

PN-ACR-764

MARKET RULES

for the

ROMANIAN NATURAL GAS SECTOR

Prepared by the
**NATIONAL REGULATORY AUTHORITY for
the NATURAL GAS SECTOR
(ANRGN)**

With Advice and Assistance from the
**UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT**

VOL. 1 – COMMERCIAL CODE

August 2002

**USAID GAS REGULATORY & RESTRUCTURING
ASSISTANCE PROJECT in ROMANIA**

Implemented by
NEXANT, Inc.



Nexant

23865-814-0013



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GAS REGULATORY & RESTRUCTURING
ASSISTANCE PROJECT IN ROMANIA



August 23, 2002

COMMERCIAL CODE for the ROMANIAN GAS SECTOR

On July 12, 2002, ANRGN's Commercial Code, called "Natural Gas Market Commercial Norms", was published in the Official Gazette (*Monitor Oficial*).¹ Along with the publication of a "Technical Code"², the publication of Market Rules for Romania's Gas Sector is an important milestone in Romania's progress in creating a free market for natural gas.

Our USAID-funded project, "Gas Regulatory & Restructuring Assistance in Romania" is pleased to have provided support to our colleagues at ANRGN for the development of these essential documents. The preparation of Market Rules being a primary objective for our project, ANRGN's drafting process was supported by consultant visits to Romania, the provision of suggested drafts, along with related documentation, presentations and round-table discussions at our Key Issues Seminars in September 2001, January 2002 and May 2002, and by focused discussions during our Study Tour in February 2002 to visit with US utilities and regulatory in Washington, DC and Baltimore, Maryland. We are proud to have been a part of ANRGN's achievement in this critical area of reform!

This version of the Commercial Code completes the first comprehensive set of Market Rules for the Romanian gas sector following the restructuring of Romgaz in 2000 and is, therefore, a useful foundation for guiding the further transformation of the sector from state ownership and control to that of a free market within the framework of independent regulation. That said, there are still areas where the document can be improved and detailed comments have been provided to ANRGN. There will also be a panel discussion on this topic at our project's 6th (and final) Key Issues Seminar, in Bucharest on September 19, 2002.

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¹ ANRGN's Decision 636/June 19, 2002, published in the *Monitor Oficial*, No. 506, July 12, 2002.

² ANRGN's Decision 616/June 10, 2002, published in the *Monitor Oficial*, No. 438, June 24, 2002.

**National Regulatory Authority for the Natural Gas Sector
(ANRGN)**

***COMMERCIAL RULES
REGARDING THE
NATURAL GAS MARKET***

- 2002 -

Translated from the original document in Romanian by Doina Badea (ANRGN), Aug. 2002

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Chapter I

GENERAL INDICATIONS

Section 1

CONTENTS

Art. 1 - The collection of regulations referring to the trade relations in the natural gas market are called generically the Natural Gas Market Commercial Norms.

Art. 2 - The terms used in Commercial Norms are defined in annex, part of the present norms.

Section 2

OBJECTIVES

Art. 3 - The scope of Natural Gas Market Commercial Norms is to establish the framework necessary to develop specific activities for natural gas market, on competition, transparency and correctness terms, between the economic entities in the natural gas sector.

Art. 4 - The objectives of the Natural Gas Market Commercial Norms are:

- a. To offer the necessary rules for natural gas market function;
- b. To clearly establish the responsibilities of the market participants;
- c. To ensure an efficient and equitable framework for the settlement of the disputes between the market participants;
- d. To ensure an efficient and equitable framework for solving the unjustified denial of the access to natural gas transportation, distribution and underground storage system, according to the Methodology for solving the denial of access to transportation, distribution and storage system;
- e. To ensure adequate sanction in cases of deviations from regulations in natural gas sector, in compliance with the Regulation for ascertaining, notifying and sanctioning the deviations from the regulations issued in natural gas sector;
- f. To ensure consistency of the commercial agreements specific to the gas sector with the provisions of the Technical Norms of the transmission and distribution networks.
- g. To ensure harmonization with European Directives on liberalizing natural gas market.

Section 3
RESPONSIBILITIES OF REGULATORY AUTHORITY

Art. 5 - ANRGN is a public institution of national interest, which issues, applies and monitors the compulsory regulation system at national level, necessary for operating in natural gas sector and natural gas market on efficiency, safety, competitively, transparency and consumer's protection terms.

Art. 6 - ANRGN has the following commercial competences and attributions:

- a. Applies and monitors the observing of the provisions in the present commercial norms;
- b. Collects information related to the activities on natural gas market and ensures their communication system for the interested parties;
- c. Issues, grants, suspends or withdraws the authorizations and licenses for the existing economic agents in the sector, as well as for those that shall appear as a consequence of natural gas market opening;
- d. Issues natural gas sale-purchase, acquisition, supplying, transportation, distribution and storage framework contracts;
- e. Establishes the requirements, criteria and proceedings regarding natural gas eligible consumers' accreditation;
- f. Establishes criteria and methods for calculating regulated tariffs and prices in natural gas sector, taking into consideration protection of natural gas consumers' interests;
- g. Monitors application of quality standards in specific services in natural gas sector domain and proposes their adaptation whenever no concordances are found;
- h. Proposes to competent bodies measures for preventing and eliminating dominant position abuse on the market whenever ascertains the default of regulations concerning competition and transparency;
- i. Endorses the clauses and the conditions in the concession agreements for natural gas transport and distribution systems;
- j. Monitors the concluding and respecting of the concession contracts in natural gas domain and takes notice for protecting the contracting parties, according to law.
- k. Regulates non-discriminatory access to transportation, underground storage and distribution systems;
- l. Establishes own procedure for supervision and control, for natural gas suppliers to observe the methodology for calculating prices and tariffs in natural gas sector;
- m. Issues commercial regulations regarding liquefied natural gas and liquefied petroleum gas production, storage, transportation, distribution and utilization.

Section 4
INFORMATION AND DOCUMENTS

Art. 7 - All the records and documents connected to the present Norms will be kept for a period of 10 years from the date of their issuing.

Section 5
GAS MARKET CONTRACTS

Art. 8 - The contracts between licensees for different types of licenses, natural gas market participant, will be concluded and run observing the framework-contracts issued by ANRGN.

Art. 9 - The portfolio of framework contracts ANRGN has issued contents:

- a. Framework-contract for natural gas sale-purchase for eligible consumers;
- b. Natural gas acquisition framework-contract;
- c. Framework-contract for natural gas supplying for captive consumers
- d. Natural gas transport framework-contract;
- e. Transit framework contract (minimal clauses);
- f. Natural gas distribution framework-contract;
- g. Natural gas underground storage framework-contract;
- h. Concession framework contract for distribution service and/or related goods in natural gas sector;
- i. Sale-purchase framework contract between two suppliers, concluded on spot market.

Chapter II NATURAL GAS MARKET

Section 1 OBJECTIVES OF THE NATURAL GAS MARKET

Art. 10 - The market has to operate in such a way as:

- a. To ensure the competitive establishment of the prices for natural gas, related to the negotiated segment of natural gas market;
- b. To ensure conditions for correct and transparent development of contractual relationships between the economic entities in natural gas sector;
- c. To encourage competition behavior for the economic entities in natural gas sector;
- d. To ensure transparency for regulated prices and tariffs in natural gas sector.
- e. To ensure the function of transportation, underground storage and distribution systems on safety and efficiency terms.

Section 2 ORGANIZATION OF NATURAL GAS MARKET

Art. 11 - The principles that base the function of natural gas market, called further on the market, are the following:

- a. Promoting and ensuring competition on natural gas market;
- b. The eligible consumers may choose the natural gas supplier, with whom they will conclude bilateral negotiated contracts;
- c. Eligible consumers and the other market participants' free access to natural gas transportation, underground storage and distribution systems, excepting captive consumers;
- d. Compulsory public service for natural gas transportation, underground storage and distribution;
- e. Non-discriminatory treatment for natural gas market players.

Section 3
MARKET COMPONENTS

Art. 12 - Natural gas market has two segments:

- a. Segment of regulated market, for natural and/or legal monopoly activities: natural gas transportation, underground storage and distribution; ANRGN issues and promotes norms on preventing the abuse for dominant position on natural gas internal market;
- b. Negotiated segment of the market, corresponding to natural gas producing activity and to accreditation of eligible consumers within the limit of natural gas market opening.

Chapter III

NATURAL GAS MARKET PARTICIPANTS

Art. 13 - Natural gas market players are:

- a. Natural gas producers;
- b. Natural gas suppliers;
- c. Natural gas transporter;
- d. Natural gas distributors;
- e. Natural gas storage operator;
- f. Natural gas eligible consumers;
- g. Natural gas captive consumers.

Art. 14 - All the market participants are obliged to observe the provisions of the Regulation for programming, operating and dispatching of the National Natural Gas Transport System, of the Regulation for programming, operating and dispatching of the Natural Gas Underground Storage System, as well as the other technical regulations.

Section 1

NATURAL GAS PRODUCER

Art. 15 - Natural gas producer is the legal Romanian or foreign person, authorized and/or licensee, that has as object of activity natural gas production, for the purpose of its commercialization.

Art. 16 - Natural gas production develops in compliance with the regulations in force on the terms of equal treatment for all the producers, any discrimination on ownership criteria being forbidden.

Art. 17 - (1) Producer, according to the supplying license granted by ANRGN, may conclude the following type of contracts:

- a. Contract for natural gas sale-purchase for eligible consumers;
- b. Natural gas transport contract with the operator of the National Natural Gas Transport System;
- c. Natural gas acquisition contracts with licensed distributors;
- d. Underground storage contracts
- e. Natural gas sale-purchase contracts with another supplier, concluded on spot market.
- f. Natural gas sale-purchase contracts with another supplier.

(2) The contracts foreseen by para. (1) a) – e) will be concluded in compliance with the frame contracts issued by ANRGN.

Section 2
NATURAL GAS TRANSPORTER

Art. 18 - Natural gas transporter is the legal Romanian or foreign person, authorized and/or transport licensee, that has as specific natural gas transport.

Art. 19 - Natural gas national transport system, herein after called S.N.T., is part of state public domain and is of strategic importance.

Art. 20 - Natural gas in transit is natural gas transport through S.N.T. and/or trunk pipelines from another state that crosses Romania, with or without transshipment, to reach a third state.

Art. 21 - The transit of natural gas is ensured by the S.N.T. operator, which may also develop the capacity for transit.

Art. 22 - (1) Transporter may conclude the following type of contracts:

- a. Natural gas transportation contracts;
- b. Transit contracts;
- c. Natural gas sale-purchase contracts with eligible consumers, as a supplier for natural gas from transit activity;
- d. Natural gas underground storage contracts, for reserving a minimum capacity for natural gas underground storage, for maintaining the physical balance within S.N.T.
- e. Natural gas sale-purchase contracts with another supplier, for natural gas coming from a transit activity, concluded on spot market;
- f. Natural gas sale-purchase contracts with another supplier, for natural gas coming from a transit activity;

(2) The contracts foreseen by para. (1) a) – e) will be concluded in compliance with the frame contracts issued by ANRGN.

Section 3
NATURAL GAS DISTRIBUTOR

Art. 23 - Natural gas distributor is the legal person, Romanian or foreign, authorized and/or licensed, that has as main activity natural gas distribution, as well as its commercialization to captive consumers, in a limited area.

Art. 24 - (1) Natural gas distribution activity consists of supplying a system of more final consumers in an area, connected by some distribution pipelines under pressure regime of

no more than 6 Bars. The separation of distribution systems by those of transport and those of the consumers is performed at the output from the regulation-measurement taking over point of the transporter and, respectively at the output from the installation for pressure regulation and flow measurement at the consumers.

(2) Natural gas distribution activity is a public service of national interest and will be fulfilled in compliance with Performance standard for natural gas supplying service.

Art. 25 - (1) Distributor may conclude the following type of contracts:

- a. Natural gas distribution contracts with eligible consumers, or in case, with suppliers, in the name of and on behalf of eligible consumers;
- b. Natural gas supplying contracts with captive consumers;
- c. Contracts for natural gas sale-purchase for eligible consumers;
- d. Natural gas underground storage contracts;
- e. Contracts for natural gas acquisition with natural gas producers;
- f. Natural gas transportation contracts;
- g. Natural gas sale-purchase contracts with another supplier, concluded on spot market;
- h. Natural gas sale-purchase contracts with another supplier.

(2) The contracts foreseen by para. (1) a) – g) will be concluded in compliance with the framework contracts issued by ANRGN.

Section 4

NATURAL GAS UNDERGROUND STORAGE OPERATOR

Art. 26 - Natural gas underground storage operator is the legal person, Romanian or foreign, authorized and/or licensed, that has as main activity natural gas storage.

Art. 27 - Natural gas is stored for the purpose to harmonize season, daily and hourly consumption variations with supplying and transport capacities, as well as for operating and strategic purposes, according to the underground storage license.

Art. 28 -Legal persons, Romanian or foreign, licensee for natural gas sector, may have access to the existing deposits, that is why the operator performs the underground storage service.

Art. 29 - Natural gas underground storage licensees are obliged to ensure the access of the producers, suppliers and/or eligible consumers to the storage capacities, on equal and nondiscriminatory terms, under the limits of the existing capacities and observing the technical, quality and safety conditions for the deposits, established by ANRGN.

Art. 30 - (1) Underground storage operator may conclude the following type of contracts:

- a. Natural gas underground storage contracts;
- b. Natural gas supplying contracts for natural gas that he owns.

(2) The contracts foreseen by para. (1) will be concluded in compliance with the framework contracts issued by ANRGN.

Section 5 NATURAL GAS SUPPLIER

Art. 31 – (1) Natural gas supplying is the activity by which an economic agent, licensee for supplying, ensures the natural gas necessary for the interested customers.

(2) Natural gas supplying activity will be fulfilled in compliance with Performance standard for natural gas supplying service on wholesale market.

(3) Validity conditions as well as limits and restrictions of natural gas supplying license are foreseen by the Regulation for granting authorizations and licenses in natural gas sector.

Art. 32 - Natural gas selling is to be performed according to a supplying and/or sale-purchase contract concluded between the supplier and customer/client.

Art. 33 - (1) Supplier may conclude the following type of contracts:

- a. Natural gas supplying contracts for captive consumers, under the condition that the supplier is also licensee for distribution;
- b. Natural gas sale-purchase contracts for eligible consumers;
- c. Natural gas transport contracts;
- d. Natural gas underground storage contracts;
- e. Natural gas acquisition contracts.
- f. Natural gas distribution contracts, concluded in the name of and on behalf of eligible consumers.
- g. Natural gas sale-purchase contracts with another supplier, concluded on spot market.
- h. Natural gas sale-purchase contracts with another supplier.

(2) The contracts foreseen by para. (1) a) – g) will be concluded in compliance with the framework contracts issued by ANRGN.

Section 6 ELIGIBLE CONSUMER

Art. 34 - Eligible consumer is legal or natural person, Romanian or foreign, who is free to purchase natural gas from any producer and/or supplier and has free access to transport and/or distribution systems.

Art. 35 - (1) Eligible consumer may conclude the following type of contracts:

- a. Natural gas sale-purchase contracts;
- b. Natural gas transportation contracts;
- c. Natural gas distribution contracts;
- d. Natural gas underground storage contracts.

(2) The contracts foreseen by para. (1) will be concluded in compliance with the framework contracts issued by ANRGN.

Art. 36 - Natural gas supplying contracts which are carrying on, concluded by captive consumers which were declared eligible consumers are cancelled on the date of coming into force of Central List of Natural Gas Eligible Consumers, and they have the obligation of concluding on the same date the new natural gas sale-purchase contracts.

Section 7 CAPTIVE CONSUMER

Art. 37 - Captive consumer is legal or natural person, Romanian or foreign, which is obliged, due to the configuration of distribution system, to contract natural gas with a certain distributor, license holder for a supplying license.

Art. 38 - (1) Natural gas captive consumer may conclude only natural gas supplying contracts.

(2) The contracts foreseen by para. (1) will be concluded in compliance with the framework contracts issued by ANRGN.

Chapter IV
NATURAL GAS NATIONAL DISPATCHING CENTER
– MARKET OPERATOR

Art. 39. – Natural Gas national Dispatching Center (DNGN) – Market Operator, on the basis of consumption necessary, sent by licensed distributors and production offers sent by natural gas domestic producers, monthly establishes, on quantity percentage rates, natural gas blend from domestic production and the necessary of natural gas from import, for allocating, on non-discriminatory basis, the consumption necessary for all licensed natural gas distributors.

Art. 40. – DNGN – Market Operator will monthly send to ANRGN, for analysis and certification, the report on natural gas internal sources availabilities, as well as the necessary for natural gas from import.

Art. 41. – After the report is certified, DNGN – Market Operator will communicate to all licensed distributors the quantity percentage rates of natural gas from internal production and the necessary of natural gas from import for allocating, on non-discriminatory basis, to final consumers.

Art. 42 – Licensee producers and distributors, as well as eligible consumers are obliged to observe, by the concluded commercial contracts, quantity percentage rates established by DNGN – Market Operator, related to natural gas from internal production and the necessary of natural gas from import.

Chapter V
THIRD PARTY ACCESS TO NATURAL GAS TRANSPORTATION
AND DISTRIBUTION SYSTEMS

Section 1
ACCESS TO THE SYSTEM

Art. 43 - Access to natural gas transport, distribution and underground storage systems for suppliers/eligible consumers can be accomplished only on the basis of a written agreement on behalf of system operator.

Art. 44 - Access to natural gas transport and the distribution systems is performed under regulated regime.

Art. 45 – ANRGN has the obligation to publish the tariffs and/or other conditions and obligations concerning the regulated access to the system.

Section 2
DENIAL OF THE ACCESS TO THE SYSTEM

Art. 46 - A natural gas transporter or distributor may deny access to the system in the following cases:

- a. The transport capacity of the subsystem or existing pipeline is too small
- b. There is no pipeline connection to the transport system
- c. Access to system prevents safe public service provision
- d. The receivers do not meet the minimum requirements for safe operation and protection of the environment of the laws in force.

Art. 47 - Unjustified access denial to the transportation, distribution and storage system is solved by ANRGN, at request, according to Methodology for solving the denial of access to transportation, distribution and underground storage system.

Chapter VI PRICES AND TARIFFS

Art. 48 - Natural gas prices, as well as the related tariffs for performed services are to be established so that to facilitate:

- a) Coming closer to the market value for alternative combustibles and recovering production costs for natural gas transportation, underground storage and distribution services and obtaining a reasonable profit;
- b) Developing production, transport, underground storage and distribution capacities and replacement of the worn ones;
- c) Foreign investments and technological transfer;
- d) Natural gas quality and performed services improvement for consumers;
- e) Diversification of natural gas feeding sources and its supplying on safety terms.

Art. 49 - (1) In natural gas sector the following price categories are applied:

- a) Regulated
- b) Negotiated, as a result of market competition mechanisms.

(2) Regulated prices are those in natural gas supplying contracts for captive consumers, being differentiated according to feeding technical solution.

(3) Negotiated prices are:

- a) Those in natural gas sale-purchase contracts for eligible consumers;
- b) Those in natural gas sale-purchase contracts between two suppliers, concluded on spot market;
- c) Those in natural gas acquisition contracts.

(4) Regulated prices are calculated as a sum of moderated average prices (producer level), tax for natural gas internal production, as well as tariffs for performed related services, in compliance with Criteria and methods for establishing regulated tariffs and prices in natural gas sector.

Art. 50 - (1) ANRGN regulates natural gas performed related services, in compliance with Criteria and methods for establishing regulated tariffs and prices in natural gas sector, including natural gas transport, underground storage and distribution activities.

(2) For natural gas eligible consumers, natural gas transportation tariff- if the case, underground storage and/or distribution tariffs are object of separate contracts.

Chapter VII SANCTIONS

Section 1 SANCTIONS FOR LICENSEES

Art. 51 - In case that the licensee does not fulfill his legal obligations, not because of his fault, as well as no observing the conditions, limitations, restrictions, interdictions or tasks established by authorization/license, ascertained by ANRGN itself or apprised by third parties or by notification from the licensee, ANRGN will proceed as it follows:

- a. If the existing situation could be remedied, it grants a conformity period of maximum 6 months, under the sanction of suspension the authorization/license;
- b. If the existing situation could not be remedied, withdraws the authorization/license.

Art. 52 - For not fulfilling or, in case, wrong fulfilling the obligations resulted from the authorization/license, fault of the licensee, ANRGN will dispose:

- a. If the existing situation could be remedied, suspension of the authorization/license for 60 calendar days, for remedying the situation and conformity to the granted authorization/license; for this purpose the licensee is obliged to send to ANRGN, within 30 calendar days, the documents that certify the remediation of the situation that led to suspension of the authorization/license;
- b. If the existing situation could not be remedied, withdrawal of the authorization/license.

Art. 53. - By derogation, ANRGN could dispose the activity to be continued under controlled regime and restricted, if the activity affects natural gas consumers' interests.

Art. 54. - Contractual responsibility of licensees in natural gas sector arises in compliance with the provisions of the concluded contracts.

Section 2 SANCTIONS APPLICABLE TO ELIGIBLE AND CAPTIVE CONSUMERS

Art. 55. - (1) The eligible consumer could have the accreditation withdrawn in the following situations:

- a) After accreditation, he does not fulfill one of the following eligibility criteria:
- Applicant to be legal person established according to the Law for Commercial Companies no. 31/1990, republished, and/or other special laws;
 - Applicant to fully exercising his duties and rights;
 - The applicant not to have arrears for natural gas on the date of requesting accreditation as eligible consumer. In the situation of delayed, exempt or spread out payments by agreement with the supplier or according to legal rules arrears for natural gas, the petitioner will present to ANRGN an attested copy, the document for spreading out the payment and/or legal base for all the arrears.
 - The applicant to be licensed for electric/thermal power generation, issued by ANRE for the consumption place for which the accreditation is required.
- b) He repeatedly does not fulfill the obligations foreseen by the contracts concluded with suppliers and service performers in natural gas sector;
- c) He repeatedly violates or refuses to obey legal regulations in natural gas sector and/or decisions of ANRGN.
- d) He does not pay the annual tariff for granting eligibility, respectively the first installment of the tariff, in the case of consumers having a consumption more than 200,000 thousand m³ or he does not create a financial instrument for guarantee the payment, equal to tariff value, within 10 work days from the date of publishing the temporary list for eligible consumers.
- e) He does not pay the second installment of annual tariff for granting eligibility up to May 30, in the case of consumers having an annual consumption more than 200,000 thousand m³.

(2) ANRGN ascertains any of the situations foreseen at para. (1) by itself or by notifications from the suppliers and/or service performers in natural gas sector, parts of the running contracts, in compliance with the Methodology for monitoring natural gas internal market and eligible consumers and of the Regulation for accreditation of natural gas eligible consumers.

At. 56 - (1) Natural gas captive and eligible consumers that by their fault do not fulfill the obligations assumed by supplying or sale-purchase concluded contracts or fulfill them wrongly own penalties and/or compensations for the prejudice caused by his fault.

(2) Non fulfilling or wrongly fulfilling the payment obligation for contracted natural gas and/or performed services lead to penalty of delay, limitation of natural gas supplying and/or ending of natural gas supplying, according to the concluded contracts.

Chapter VIII

SETTLING THE LITIGATION

Art. 57. – In case of arising some precontractual divergences, as well as in case of contractual divergences, connected to interpretation, fulfilling or modifying clauses, parties will resolve them into an amiable way.

Art. 58. – If the resolving of the litigation in an amiable way is not possible, parties could appeal either mediation of ANRGN, according to the Methodology of solving precontractual disputes in natural gas sector, or in court or arbitration, according to the case.

Chapter IX FINAL TERMS

Art. 59. – The present code comes into effect on the date of publishing the decision for approval of the President of ANRGN in *Monitorul Oficial* of Romania, Part I.

Art. 60. – The present code could be revised, updated and modified by ANRGN, after consulting licensees in natural gas sector, periodically or any time when a relevant legislative event occurs.

ANNEX

Glossary of terms

1. *Access to transportation and/or distribution system* – the right of a producer, supplier and/or consumer to use the system, paying the tariffs and fulfilling the utilizing obligations;
2. *Regulatory National Authority in Natural Gas Sector (ANRGN)* – is a public autonomous institution of national interest, legal person, that establishes and applies regulation system at national level necessary for natural gas sector functioning on efficiency, transparency and consumers' and environmental protection terms.
3. *Authorization* – technical and legal document issued by the competent authority that permit a legal person, Romanian or foreign, to built, put into function and operate or modify an installation for natural gas production, transportation, transit, storage, dispatching and distribution;
4. *Capacity* – the possibility of an objective in natural gas sector to produce, transfer, transport, store, distribute, transform natural gas;
5. *Captive consumer* – natural gas consumer that is obliged, because of the configuration of distribution system, to contract natural gas with a certain distributor, licensee for supplying activity;
6. *Eligible consumer* – natural gas consumer that has the right to chose its own supplier and to contract directly the natural gas necessary, having access to transportation and/or distribution networks.
7. *Natural gas distributor* – legal person, Romanian or foreign, licensed, that ensures natural gas distribution service, as well as maintenance, operation and running on safety terms of distribution system;
8. *Natural gas supplier* – legal person, Romanian or foreign, licensee for natural gas supplying;
9. *Natural gas* – burning mineral substance, made of natural hydrocarbon blend, accumulated under the earth cover, that being at the surface is gaseous;
10. *Underground storage* – cyclic storage process that consists of injecting and extracting some gas and/or liquid quantities in/from tightness spaces - porous environment, aquifer, cavities and so on – for different pressures and temperatures;

11. *License* – permission for a legal person, Romanian or foreign, for developing commercial activities and/or services related to one or more operations of natural gas transportation, transit, storage, dispatching, distribution and supplying;

12. *System operator* - a legal person, Romanian or foreign, licensee for developing activities of natural gas running, dispatching, maintenance, verifying and repairs within a production, transportation, storage, distribution and dispatching system;

13. *Natural gas sector* – assembly of companies, activities and due equipment concerning natural gas production, transport, international transit, storage, dispatching, distribution, supplying and utilization;

14. *Public service in natural gas sector* – obligation that consists of state organized and/or authorized activity for fulfilling public interest requirements in natural gas sector;

15. *Natural gas supplying system* – a set made up of pipelines, measurement regulation installation, devices and accessories, situated between the taking over station and funnel through which burnt gas is evacuated, designed to ensure natural gas supplying for consumers in a locality;

16. *Distribution system* – a set made up of pipelines, measurement-regulation installation, devices and accessories, placed between taking over stations and linking valves of consumers connected at low pressure network, that is till output of regulation stations/posts from the consumer linked to low pressure network;

17. *Natural gas storage system* – all surface and/or underground technological installation, as well as the deposit itself, by the meaning of witch quantities of natural gas can be stored or extracted;

18. *National transportation system* – SNT - natural gas transport system in high pressure regime, compound of a set of pipelines, recipients, equipment and due installation, that ensures the natural gas taking over from the producers and/or internal and/or foreign suppliers and its transport for supplying into distribution systems and/or straight to the direct consumers and/or its storage;

19. *Performance standards* – technical, economic and operational norms having compulsory character, referring to quality parameters of services for natural gas transport, transit, storage, dispatching, distribution and supplying;

20. *Natural gas production system* – a set of technological installation – C.E., pipelines, separators, technological panels for natural gas measurement, natural gas conditioner installation, compression stations, pipelines for connection with SNT and others – that ensure natural gas production starting from eruption cape till commercial measurement panel, an the terms of quality, according to standards in force;

21. *Storage* – depositing cycling process that consists of introduction /injection and extraction of some gas and/or liquid quantities in/from tight spaces-reservoirs, recipients and others, at different pressures and temperatures;

22. *Authorization/license suspension* – decision issued by the competent authority through which permissions granted to an authorization/license titular are withdrawn, for a certain period of time; ANRGN could dispose to continue the activity under controlled terms and having restrictions, if the activity affects natural gas consumers' interests;

23. *Authorization/license titular* – legal person, owner of an authorization/license issued by the competent authority;

24. *Transporter* – legal Romanian person, licensee, that mainly ensures transport, dispatching, maintenance, operating and function services, on the terms of SNT safety;

25. *Transit* – passing over Romania territory, with or without transfer of natural gas coming from another state and designed to a third part state.