 30.9.2017
Type of transmission capacity	standard, interruptible, 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 is calculated in accordance with the current Decree of the Hungarian Energy and Public Utility Regulatory Authority on gas network access fees, the rules of using incentives for improving service quality by the network operator by means of network access pricing, on applicable network fees depending on service quality, and on the conditions of applying network access fees, 1/2013. (VII.11.), (hereinafter: Tariff Decree). 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 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 the copy of the full or limited trading license granted by the Hungarian Energy and Public Utility Regulatory Authority to MGT.
3. has filled in and send back the officially signed Capacity Auction statement:
 - via e-mail: comdisp@gaztranzit.hu and
 - via mail: Magyar Gáz Transzít 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 Quarterly Capacity Booking and Natural Gas delivery Contract with MGT within 10 days after the closing of Capacity Auction related to allocated and won capacities.

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

Bidders shall undertake to conclude the needed capacity booking and natural gas transmission contracts with MGT, 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