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NATURAL GAS MARKET RULES FOR AN ORGANIZED MARKET

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19 September 2018

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DATA

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1. GENERAL RULES

1.1. LIST OF ABBREVIATIONS

- 1.1.1 DSO – distribution system or network;
- 1.1.2 DS – distribution system;
- 1.1.3 BC – trade carried out under a bilateral contract for gas supply between BRPs under the Market Rules;
- 1.1.4 GNERC-Georgian National Energy and Water Supply Regulatory Commission;
- 1.1.5 MoESD- Ministry of Economy and Sustainable Development of Georgia;
- 1.1.6 BDS – border delivery station in the transmission system;
- 1.1.7 HW – hardware for secure access to IT SYSTEM MARKET OPERATOR;
- 1.1.8 ID RMP – registration number of the gas and/or electricity market participant in IT SYSTEM MARKET OPERATOR;
- 1.1.9 IM-Intraday market;
- 1.1.10 LP – load profile;
- 1.1.11 TSO – transmission system operator;
- 1.1.12 PDT – Point of delivery/transfer.

1.2. BILLING AND SETTLEMENT OF PRICES CHARGED FOR THE MARKET OPERATOR'S SERVICES AND OTHER PAYMENT

The Market Operator charges and settles prices for its services in compliance with procedures set forth in the Market Rules.

- 1.3.1 The Market Operator also ensures the settlement of:
 - 1.3.1.1 claims for compensation and payment obligations arising from the volume of gas traded by Balance Responsible Parties on the organized short-term market;
 - 1.3.1.2 claims for compensation and payment obligations arising from the daily Imbalance quantity;
 - 1.3.1.3 claims for compensation and payment obligations arising from evaluation of differences between metered gas consumption values and values determined on the basis of LPs of specific BRPs;
 - 1.3.1.4 claims for compensation and payment obligations arising from evaluation of differences between the values of daily and monthly imbalances and from the settlement of differences between the values of monthly and adjusted monthly imbalances of specific BRPs;
 - 1.3.1.5 claims for compensation and payment obligations of balance responsible parties arising from evaluation of differences between preliminary and metered losses in the d;
 - 1.3.1.6 claims for compensation and payment obligations arising from registration and provision of trade data from IT SYSTEM MARKET OPERATOR;
 - 1.3.1.7 claims for compensation and payment obligations arising from reporting of trade data.

1.3. PERSONAL DATA PROCESSING

- 1.3.1 The Market Operator processes personal data provided by the Registered Market Participants pursuant to relevant legislation and for the purposes of exercising its powers under the Energy Law and the related applicable regulations, and also for the purposes of executing contracts with data subjects (e.g. the Agreement on Settlement of Imbalances). More detailed information on personal data processing required by applicable legislation is posted on MARKET OPERATOR's website. The Market Operator shall process personal data in compliance with the relevant national legislation.
- 1.3.2 The Market Operator is authorized to provide, in compliance with applicable legislation, the necessary information to the authorized entities, in particular GNERC and the MoESD, to exercise their powers or on the basis of a court or other decision of the state administration bodies.

2. COMMUNICATION WITH THE MARKET OPERATOR

2.1 SECURE ACCESS TO IT SYSTEM MARKET OPERATOR

- 2.1.1 IT SYSTEM MARKET OPERATOR facilitates mutual communication and automated data exchange between the Market Operator and MARKET OPERATOR's contractual partner and between MARKET OPERATOR's contractual partners themselves. IT SYSTEM MARKET OPERATOR is shut down on a regular basis due to technical maintenance and development of its functionalities. The scheduled shut-downs are posted on MARKET OPERATOR's website. Under extraordinary circumstances, the Market Operator reserves the right to shut down IT SYSTEM MARKET OPERATOR due to operational reasons for a short period of time. MARKET OPERATOR's contractual partners shall be notified about any such unscheduled shut-down in a way allowing remote access. During the shut-down, IT SYSTEM MARKET OPERATOR users have no access to IT SYSTEM MARKET OPERATOR and are not able to send data and make any changes to data in IT SYSTEM MARKET OPERATOR.
- 2.1.2 Communication between MARKET OPERATOR's Contractual Partner and the Market Operator is conducted via IT SYSTEM MARKET OPERATOR in a manner and message formats defined by the Market Operator.
- 2.1.3 Access to IT SYSTEM MARKET OPERATOR via a website is secured with an electronic signature of the visible text, using a qualified certificate.
- 2.1.4 Access to IT SYSTEM MARKET OPERATOR and communication with the IT SYSTEM MARKET OPERATOR system are secured in such manner that the following applies
- 2.1.4.1 the data message integrity is ensured,
 - 2.1.4.2 the message cannot be purloined by a third party. Encryption is ensured for
 - user access
 - automated communication
 - sending data via secure email
 - 2.1.4.3 identities of both communication parties are verified,
 - 2.1.4.4 the sender cannot deny composing and sending the message.
- 2.1.5 IT SYSTEM MARKET OPERATOR users shall sign all actions and data sent via IT SYSTEM MARKET OPERATOR with their respective certificates.
- 2.1.6 Electronic signature in IT SYSTEM MARKET OPERATOR website is secured by using a qualified certificate.
- 2.1.7 Commercial server certificates for electronic mark creation (automated signature), qualified system certificates or qualified certificates for electronic seals can be used for electronic signature in automated communication (electronic mark creation) through web services.
- 2.1.8 Message encryption in automated communications via web services or email is secured by MARKET OPERATOR's commercial server certificate. In case of sending a message to the web service by a participant and in case of sending a secure e-mail from IT SYSTEM MARKET OPERATOR, the message is encrypted with the relevant MARKET OPERATOR's contractual partner's commercial certificate.
- 2.1.9 Access of the IT SYSTEM MARKET OPERATOR user to IT SYSTEM MARKET OPERATOR is restricted by the scope of user rights pertaining to the relevant certificate.
- 2.1.10 IT SYSTEM MARKET OPERATOR users are required to ensure that settings of the workstation designated for access to IT SYSTEM MARKET OPERATOR comply with minimum requirements for HW and certified SW specified in documents posted on MARKET OPERATOR's website.
- 2.1.11 The Market Operator is not liable for any damage arising from unauthorized use of the security features and certificates by any IT SYSTEM MARKET OPERATOR user or persons that are not holders of the relevant certificates, or any damage arising from non-compliance with the terms of secure access to IT SYSTEM MARKET OPERATOR and communication with the IT SYSTEM MARKET OPERATOR system or as a result of their

- misuse by persons that are not holders of the relevant certificates, except for Market Operator by the IT SYSTEM MARKET OPERATOR supplier.
- 2.1.12 Access to IT SYSTEM MARKET OPERATOR is permitted through automated communication, using the SOAP web services, secure email within the SMTP protocol, the S/MIME protocol for messages sent to the Market Operator, and the HTTPS secure business website IT SYSTEM MARKET OPERATOR. In line with the requirements of MARKET OPERATOR's contractual partner, outgoing messages from IT SYSTEM MARKET OPERATOR are sent via automated communication or secure e-mail in a define format. The method of sending specific types of messages can be set individually. For more details, see documents posted on MARKET OPERATOR's website.
 - 2.1.13 Formats of messages (files) for communication with IT SYSTEM MARKET OPERATOR, rules for use of messages, RMP identification, PDTs, rules of recurrent data transfers, date formats, numerical data formats, and time formats.
 - 2.1.14 In the event of Internet connection failure or failure of any other connection to IT SYSTEM MARKET OPERATOR agreed upon by the contractual parties, the IT SYSTEM MARKET OPERATOR user experiencing the failure shall secure an alternative connection to IT SYSTEM MARKET OPERATOR. The Market Operator is not responsible for any technical failures of IT SYSTEM MARKET OPERATOR Users that may hinder access to and data entry in IT SYSTEM MARKET OPERATOR.
 - 2.1.15 The Market Operator shall ensure that any MARKET OPERATOR's contractual partner is able to use all functionalities of the system to which he has the right of access under the signed agreement, provided the IT SYSTEM MARKET OPERATOR user complies with the Business Terms thereof and its conduct does not jeopardize IT SYSTEM MARKET OPERATOR operation or activities of other MARKET OPERATOR's contractual partners.
 - 2.1.16 In the event of accessing the secure IT SYSTEM MARKET OPERATOR trading website, users are required to avoid any automated or machine-operated access. The Market Operator has the right to restrict access of MARKET OPERATOR's contractual partner to IT SYSTEM MARKET OPERATOR for the duration of the breach of this requirement by MARKET OPERATOR's contractual partner. Machine-operated access is any behaviour that cannot be performed by human users (e.g. short-term and multiple refresh of trading screens, multiple parallel connections).
 - 2.1.17 Automated and machine-operated access is permitted only for communication with the IT SYSTEM MARKET OPERATOR system through automated communication SOAP or electronic mail (SMTP).
 - 2.1.18 The Market Operator is obligated to provide support for IT SYSTEM MARKET OPERATOR use through Help Desk available for all IT SYSTEM MARKET OPERATOR users. The Help Desk operates during hours posted on MARKET OPERATOR's website.
 - 2.1.19 In the event of issuance or renewal of a certificate for a vertically integrated business entity, for which provisions of the Energy Law regarding separation of the distribution system operator apply, applications must be submitted for issuing / renewing one certificate for gas distribution operations and another certificate for gas trading operations.
 - 2.1.20 Access to IT SYSTEM MARKET OPERATOR and communication with the IT SYSTEM MARKET OPERATOR system are permitted under an agreement entered into between the RMP and the Market Operator, and upon registration of relevant certificates. Any IT SYSTEM MARKET OPERATOR user shall gain secure access to IT SYSTEM MARKET OPERATOR within the scope of the agreement entered into with the Market Operator after the said agreement becomes effective, but no later than on the first calendar day of the month following the month in which the respective agreement came into force.
 - 2.1.21 Any MARKET OPERATOR's contractual partner is required to maintain an updated list of persons authorized to access IT SYSTEM MARKET OPERATOR on his behalf. MARKET OPERATOR is not liable for any damage resulting from a failure to meet requirements for keeping the list current.
 - 2.1.22 IT SYSTEM MARKET OPERATOR users shall update their certificates for access to IT SYSTEM MARKET OPERATOR.
 - 2.1.23 The Market Operator shall make every effort to fulfil its duties with care, skill and predictability that is standard and reasonable under the terms applicable in the pertinent sector, whereas

the Market Operator is not responsible for the Contractual Partner's business results. Any negligence liability of the Market Operator is assessed with regard to the processes implemented to solve system failures or technical incidents related to the settlement of the Market Operator's operations or errors of MARKET OPERATOR CS. The Market Operator is liable only for damage arising from the use of IT SYSTEM MARKET OPERATOR as a result of gross negligence or deliberate actions of the Market Operator's employees or suppliers. Outside this framework, the Market Operator's sole responsibility is to operate IT SYSTEM MARKET OPERATOR with due care pursuant to BTP. MARKET OPERATOR's contractual partner acknowledges that the operation of IT SYSTEM MARKET OPERATOR can be interrupted at any time for any reasons and that any suspension of activities thereof under the Business Terms does not constitute any breach of the Market Operator's obligations. If such an event occurs, the Market Operator shall make necessary effort to fix the problem in the shortest time possible.

- 2.1.24 The Market Operator is not liable for any damage arising from force majeure. Force majeure means any event occurring irrespective of the Market Operator's will and preventing it from meeting its duties, provided it cannot be reasonably accepted that the Market Operator could deflect or overcome the obstacle posed. Events caused by force majeure include strike, epidemics, fire, natural disaster, mobilization, war, uprising, seized assets, embargo, terrorist attack, long-term power outage, unauthorized third-party intervention in IT SYSTEM MARKET OPERATOR, etc.
- 2.1.25 For the purposes of compensation of damage for which the Market Operator is liable, the maximum amount of predictable damage caused as a result of the Market Operator's breach of its obligations is (defined amount) for the period of the year in which the damage arose. The compensation does not cover lost profits, regression claims for the payment of contractual penalties and other penalties, and indirect and subsequent damage.

2.4 GAS SUPPLY SUSPENSION

- 2.4.1 In a timeframe specified under the Market Rules, the TSO or DSO shall notify the Market Operator about any suspension of gas supply to relevant PDTs registered in IT SYSTEM MARKET OPERATOR, using the methods below:
- 2.4.1.1 IT SYSTEM MARKET OPERATOR web interface, or
 - 2.4.1.2 a message for PDT registration, which can comprise more than one PDT, in a define format.
- 2.4.2 In the event the Market Operator finds out the supplied information is erroneous or incomplete, it shall notify the TSO or DSO about the rejection of the gas supply suspension registration.
- 2.4.3 Following suspension of gas supply to PDTs registered in IT SYSTEM MARKET OPERATOR, the TSO or the respective DSO notifies the Market Operator about the suspension and provides meter readings of gas consumption as at the date of gas supply suspension. The Market Operator distributes the data to the gas supplier of the relevant PDT and to the BRP which assumes imbalance responsibility at the relevant PDT. The transmission system operator or respective distribution system operator activates at PDT the "data transfer suspension" identifier and the relevant PDT shall not be included in the preliminary daily settlement calculation as of the date specified by the TSO or the DSO.
- 2.4.4 Following restoration of gas supply to the PDTs, in a timeframe specified under the Market Rules, the TSO or the respective DSO notifies the Market Operator about reconnection of the relevant PDT, stating the date of reconnection. Based on this notification, suspension of data transfer shall end for the pertinent PDTs; the TSO or respective DSO shall send updated planned annual consumption to PDTs.

2.5 CHANGE OF SUPPLIER OR START OF SUPPLY

- 2.4.5 The process of change of supplier is launched within IT SYSTEM MARKET OPERATOR upon receipt of a request for change of supplier that determines the type of change of supplier, the date of coming into force of the change of supplier, and communication scenarios (codes of messages exchanged during the change of supplier procedure).

- 2.4.6 Initial controls comprise of reviewing messages in terms of their format, completeness and validity of data and time included in the message, authorization to dispatch messages to the respective PDT, and the timeframe and type of scenario depending on whether it is a new request for change of supplier, or communication concerning an already filed application for change of supplier.
- 2.4.7 Upon receipt, the new request for change of supplier is reviewed, in particular
 - 2.4.7.1 filling in the respective type of agreement (agreement on gas supply combined services, agreement on gas supply),
 - 2.4.7.2 filling in the respective type of change of supplier (standard change of supplier, prompt change of supplier); in the event of a prompt change of supplier, it is verified that the relevant PDT regime permits such change of supplier,
 - 2.4.7.3 filling in the date of the start of supply,
 - 2.4.7.4 deadline for submitting a request for change of supplier,
 - 2.4.7.5 identification / authorization of the new supplier, and assignment of BRPs,
 - 2.4.7.6 filling in the method of concluding the agreement (whether the customer that signed a gas supply agreement with a supplier has the right to terminate the agreement,
 - 2.4.7.7 non-existence of the PDT in IT SYSTEM MARKET OPERATOR in the past in the event of start of supply to the point of delivery/transfer for a newly connected customer
- 2.4.8 The application for a standard change of supplier must comprise the reason for request submission, such as:
 - 2.4.8.1 replacement of the gas supplier for another gas supplier,
 - 2.4.8.2 change to gas supplier from the last resort supplier,
 - 2.4.8.3 change of supplier complete with change of customer at the relevant PDT,
 - 2.4.8.4 start of supply to a newly connected point of delivery/transfer,
 - 2.4.8.5 start of supply to a point of delivery/transfer after interruption of supply due to unauthorized gas consumption and/or unauthorized gas distribution,
 - 2.4.8.6 start of supply while preventing unauthorized consumption.
- 2.4.9 In the event of proper receipt and filing of the request for standard change of supplier, a copy is distributed to:
 - 2.4.9.1 the new supplier,
 - 2.4.9.2 the new balance responsible party,
 - 2.4.9.3 the existing supplier (if none exists, a copy is provided to the supplier of customers within the relevant DSO whose points of delivery are not separately registered in IT SYSTEM MARKET OPERATOR),
 - 2.4.9.4 the existing balance responsible party (if none exists, a copy is provided to the balance responsible party of customers within the relevant DSO whose points of delivery are not separately registered in IT SYSTEM MARKET OPERATOR) and, if applicable, all supervisors,
 - 2.4.9.5 the TSO or the respective DSO,
 - 2.4.9.6 other entities affected by parallel changes of supplier at relevant PDTs.
- 2.4.10 In the event of proper receipt and filing of the request for standard change of supplier, a copy is distributed to:
 - 2.4.10.1 the new supplier,
 - 2.4.10.2 the news balance responsible party,
 - 2.4.10.3 the TSO of the respective DSO,
 - 2.4.10.4 other entities affected by parallel changes of supplier at relevant PDTs.
- 2.4.11 Standard change of supplier complete with the reasons shall be processed in IT SYSTEM MARKET OPERATOR within timeframes of the Market Rules, provided
 - 2.4.11.1 the request for change of supplier is accepted from the new supplier,

- 2.4.11.2 the TSO or the respective DSO shall not reject the request due to the inability of transmission or distribution capacity reservation,
 - 2.4.11.3 approval of the allocation of imbalance responsibility is granted by the new BRP,
 - 2.4.11.4 the relevant PDT shall be registered by the TSO or the respective DSO for the specified period,
 - 2.4.11.5 no request has been made by the new supplier to revoke change of supplier,
 - 2.4.11.6 the new supplier has confirmed the change of supplier request, provided the current supplier has asked to suspend change of supplier.
- 2.4.12 Standard change of supplier shall be processed in IT SYSTEM MARKET OPERATOR within timeframes pursuant to the Market Rules, provided:
- 2.4.12.1 the request for change of supplier is accepted by the new supplier,
 - 2.4.12.2 the TSO or the respective DSO shall not reject the request due to the inability of transmission or distribution capacity reservation,
 - 2.4.12.3 approval of the allocation of imbalance responsibility is granted by the new BRP,
 - 2.4.12.4 the relevant PDT shall be registered by the TSO or the respective DSO for the specified period,
 - 2.4.12.5 no request has been made by the new supplier to revoke change of supplier, only in the event of standard change of supplier, complete with reasons for change.
- 2.4.13 The current supplier cannot suspend standard change of supplier.
- 2.4.14 In the event the operator or the DSO rejects any transmission or distribution capacity reservation; the rejection must contain pertinent reasons as follows:
- 2.4.14.1 failure to submit a request for transmission or distribution capacity within timeframes defined in the Market Rules, or failure to submit a request for signing an agreement within timeframes defined in the Market Rules,
 - 2.4.14.2 failure to meet the requirements of the request for transmission or distribution capacity reservation, or failure to meet the requirements of the request for signing an agreement on gas transmission or distribution,
 - 2.4.14.3 insufficient financial security,
 - 2.4.14.4 incorrect type of agreement,
 - 2.4.14.5 failure to submit a request for signing an agreement on connection.
- 2.4.15 The request for suspension of change of supplier by the current supplier must contain pertinent reasons as follows:
- 2.4.15.1 the existing agreement has not been terminated,
 - 2.4.15.2 the customer's will exists in writing,
 - 2.4.15.3 the customer's rescission of the contract and the continuation of deliveries from the current supplier.
- 2.4.16 Confirmation of the request for change of supplier by the new supplier must contain pertinent reasons, which the existence of the customer's will in writing.
- 2.4.17 In the event the messages sent to IT SYSTEM MARKET OPERATOR do not contain the pertinent reasons, IT SYSTEM MARKET OPERATOR shall reject the messages.
- 2.4.14 The new BRP and TSO or the respective DSO may repeatedly issue an opinion on the standard change of supplier submitted with pertinent reasons whereas the last opinion registered by IT SYSTEM MARKET OPERATOR by 6 p.m. within five business days of submitting the request for change of supplier is effective.
- 2.5.15. The current supplier/BRP is deemed in all cases the supplier/BRP registered at the relevant PDT with IT SYSTEM MARKET OPERATOR at the time of receiving the request for change of supplier in the position of supplier/BRP as at the date of coming into force of the change of supplier.
- 2.5.16 If the new supplier submits a request to revoke change of supplier at the relevant PDT, the request for change of supplier shall be automatically rejected. In such case the current supplier and the current BRP shall not send in their consent with continued gas supply to the relevant PDT.
- 2.5.17 If the new BRP does not agree with assigning imbalance responsibility, the request for change

- of supplier shall be rejected by 6 p.m. within five business days of submitting the request for change of supplier. In such case, the current supplier and the current BRP shall not send in their consent with continued gas supply to the relevant PDT.
- 2.5.18 If the new supplier submits a request for change of supplier stating it concerns the agreement on gas supply, the TSO or the DSO may reject the provision of distribution capacity reservation only due to the reason specified.
- 2.5.19 In the event the rejection of the provision of distribution capacity to the relevant PDT by the TSO or the DSO is registered in IT SYSTEM MARKET OPERATOR by 6 p.m. within five business days of submitting the request for change of supplier, the request for change of supplier is rejected within nine business days of the submission of the request for change of supplier.
- 2.5.20 The request for suspending change of supplier by the existing supplier may be sent to IT SYSTEM MARKET OPERATOR repeatedly, whereas the latest statement recorded in IT SYSTEM MARKET OPERATOR on the fifth business day at 18:00 hours from the submission of the request for change of supplier shall apply. If the current supplier sends in a request for suspension of change of supplier, stating the reason, the request for change of supplier shall be rejected without undue delay.
- 2.5.21 Extension or shortening of the supply relationship by the current supplier at a PDT may be carried out via special messages designated for this purpose. Extension or shortening of the supply period by the current supplier to a PDT may not be carried out through change of supplier. If the current supplier fails to extend supply and the subsequent change of supplier does not take place, registration of the relevant PDT in IT SYSTEM MARKET OPERATOR shall be cancelled.
- 2.5.22 Standard change of supplier is not permitted in the event the new supplier is identical with the current supplier, except in the event of change of supplier from the last resort supplier to a new supplier, where the new supplier is identical with the last resort supplier.
- 2.5.23 At the time of the new supplier's submission of a request for standard change of supplier at the relevant PDT with a specified date of coming into force, there may be no other unprocessed request in IT SYSTEM MARKET OPERATOR of this new supplier pertaining to the identical PDT with the same date of coming into force.
- 2.5.24 If more than one unresolved request for standard or prompt change of supplier at a PDT has been submitted by different suppliers with the same date of coming into force, the change of supplier assessed as the latest in IT SYSTEM MARKET OPERATOR is to become effective, except the following instances.
- 2.5.24.1 the new supplier revokes the second request for change of supplier; IT SYSTEM MARKET OPERATOR shall notify all involved market participants about the outcome of the request for change of supplier,
 - 2.5.24.2 the change of supplier request was rejected in the event another change of supplier has been approved since the date of receiving the assessed request for change of supplier for the relevant period; IT SYSTEM MARKET OPERATOR shall notify all involved market participants about the outcome of the request for change of supplier.
- 2.5.25 In the event a request for change of supplier at a PDT has been confirmed, and subsequently another supplier submits a request for change of supplier at the same PDT as of the same date, the outcome of the latest request for change of supplier is the determining factor in such case.
- 2.5.26 In the event of proper receipt and filing of the request for prompt change of supplier pursuant to Section 116 of the Market Rules, a copy is distributed to:
- 2.5.26.1 the new supplier,
 - 2.5.26.2 the new balance responsible party,
 - 2.5.26.3 the TSO or the respective DSO.
- 2.5.27 Prompt change of supplier in IT SYSTEM MARKET OPERATOR shall be completed, provided
- 2.5.27.1 the request for change of supplier is accepted from the new supplier,

- 2.5.27.2 the TSO or the respective DSO shall not reject the request due to the inability of transmission or distribution capacity reservation,
- 2.5.27.3 approval of the allocation of imbalance responsibility is granted by the new BRP,
- 2.5.27.4 the relevant PDT is registered or shall be registered for the specified period.
- 2.5.28 In the event the DSO or the TSO fails to notify MARKET OPERATOR whether it is possible or not to reserve distribution or transmission capacity in case of prompt change of supplier at a PDT, it is accepted at the time of the prompt change of supplier assessment that MARKET OPERATOR has been notified about the ability to reserve distribution or transmission capacity.
- 2.5.29 Assessment of prompt change of supplier is distributed to:
 - 2.5.29.1 the new supplier,
 - 2.5.29.2 the new balance responsible party,
 - 2.5.29.3 the TSO or the respective DSO,
 - 2.5.29.4 the current supplier (if none exists, a copy is provided to the supplier of customers within the relevant DSO whose points of delivery are not separately registered in IT SYSTEM MARKET OPERATOR),
 - 2.5.29.5 the current balance responsible party (if none exists, a copy is provided to the balance responsible party of customers within the relevant DSO whose points of delivery are not separately registered in IT SYSTEM MARKET OPERATOR).
- 2.5.30 Assessment of standard change of supplier is distributed to:
 - 2.5.30.1 the new supplier,
 - 2.5.30.2 the new balance responsible party
 - 2.5.30.3 the TSO or the respective DSO
 - 2.5.30.4 the current supplier (if none exists, a copy is provided to the supplier of customers within the relevant DSO whose points of delivery are not separately registered in IT SYSTEM MARKET OPERATOR),
 - 2.5.30.5 the current balance responsible party (if none exists, a copy is provided to the balance responsible party of customers within the relevant DSO whose points of delivery are not separately registered in IT SYSTEM MARKET OPERATOR),
 - 2.5.30.6 other BRPs affected by all parallel changes of supplier at relevant PDTs.
- 2.5.31 In the event of approving a request for change of supplier that overlaps with the period of an already approved change of another supplier in the future by at least one gas trading day, the future change of supplier is cancelled, whereas the currently approved request is in effect. All involved IT SYSTEM MARKET OPERATOR users shall be notified about this cancellation.
- 2.5.32 The Market Operator notifies the gas supplier, BRP and TSO or respective DSO about the delay in the approved change of supplier.
- 2.5.33 The Market Operator verifies via IT SYSTEM MARKET OPERATOR whether, in the event of a prompt change of supplier, the date of the start of supply corresponds to the date announced by the Market Operator in connection with the transfer of the PDT to the last resort supplier. If the two dates differ, the Market Operator shall not accept the request for a prompt change of supplier.

2.7 CHANGE OF BALANCE RESPONSIBLE PARTY (BRP) AT POINTS OF DELIVERY/TRANSFER (PDT)

- 2.7.1 The process of change of BRP at a PDT is launched within IT SYSTEM MARKET OPERATOR upon receipt of the request for change of BRP at the PDT. Suppliers to PDT or BRP at PDT may initiate change of BRP.
- 2.7.2 Initial controls comprise reviewing the format, completeness and validity of data and time, authorization to dispatch messages to the respective PDT, and the timeframe (processing a new request for change of BRP; any procedure within the already submitted request for change of BRP).
- 2.7.3 Upon receipt, the new request for change of BRP at a PDT is reviewed, in particular:
 - 2.7.3.1 filling in the relevant new BRP,

- 2.7.3.2 deadline for submitting a request for change of BRP,
- 2.7.3.3 date of the change coming into effect,
- 2.7.3.4 date of expiry of the change.
- 2.7.4 In the event of proper receipt and filing of the request for change of BRP at a PDT under the Market Rules, a copy of the request is sent to the new balance responsible party and, in the event of change of BRP initiated by the supplier, a copy of the request is sent to the current BRP.
- 2.7.5 Change of BRP at a PDT is processed after the receipt of the request for change of BRP at the relevant PDT, provided:
 - 2.7.5.1 the new BRP sends in approval of allocation of imbalance responsibility at the relevant PDT,
 - 2.7.5.2 the PDT has been registered in IT SYSTEM MARKET OPERATOR for the relevant time period,
 - 2.7.5.3 the new BRP has successfully passed verification of financial security; in the event the new BRP has transferred its total imbalance responsibility to another (accepting) BRP, the accepting BRP's sufficient financial security is checked.
- 2.7.6 The BRP which, using the change of BRP at PDT, transferred imbalance responsibility to a new BRP, becomes a PDT supervisor for the period between the date and the date. After the expiry of the relevant period the imbalance responsibility is transferred back to the previous BRP; the Market Operator shall notify all relevant BRPs and the supplier to PDT about the transfer.
- 2.7.7 There may be no more than five supervisors at one PDT at the same time.
- 2.7.8 In the event of locking out the current PDT supervisor or the BRP with accepted imbalance responsibility at the PDT, responsibility for imbalances shall be assigned to the supplier, whereas all supervisors at the respective PDT shall be cancelled. In such case, a message is sent to all supervisors, the supplier and the BRP with currently accepted imbalance responsibility at the relevant PDT. In the event of locking out the current PDT supervisor or the BRP with accepted imbalance responsibility at the PDT, the supplier is obligated, by the end of the current gas trading day, to secure for the relevant PDT another BRP responsible for imbalances that has passed financial security check.
- 2.7.9 In the event of change of supplier at a PDT, all supervisors at the relevant PDT are cancelled.
- 2.7.10 If the change of BRP at PDT is carried out by a supplier
 - 2.7.10.1 all PDT supervisors are cancelled,
 - 2.7.10.2 all BRP's roles assigned to the relevant PDT in the future shall be deleted.
- 2.7.11 The Market Operator shall notify about the outcome of the assessment of the request for change of BRP at PDT the current BRP, the new BRP the supplier to PDT.
- 2.7.12 The current BRP may at its own responsibility execute a shortening of assigned imbalance responsibility at PDT by filing in IT SYSTEM MARKET OPERATOR a request to change BRP at PDT, where it indicates its position of a new BRP and specifies the new end date for the transfer of imbalance responsibility. The request and approval of the assumption of imbalance responsibility on the part of the BRP can be filed in IT SYSTEM MARKET OPERATOR no later than 10 business days before the requested last day of registration of BRP at PDT. Immediately after the shortening of assigned imbalance responsibility at PDT in IT SYSTEM MARKET OPERATOR, the currently registered supplier to the relevant PDT is notified.

2.8 TRANSFER OF TOTAL IMBALANCE BETWEEN BRPS

- 2.8.1 A BRP carries out transfer of its total imbalance to another BRP in IT SYSTEM MARKET OPERATOR pursuant to the applicable provisions of the Market Rules via automated communication or using a form on web interface through their authorized persons (holding a valid certificate).
- 2.8.2 When transferring total imbalances, the BRP transferring its imbalance (transferring BRP) to another BRP (accepting BRP) on the gas market:
 - 2.8.2.1 the transferring BRP submits a request to transfer the total imbalance in “for approval” status with an indicated period of transfer,
 - 2.8.2.2 the relevant accepting BRP approves or rejects the request for total imbalance transfer from the transferring BRP,
- 2.8.3 For transfer of the transferring BRP’s total imbalance to the accepting BRP on the gas market it applies that:
 - 2.8.3.1 shortening or cancellation of an already approved request for total imbalance transfer is carried out by sending and approving of a new request to transfer the total imbalance with indicating the shortened period “to”,
 - 2.8.3.2 only one approved total imbalance transfer to the accepting BRP may apply for the transferring BRP at one time,
 - 2.8.3.3 the accepting BRP must not transfer its total imbalance to another BRP for the same period,
 - 2.8.3.4 the effective date of the transfer/acceptance of the total imbalance between the transferring BRP and the receiving BRP cannot be filed retroactively,
 - 2.8.3.5 the expiry date of the transfer/acceptance of the total imbalance between the transferring BRP and the receiving BRP must always be equal to the last day of the gas month, except when the Market Operator sets a different expiry date,
 - 2.8.3.6 total imbalance transfer may be carried out only between BRPs that charge VAT on gas supplies to and from the Market Operator, i.e. the recipient of the taxable supply is required to declare value added tax for both BRPs, or the provider of the taxable supply is required to declare value added tax for both BRPs; transfer of imbalances shall not affect the amount of MARKET OPERATOR’s tax liability; the Market Operator has the right to reduce the already approved request for transfer of the total imbalance in the event of cancellation of the reverse charge procedure for one of the affected BRPs.
 - 2.8.3.7 the request to transfer the total imbalance between the transferring BRP and the accepting BRP must be filed and approved at least one day before the effective date indicated in the request,
 - 2.8.3.8 total imbalance transfer between BRPs is not permitted if the accepting BRP has insufficient financial security,
 - 2.8.3.9 the BRP that has not transferred its imbalance to another BRP shall not be restricted in submitting nominations and trading on the organized short-term market,
 - 2.8.3.10 the daily imbalance quantity of the transferring BRP for the gas day preceding the first day of coming into effect of the transfer of the total imbalance from the transferring BRP to the receiving BRP is increased by the value of the aggregate account of imbalances of the transferring BRP.
 - 2.8.3.11 after the increase, the value of the aggregate account of imbalances of the transferring BRP for the gas day preceding the first day of coming into effect of the transfer of the total imbalance from the transferring BRP to the receiving BRP is reduced to zero.
- 2.8.4 In the event MARKET OPERATOR’s Contractual Partners are unable to transfer total imbalances an alternative method may be used consisting of submitting to the Market Operator a filled in form “Registration of Transfer of Total Imbalance”, which is verified by both Contractual Partners. A paper copy of the form must be delivered to the Market Operator at least two business days before the requested effective date of the total

imbalance transfer. The Market Operator shall register in IT SYSTEM MARKET OPERATOR the total imbalance transfer between BRPs within one business day of the receipt of the form.

- 2.8.5 In the event of locking out the BRP, which has accepted another BRP's total imbalance, the relevant total imbalance transfer shall be cancelled.
- 2.8.6 Settlement of imbalances pertaining to the period prior to total imbalance transfer between BRPs shall not apply for the accepting BRP.

2.9 BUSINESS COMPANY TRANSFORMATION

- 2.9.1 The request for a multiple change of supplier or a multiple change of BRP in connection with the business company transformation is submitted, together with written documents about the business company transformation, by the new supplier or the new BRP to the Claims module in IT SYSTEM MARKET OPERATOR; as the type of claim the submitting RMP shall state: Company transformation – multiple change at PDT.
- 2.9.2 The multiple change of supplier or multiple change of BRP shall be executed in IT SYSTEM MARKET OPERATOR provided the transferring RMP shall grant its consent through the Claims module in IT SYSTEM MARKET OPERATOR.
- 2.9.3 The Market Operator shall notify about the change of supplier to PDT in connection with the business company transformation separately for each PDT the new supplier, the new BRP, the transferring RMP and the relevant TSO or DSO.
- 2.9.4 The Market Operator shall notify about the change of BRP at PDT in connection with the business company transformation separately for each PDT the new supplier, the new BRP and the transferring RMP.

3. EVALUATION AND SETTLEMENT

3.1 STAGES OF EVALUATION OF IMBALANCES

- 3.1.1 Evaluation of imbalances comprises the following stages:
 - 3.1.1.1 daily evaluation,
 - 3.1.1.2 monthly evaluation,
 - 3.1.1.3 final monthly evaluation.
- 3.1.2 Daily evaluation refers to evaluation of daily imbalances of BRPs and foreign participants for the preceding gas day, which is carried out by the Market Operator according to the procedure and within the timeframe specified in the Market Rules and in BTG hereof. The imbalance evaluation process shall include:
 - 3.1.2.1 determining the values of daily imbalances,
 - 3.1.2.2 determining the values of daily imbalance quantities,
 - 3.1.2.3 determining the values of aggregate accounts of imbalances,
- 3.1.3 The Market Operator performs daily evaluation separately for each BRP and foreign participant and for each gas trading day on the basis of values received from the TSO and from separate DSOs, and on the basis of other values specified in the Market Rules.
- 3.1.4 In the event the Market Operator has not received daily metered values, except for allocations at cross-border points, for daily evaluation by deadlines specified under the Market Rules, the Market Operator, following a proposal of the TSO or the respective DSO, shall substitute the values with the closest corresponding metered data and shall perform daily evaluation within one hour after the deadline for daily evaluation under the Market Rules.
- 3.1.5 Based on daily evaluation, the Market Operator shall determine values for the previous gas day, and makes them available for the relevant BRPs via IT SYSTEM MARKET OPERATOR.
- 3.1.6 Monthly evaluation refers to evaluation of monthly imbalances of BRPs and foreign participants on respective gas days of the following gas trading month after the end of the respective gas trading month, which is carried out by the Market Operator according to the procedure and within the timeframe specified in the Market Rules and in BTG hereof for the entire gas distribution system. The imbalance evaluation process includes:
 - 3.1.6.1 determining the values of monthly imbalances, and
 - 3.1.6.2 determining the values of differences between daily and monthly imbalances.
- 3.1.7 The Market Operator performs monthly evaluation separately for each BRP and market participant and for each gas day and month on the basis of values received from the TSO and from separate DSOs, and on the basis of other values specified under the Market Rules.
- 3.1.8 Based on monthly evaluation, the Market Operator shall determine values, and makes them available for the relevant BRPs via IT SYSTEM MARKET OPERATOR.
- 3.1.9 The final monthly evaluation refers to evaluation of adjusted monthly imbalances of BRPs and foreign participants in the relevant gas days of the gas month, which the Market Operator performs according to the procedure and within the timeframe specified in the Market Rules and in BTG hereof for the entire gas distribution system. The imbalance evaluation process includes:
 - 3.1.9.1 Determining the values of adjusted monthly imbalances, and
 - 3.1.9.2 determining the values of differences between monthly and adjusted monthly imbalances.
- 3.1.10 The Market Operator performs final monthly evaluation after the receipt of adjusted values according to the procedure. The Market Operator shall make the results of the evaluation available for BRPs via IT SYSTEM MARKET OPERATOR.
- 3.1.11 Evaluation of consumption at PDTs with non-interval metering is performed according to the procedure specified in the Market Rules, LP methodology posted on the Market Operator's website.

- 3.1.12 Historical data on evaluation is available via IT SYSTEM MARKET OPERATOR. After its archiving, it shall be available upon request.
- 3.1.13 In the event the BRP has accepted total imbalances from another (transferring) BRP, within daily, monthly, and final monthly evaluation, the accepting BRP's imbalances (in MWh) are added to the transferring BRP's imbalances (in MWh).

3.2 SETTLEMENT OF DAILY EVALUATION OF IMBALANCES, DAILY SETTLEMENT OF THE ORGANIZED SHORT-TERM MARKET

- 3.2.1 For purposes of imbalance settlement of BRPs, each BRP is required to provide the Market Operator with the right of cash collection established within the BRP's bank account, as set forth in the Agreement on Settlement of Imbalances, and to keep this account and the right of cash collection active as long as the Agreement on Settlement of Imbalances is in effect.
- 3.2.2 To settle trades closed on the organized short-term market, the BRP (organized short-term market participant) is required to establish within its bank account, maintained in the GE currency and defined in the Agreement on Settlement of Imbalances, the right of cash collection for the Market Operator, and to keep this account and the right of cash collection active as long as the Agreement on Settlement of Imbalances is in effect. To settle the organized short-term market in the USD currency, the respective gas market participant must have an account in USD denomination maintained by one of the banks approved by the Market Operator and listed on MARKET OPERATOR's website, with the established right of cash collection for the Market Operator. If the organized short-term market participant fails to open the required account, the Market Operator settles the organized short-term market with the said participant. The Market Operator shall notify market participants about an update of the list of banks approved for settlement in USD in a manner allowing rem Market Operator access. If a bank is removed from the list, it will do so at least 30 calendar days in advance.
- 3.2.3 Settlement of daily evaluation, settlement of trades closed on the on the organized short-term market, (hereinafter "daily settlement") is performed by the Market Operator by 12:00 midnight of the business day subject to daily evaluation of imbalances. In the event of a non-business day, by 12:00 midnight of the first following business day. Any receivables between the Market Operator and the BRP, ensuing from daily evaluation, including trades closed on the organized short-term market on the relevant trading day and in the settlement currency, shall be factored in. In the event of IT SYSTEM MARKET OPERATOR failure, the Market Operator is authorized to postpone execution of daily settlement for the duration of the failure.
- 3.2.4 Daily settlement, after factoring in mutual receivables, results in issuing payment or cash collection orders crediting or debiting the relevant BRP, whereby:
 - 3.2.4.1 the due date of a cash collection order arising from daily settlement shall be set forth on the first business day after the end of the gas trading day subject to settlement, with the exception of, but not limited to, a tardy provision of metered values by the TSO or DSO and failed communication with the Market Operator's bank, whereby the due date of cash collection orders is set forth on the second business day after the end of the gas trading day subject to settlement, and the collected payments shall include the amount of value-added tax at its statutory rate,
 - 3.2.4.2 the due day of the Market Operator's payment orders arising from daily settlement shall be set forth on the fourth business day after the end of the gas trading day subject to settlement, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of payment orders shall be set forth on the fifth business day after the end of the trading day subject to settlement. The Market Operator has the right to make the payments without value-added tax at the statutory rate and reimburse the tax amount within settlement of monthly evaluation.
- 3.2.5 In the event a cash collection or payment order pertaining to the BRP's bank account is made out outside the Market Operator's bank, it is agreed that the due date is extended on

the Payment System.

- 3.2.6 In the event of payments crediting the Market Operator made abroad into an account maintained in the GE currency, all fees arising from the relevant payment are borne by the payer.

3.3 SETTLEMENT OF MONTHLY EVALUATION OF IMBALANCES, MONTHLY SETTLEMENT OF THE ORGANIZED SHORT-TERM MARKET

- 3.3.1 Settlement of monthly evaluation, carried out by the Market Operator by 12.00 midnight on the 15th calendar day after the end of the month subject to evaluation, refers to settlement of differences between daily and monthly imbalances.
- 3.3.2 Aside from settlement of monthly evaluation, the Market Operator performs settlement of
- 3.3.2.1 the difference between executed or received payments arising from the daily settlement of the daily imbalance quantity and the total sum of the daily imbalance quantity for the evaluated month,
 - 3.3.2.2 the difference between executed or received payments arising from the daily settlement of transactions executed on the short-term market and the total sum of transactions executed on the short-term market for the evaluated month,
- 3.3.3 Settlements shall be referred to as “monthly settlement”.
- 3.3.4 The Balance Responsible Party shall confirm to the Market Operator adjusted values of the results of daily settlement of transactions executed on the organized short-term market, which are instrumental for monthly settlement, no later than by the end of the last gas trading day of the month subject to evaluation. In the event the Balance Responsible Party does not object to the adjusted values by the end of the last gas trading day of the month subject to evaluation, it is assumed that the relevant Balance Responsible Party agrees with the adjusted values.
- 3.3.5 Mutual receivables between the Market Operator and the Balance Responsible Party arising from differences between daily and monthly imbalances, resulting from the monthly evaluation, are offset.
- 3.3.6 Following the offset of mutual receivables, the outcome of the monthly settlement shall be issuing payment or cash collection orders for all BRPs, whereby
- 3.3.6.1 the due date of cash collection orders shall be set forth on the date of performing monthly evaluation, with the exception of, but not limited to, failed communication with the Market Operator’s bank, whereby the due date of cash collection orders is set forth on the first business day after completion of monthly evaluation,
 - 3.3.6.2 the due date of payment orders shall be set forth on the fourth business day after completion of monthly evaluation,
- In the event a cash collection or payment order pertaining to a BRP’s bank account is made out outside the Market Operator’s Bank, it is agreed that the due date is extended by periods on the Payment System.
- 3.3.7 In the event of debts of the BRP due to the Market Operator, the Market Operator shall issue tax documents and send them to the BRP before the end of the 15th calendar day after the end of the month for which the tax documents are being issued (i.e. the month in which taxable supply was executed)
- 3.3.8 In the event of debts of the Market Operator due to the BRP
- 3.3.8.1 the Market Operator shall issue and make available via user interface documentation for issuing tax documents by the BRP by the end of the 15th calendar day after the end of the month for which the tax documents are being issued (i.e. the month in which taxable supply was executed); the documentation for issuing tax documents contains information on received payments pertaining to the month subject to evaluation,
 - 3.3.8.2 Based on pertinent documents, the Market Operator shall issue and send tax documents on behalf of the BRP on the grounds of authorization within 15

calendar days after the end of the month in which taxable supply was executed.

- 3.3.9 Separate supplies of gas traded on the organized short-term market and delivered on the same day (for purposes of this Article hereunder, hereinafter the “Delivery Day”). For the purpose of gas tax, the volume of supplied gas traded on the organized short-term market is determined for the period of calendar month. This determination always takes place on the last day of the calendar month. Based on the determination of the volume of supplied gas in the calendar month, a sale document or a tax document shall be issued. Specifics of the aggregate tax document and specifics of the sale or tax document shall be stated in a joint document, if applicable.
- 3.3.10 Tax documents pertaining to the organized short-term market are issued separately and in accordance with the required settlement currency. If in the course of a calendar month the Balance Responsible Party has executed transactions settled in both USD and GEL, two tax documents shall be issued for each party for the relevant month. In the event the transactions are settled in GEL, they are deemed agreed upon in GEL.
- 3.3.11 Should a gratuitous enrichment of the BRP or the Market Operator occur, the respective entity is obligated to return to the counterparty an amount corresponding to the amount of gratuitous enrichment within ten business days after finding out about gratuitous enrichment. This provision does not affect general provisions on damage compensation and gratuitous enrichment.
- 3.3.12 In the event the amount of a payment order or a cash collection order made out on account of monthly settlement and issuance of a tax document, which settles the difference between payments executed as a result of daily settlement and the results of monthly evaluation, does not exceed (defined amount), the Market Operator is authorized to round the relevant amount and to decline to issue a payment order or a cash collection order.
- 3.3.13 Documentation for issuing tax documents of the Market Operator contain information on received payments pertaining to the month subject to evaluation, their amounts and dates of receipt of the payments into the Market Operator’s account.
- 3.3.14 Documentation for issuing tax documents of the BRP contain information on executed payments pertaining to the month subject to evaluation, their amounts and dates of making the payments from the Market Operator’s account.
- 3.3.15 In the event of payments crediting the Market Operator made abroad into an account maintained in the GEL currency, all fees arising from the relevant payment are borne by the payer.

3.4 SETTLEMENT OF FINAL MONTHLY EVALUATION OF IMBALANCES

- 3.4.1 Settlement of final monthly evaluation (hereinafter “final monthly evaluation”), carried out by the Market Operator by 12.00 midnight on the 16th calendar day of the fourth month after the end of the month subject to evaluation, refers to settlement of differences between monthly and adjusted monthly imbalances:
- 3.4.2 Mutual receivables between the Market Operator and the Balance Responsible Party arising from the final monthly evaluation are offset.
- 3.4.3 Following the offset of mutual receivables, the outcome of the final monthly settlement shall be issuing payment or cash collection orders for all BRPs, whereby
 - 3.4.3.1 the due date of cash collection orders shall be set forth on the date of performing final monthly evaluation, with the exception of, but not limited to, failed communication with the Market Operator’s bank, whereby the due date of cash collection orders is set forth on the first business day after completion of the final monthly evaluation,
 - 3.4.3.2 the due date of payment orders shall be set forth on the fourth business day after completion of the final monthly evaluation.

In the event a cash collection or payment order pertaining to a BRP’s bank account is made out outside the Market Operator’s Bank, it is agreed that the due date is extended by periods on the Payment System.

- 3.4.4 If the amount of differences is less than (defined amount), the value of the relevant monthly settlement is deemed unchanged, the difference for the settlement of the final monthly evaluation is equal to zero and collection or payment orders shall not be issued.
- 3.4.5 The final monthly settlement is instrumental for issuing a tax document.
- 3.4.6 In the event of any debts of the BRP due to the Market Operator, the Market Operator shall issue tax documents and distribute them to the BRP before the end of the 16th calendar day of the fourth month after the end of the month subject to evaluation.
- 3.4.7 In the event of any debts of the Market Operator due to the BRP
 - 3.4.7.1 the Market Operator shall issue and make available via user interface to the BRP documentation for issuing tax documents by the end of the 16th calendar day of the fourth month after the end of the month subject to evaluation,
 - 3.4.7.2 Based on pertinent documents, the Market Operator shall issue and send tax documents on behalf of the BRP on the grounds of authorization within 16 calendar days of the fourth month after the end of the month subject to evaluation.
- 3.4.8 In the event the amount of settlement of the difference between the final monthly evaluation and the monthly settlement is equal to zero and no collection or payment orders have been issued, the original taxable supply determined on the basis of the monthly settlement is deemed not adjusted and the Market Operator shall not issue a tax document.
- 3.4.9 Should a gratuitous enrichment of the BRP or the Market Operator occur, the respective entity is obligated to return to the counterparty an amount corresponding to the amount of gratuitous enrichment within ten business days after finding out about gratuitous enrichment. This provision does not affect general provisions on damage compensation and gratuitous enrichment.
- 3.4.10 In the event of payments crediting the Market Operator made abroad into an account maintained in the GEL currency, all fees arising from the relevant payment are borne by the payer.

3.5 SETTLEMENT OF DIFFERENCES BETWEEN METER READINGS AND CONSUMPTION VALUES BASED ON LP

- 3.5.1 The Market Operator shall evaluate differences between billing meter readings of gas consumption at points of delivery/transfer and consumption values determined on the basis of load profiles at these points and notifies BRPs responsible for imbalances at the relevant points of delivery about the differences, using the methods and in timeframes of the Market Rules.
- 3.5.2 Evaluation of the differences comprises the following stages:
 - 3.5.2.1 monthly evaluation of differences between meter readings of gas consumption at points of delivery/transfer and consumption values determined on the basis of load profiles at these points (hereinafter “monthly LP evaluation”),
 - 3.5.2.2 final evaluation of differences between meter readings of gas consumption at points of delivery/transfer and consumption values determined on the basis of load profiles at these points after the receipt of adjusted meter readings (hereinafter “final monthly LP evaluation”).
- 3.5.3 The Market Operator shall settle the difference with the BRPs that at the date of the billing meter reading were responsible for imbalances at the respective points of delivery, or with the BRPs that pursuant to the Market Rules accepted total imbalance responsibility of the BRP thereof on the last day of the month for which the monthly LP evaluation is performed, or as at the day of BRP termination in the month for which the monthly LP evaluation is performed, for the price determined by the procedure.
- 3.5.4 The Market Operator shall settle differences, but with the opposite sign, with the BRPs responsible for imbalances of customers within the relevant distribution system that are not separately registered in IT SYSTEM MARKET OPERATOR, or with the BRPs that pursuant to the Market Rules accepted total imbalance responsibility of the BRP thereof on the last day of the month for which the monthly LP evaluation is performed, or as at the day of BRP termination in the month for which the monthly LP evaluation is performed.

- 3.5.5 Upon receipt of the billing meter reading in IT SYSTEM MARKET OPERATOR, it is verified whether the date of the billing reading pertains to the month for which evaluation of differences and 3.5.2.2 have not been performed yet. In the event the date of the billing reading pertains to the month for which evaluation has already been performed, the reading is in IT SYSTEM MARKET OPERATOR flagged as late transmission and is not included in the evaluation. The DSO that transmitted the billing reading, the relevant supplier and the relevant BRP are notified about the foregoing fact. The verification under this Article does not apply for separate (non-billing) preliminary readings transmitted to MARKET OPERATOR.
- 3.5.6 The Market Operator shall accept a non-billing preliminary reading from the DSO only when transmitted in one message together with a billing reading that meets the requirement. The Market Operator shall use the submitted preliminary reading for the evaluation of differences, in order to perform a more accurate redistribution of the volume of consumed gas between separate billing readings.
- 3.5.7 Separate tax documents are issued for settlement of monthly LP evaluation under Article 3.5.2.1 within 14 business days of the following month after the end of the month subject to evaluation, based on documentation issued by the Market Operator. The date of taxable supply is the date of issuing tax documents by the Market Operator. The Market Operator shall issue a tax document pertaining to the settlement of differences also on behalf of the respective BRP based on authorization of the Market Operator to issue tax documents. Any mutual receivables between the Market Operator and the BRP arising from tax documents regarding monthly LP settlement shall be factored in.
- 3.5.8 Tax documents or adjusted tax documents are issued for settlement of final monthly LP evaluation within 14 business days of the fourth month after the end of the month subject to evaluation, based on documentation issued by the Market Operator. The date of taxable supply is the date of issuing tax documents or adjusted tax documents by the Market Operator. The Market Operator shall issue tax documents or adjusted tax documents pertaining to the settlement of differences also on behalf of the respective BRP based on authorization of the Market Operator to issue tax documents. Any mutual receivables between the Market Operator and the BRP arising from tax documents or adjusted tax documents regarding final monthly LP settlement shall be factored in. If the amount of the settlement of differences of the final monthly LP evaluation against the monthly LP settlement does not exceed (defined amount), the original taxable supply determined on the basis of the monthly settlement is deemed not adjusted and the Market Operator shall not issue a tax document.
- 3.5.9 The due date of cash collection orders after factoring in mutual receivables shall be set forth on the day of issuing tax documents or adjusted tax documents by the Market Operator, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of cash collection orders shall be set forth on the first business day after the issuance date.
- 3.5.10 The due date of payment orders after factoring in mutual receivables and 3.5.8 shall be set forth on the fourth business day after the day of issuing tax documents or adjusted tax documents by the Market Operator.
- 3.5.11 In the event a cash collection or payment order pertaining to a BRP's bank account is made out outside the Market Operator's bank, it is agreed that the due date is extended by periods on the Payment System.
- 3.5.12 The Market Operator has the right to request from the balance responsible parties additional financial security to cover their liabilities in the settlement of differences between the projected and metered losses in the DS.

4. THE ORGANIZED SHORT-TERM MARKET

4.1 GENERAL RULES OF THE ORGANIZED SHORT-TERM MARKET

- 4.1.1 Submitting to and viewing sale bids and purchase bids on the organized short-term market takes place either via IT SYSTEM MARKET OPERATOR web interface or via automated communication (each submission may comprise only one sale bid or one purchase bid or order).
- 4.1.2 Any balance responsible party may submit bids after a log-in into IT SYSTEM MARKET OPERATOR via web interface:
 - 4.1.2.1 manually in a method described in the user manual, or
 - 4.1.2.2 with a message for submission of bids in a method described in the user manual and in formats.
- 4.1.3 A code is allocated in IT SYSTEM MARKET OPERATOR to every bid submitted.
- 4.1.4 Any balance responsible party may submit bids only if it has a sufficient FS balance and is not locked-out.
- 4.1.5 Bids may be submitted until the close of the organized short-term market. IT SYSTEM MARKET OPERATOR shall not permit registration of any bid submitted later, whereby the relevant time of registration is IT SYSTEM MARKET OPERATOR system time.
- 4.1.6 Any balance responsible party has access to a current overview of its bids.
- 4.1.7 In respect of accepted bids, the Market Operator does not assume responsibility for correctness of the relevant accepted bid in terms of its volume and price. Balance responsible parties are aware of the consequences arising for them from incorrectly submitted bids on the organized short-term market in the event they have been traded.
- 4.1.8 Both valid and invalid bids on IM shall be saved in IT SYSTEM MARKET OPERATOR for a minimum period of six months, together with the requisite indicator of validity and, in the event of invalid bids, reasons for rejection of the bid.
- 4.1.9 Any organized short-term market participant may instantly verify registration of the submitted bids (including a review of its registered valid and invalid bids) via user interface.
- 4.1.10 BRPs are notified about any invalid bids on IM via user interface.

4.3 REVIEW OF BIDS ON IM

- 4.3.1 Registration of a bid on IM sets off an automated review system which classifies the bid on IM as either valid or invalid. The review includes:
 - 4.3.1.1 proper registration of BRPs; balance responsible parties may not be locked out;
 - 4.3.1.2 FS balance of BRPs;
 - 4.3.1.3 acceptance of bid registration within the timeframe under the Market Rules;
 - 4.3.1.4 minimum and maximum limit prices for bids;
 - 4.3.1.5 minimum and maximum offered and demanded gas volumes for the relevant gas trading day expressed in number of contracts;
 - 4.3.1.6 price.

4.4 MATCHING OF BIDS ON IM

- 4.4.1 Each new valid bid sets off the matching process during which it is determined whether some other bid meets the terms of the new bid and the two can be matched.
- 4.4.2 In terms of matching volumes (contracts), it applies that bids are divisible and the smallest tradable unit is one contract, meaning that a valid bid may be accepted only partially and its unaccepted part shall continue to be included in the matching process.
- 4.4.3 The following terms apply to matching of bids
 - 4.4.3.1 a new sale bid shall be matched with an existing purchase bid with the limit price higher than or equal to that of the new bid;
 - 4.4.3.2 a new purchase bid shall be matched with an existing sale bid with the limit

- price lower than or equal to that of the new bid;
- 4.4.3.3 purchase bids quoting the highest price and sale bids with the lowest price have the priority in bid matching; in the event two or more bids quote the same limit price, the earlier registered bid comes first;
- 4.4.3.4 in matching a new bid with limit price, the limit price of the existing matched bid is deemed the transaction price; in the event of matching with more existing bids quoting different prices, the transaction prices are limit prices of separate existing matched bids with regard to the matched volumes of respective bids; in the event of two or more bids quoting the same limit price, the earlier registered bid comes first.
- 4.4.4 BRPs can review each bid matching by viewing their registered valid bids via user interface.
- 4.4.5 After closing the trade on IM, the Market Operator shall adjust the total contracted gas volume within nomination of the respective BRP at virtual trading point (VTP) for the respective gas trading day within the timeframe stipulated under the Market Rules.
- 4.4.6 BRPs have the option to select the settlement currency on IM for every gas trading day via IT SYSTEM MARKET OPERATOR web interface no later than 10 minutes prior to the start of trading for the relevant gas day. In the event no settlement currency is selected for the relevant gas trading day on IM, the currency which BRPs pre-selected within data registration or the data change registration process shall be used for IM settlement. BRPs may select settlement in USD only in the event an USD account has been established with the Market Operator's Bank.
 - 6.2.1.1 purposes of LP functionality application and the results of DS residual profile calculation,
 - 6.2.1.2 input of values of losses, changes in accumulation, combustion heat in the relevant DS and transmission of data on consumption of customers without change of supplier under the Market Rules,
 - 6.2.1.3 input of aggregate values of gas supply to customers within the relevant DS,
 - 6.2.1.4 VTP registration,
 - 6.2.1.5 registration of a mirror point of transfer between systems,
 - 6.2.1.6 provision of aggregate data on behalf of other PDTs under the Market Rules (aggregate PDTs to which the DSO sends aggregate data on behalf of other points of delivery according to type of metering).
- 6.2.2 Registered data on PDTs are divided into mandatory and optional. Mandatory data include:
 - 6.2.2.1 EIC code of PDT,
 - 6.2.2.2 date of the PDT's validity,
 - 6.2.2.3 name of the PDT,
 - 6.2.2.4 type of the PDT (production, consumption, transfer, etc.),
 - 6.2.2.5 PDT's local distribution system,
 - 6.2.2.6 DSO's local and neighbouring distribution system for the point of transfer,
 - 6.2.2.7 planned annual consumption for consumption-type PDTs,
 - 6.2.2.8 transmission or distribution capacity for consumption-type PDTs,
 - 6.2.2.9 type of source for gas production (natural gas, biogas, etc.),
 - 6.2.2.10 default allocation rule at the gas production facility entry point,
 - 6.2.2.11 default allocation rule at cross-border transit station and cross-border gas line entry and exit points,
 - 6.2.2.12 operator of the gas storage facility,
 - 6.2.2.13 customer category for consumer-type PDT,
 - 6.2.2.14 customer group for the purpose of state of emergency for consumer-type PDT.
- 6.2.3 Data cannot be modified after registration.
- 6.2.4 The TSO or DSO may update the information only prior to the date of the respective PDT's validity.
- 6.2.5 The Market Operator assigns to the PDT an identifier indicating imminent unauthorized consumption at PDT or unauthorized consumption at PDT. The Market Operator shall notify about the assignment or change of the identifier and the period of its effectiveness

the current supplier, the current BRP, the relevant TSO or DSO, the new supplier and the new BRP within ten business days of the effective date of the identifier indicating imminent unauthorized consumption.

- 6.2.6 Registration of PDTs comes into force as of the specified date, whereas the date determined by the Market Operator is binding and decisive. Notification about registration completion (including a copy of PDT data) is sent to the TSO or the respective DSO via a message in a specified format.
- 6.2.7 The TSO or the respective DSO shall register new PDTs in CDS within timeframes set forth in the Market Rules due to change of supplier at the PDT within its system, or at the start of supply to a new PDT in the system administered by this operator or in the event the operator designates the PDTs to send data to the Market Operator separately. The TSO or the respective DSO may specify data on the relevant PDT via
 - 6.2.7.1 an online form using IT SYSTEM MARKET OPERATOR web interface, or
 - 6.2.7.2 a message for PDT registration, which can comprise more than one PDT, in formats.
- 6.2.8 If during registration the TSO or DSO fails to provide the end date of the PDT registration, CDS shall set the end of the PDT registration at 31 December 9999.
- 6.2.9 The TSO or DSO is responsible for maintenance and updates of master records on PDTs reflecting their actual status.
- 6.2.12 The TSO or the respective DSO shall execute registration of changes at the existing PDTs by the end of the gas trading day for which the changes are required. The TSO or the respective DSO specifies any changes in data on PDTs in the same manner.
- 6.2.13 The Market Operator shall review whether the data supplied by the TSO or DSO for registration of a new PDT or change of registration of the existing PDT in CDS is correct and complete, in particular whether all mandatory data in provided forms is filled in.
- 6.2.14 In the event the Market Operator's review finds out shortcomings, it sends a message via IT SYSTEM MARKET OPERATOR to the TSO or DSO about the reasons for rejection of the new PDT's registration or changes in registration of the existing PDT along with a request to remedy the shortcomings. In the event the Market Operator's review does not find out any shortcomings, it is obligated to register the new PDT or execute change in the already registered PDT and send the TSO or DSO a notification of completed registration of the new PDT or change in the PDT registration.
- 6.2.15 In justified cases, the TSO or DSO may deregister a PDT for certain period. In this period the PDT's validity shall be terminated without any impact on the validity or registered data outside this period. IT SYSTEM MARKET OPERATOR shall notify all relevant gas market participants about this measure.

6.3 CANCELLATION OF PDT REGISTRATION

- 6.3.1 The TSO or DSO shall cancel PDT registration by shortening the period of PDT validity.
- 6.3.2 The TSO or DSO may specify data on the PDT, registration of which in IT SYSTEM MARKET OPERATOR is to be cancelled, via
 - 6.3.2.1 an online form using IT SYSTEM MARKET OPERATOR web interface, or
 - 6.3.2.2 a message for PDT registration.

6.4 REGISTRATION OF MARKET OPERATOR'S CONTRACTUAL PARTNER

- 6.3.3 A gas market participant which, pursuant to applicable legislation and the Business Terms herein, has decided to become MARKET OPERATOR's contractual partner, shall send the required data for the issuance of a contract counterpart and market participant registration in IT SYSTEM MARKET OPERATOR according to the guidelines provided on MARKET OPERATOR's website.
- 6.3.4 For registration of a new contractual partner of MARKET OPERATOR, it is required to:
 - 6.3.4.1 submit to the Market Operator a copy of the issued license or a copy of the ERO decision to recognize the license for gas trading awarded by the respective authority of another country (hereinafter "decision to recognize

- licence”),
- 6.3.4.2 submit to the Market Operator a copy of the Commercial Register record in Georgian language; in the event of a sole licensed trader, an original copy or a certified copy of the respective Trade License,
 - 6.3.4.3 submit to the Market Operator a copy of the permit to acquire gas exempt from gas tax, or a copy of a permit to acquire gas without gas tax in the event of claiming the exemptions,
 - 6.3.4.4 appoint Authorized Persons to add, manage and cancel user accounts of the persons with access to IT SYSTEM MARKET OPERATOR on behalf of the respective contractual partner of MARKET OPERATOR.
- 6.3.5 In the event of a new balance responsible party, it is required to:
- 6.4.2.1 submit to the Market Operator a copy of the document proving VAT registration; in the event the BRP is not registered for VAT in Georgia, a respective type of the standard Agreement on Settlement of Imbalances shall be concluded,
 - 6.4.2.2 in compliance with the applicable PD, pay to the Market Operator a fee for registration of the BRP in the Market Operator’s account specified in the Agreement on Settlement of Imbalances.
- 6.3.6 MARKET OPERATOR’s contractual partner is obligated to notify the Market Operator about any change in the registration and contractual data, including changes pertaining to the validity of the license or recognition of the authorization to conduct business pursuant to the EA within five business days after the said change comes into effect, or immediately if the contractual partner’s license or recognition of the authorization to conduct business pursuant to the EA is terminated or revoked. Based on verification of the change, the Market Operator shall make registration of the change in IT SYSTEM MARKET OPERATOR within five business days. In the event of change of IČ (business registration number) or business name, MARKET OPERATOR’s contractual partner proves the change by submitting a Commercial Register statement and a copy of its license or the decision to recognize license. Only one market participant can be registered for one IČ.
- 6.3.7 Within 10 business days prior to the expiry of the licence or the decision to recognize license, the license holder or the holder of the decision to recognize license submits to the Market Operator a copy of an extended or a newly awarded license or the decision to recognize license. If the license holder fails to do so, MARKET OPERATOR shall terminate all activities of the respective license holder or the holder of the decision to recognize licence in IT SYSTEM MARKET OPERATOR and related activities as at the date of the expiry of the licence or the decision to recognize license, and shall notify relevant BRPs and TSO or DSOs, to which the respective points of delivery are connected, to secure gas supply to the customer point of delivery by the last resort supplier, or to not secure gas supply to the customer point of delivery in the event the customer is not included in the last resort supplier regime, as of the first day following the last day of the validity of the license or the decision to recognize license.
- 6.3.8 In the event the license for gas trading, issued in another country and awarded to MARKET OPERATOR’s contractual partner by the respective authority of another country is cancelled, or in the event the rules to revoke the decision to recognize such license, MARKET OPERATOR’s contractual partner is obligated to report to the Market Operator the cancellation of the respective license or the revocation of the decision to recognize license.
- 6.3.9 The BRP’s settlement account must be maintained by a bank or its branch based in Georgia,
- 6.7.1 At the time of EIC change in IT SYSTEM MARKET OPERATOR, MARKET OPERATOR’s contractual partner shall refrain from active communication with IT SYSTEM MARKET OPERATOR through automated communication and web interface.
- 6.7.2 After the execution of EIC change in IT SYSTEM MARKET OPERATOR, MARKET OPERATOR’s contractual partner is responsible for checking whether the data submitted to IT SYSTEM MARKET OPERATOR is correct.

7.2 DETERMINING FINANCIAL SECURITY

7.2.1 The BRP determines the initial amount of financial security through the Form for Determining Initial Financial Security (FS), comprised of

- 7.2.1.1 projected daily volume of trading in terms of gas supply and consumption which, for purposes of determining the required FS, is defined as a total of projected volumes of the relevant BRP's supply and consumption ensuing from BC, and projected trades on the organized short-term market, projected transmission, distribution, storage nominations, and also projected volume of consumption by BRP customers, and
- 7.2.1.2 projected daily risk exposure pertaining to an imbalance which, for purposes of determining the required FS, is defined as a sum of supply obligation nominations arising from BC including nominations registered by the Exchange and trade on the organized short-term market, nominations of transmission at exit points including storage, nominations of distribution at exit points, expected volume of consumption by BRP customers reduced by a sum of one-third of transmission nominations at BDS and GSF entry points, at maximum to the amount of a sum of transmission nominations at BDS and GSF exit points, take obligation nominations arising from BC including nominations registered by the Exchange and traded on the short-term organized market, whereby the negative value of the daily risk exposure of the imbalance is replaced with zero, as depicted in the formula below:

where

RE_D is daily risk exposure pertaining to an imbalance for the specific gas trading day in MWh

$NomHPS_{exit\ D}$ is the sum of nominations of gas transmission of the balance responsible party for the specific gas trading day at BDS exit points in MWh,

$NomZP_{exit\ D}$ $NomZP_{exit\ D-1,D,D+1}$ is the sum of nominations of gas transmission of

the balance responsible party for the specific gas trading day at GSF exit

$$RE_D = MAX(NomHPS_{exit\ D} + NomZP_{exit\ D} - \frac{NomHPS_{entry\ D} + NomZP_{entry\ D}}{3}; 0) \\ + NomPPL_{exit\ D} + NomVOB_{dodat\ DVS\ D} + NomVOB_{dodat\ VDT\ D} \\ + Spotřeba_D - NomVOB_{odebrat\ DVS\ D} - NomVOB_{odebrat\ VDT\ D} \\ + BU$$

points in MWh,

$NomPPL_{exit\ D}$ is the sum of nominations of gas distribution of the balance responsible party for the specific gas trading day at CGD exit points in MWh,

$NomHPS_{entry}$ is the sum of nominations of gas transmission of the balance responsible party for the specific gas trading day at BDS entry points in MWh.

$NomZP_{entry}$ $NomZP_{exit\ D}$ is the sum of nominations of gas transmission of the balance responsible party for the specific gas trading day at GSF entry points in MWh,

$NomVPB_{dodat\ DVS\ D}$ $NomVPB_{dodat\ DVS\ D-1,D,D+1}$ is the sum of nominations of the balance responsible party's obligation to supply to VTP from BC including nominations registered by the Exchange in MWh,

$NomVPB_{\text{odat}_{VDT, D}}$ is the sum of nominations of the balance responsible party's obligation to supply to VTP from trades on IM for the specific gas trading day in MWh,

$Spotřeba_D$ is projected consumption determined by the Market Operator of the balance responsible party's end consumers for the specific gas trading day in v MWh,

$NomVOB_{\text{odebra}_{DVS, D}}$ is the sum of nominations of the balance responsible party's obligation to take at VTP from BC including nominations registered by the Exchange in MWh,

$NomVOB_{\text{odebra}_{VDT, D}}$ is the sum of nominations of the balance responsible party's obligation to take at VTP from trades on IM for the specific gas trading day in MWh,

BU is the balance of the balance responsible party's aggregate account of imbalances, where the negative balance of the aggregate account of imbalances increases the value of the RE and the positive balance of the aggregate account of imbalances reduces the value of RE.

- 7.2.2 To evaluate daily risk exposure of an imbalance and determine the required FS, the IT SYSTEM MARKET OPERATOR system uses the parametric price, which the Market Operator shall determine as the 1.15 multiple of the arithmetic average of previous values of the applicable price of the negative daily imbalance quantity in GEL in compliance with the Market Rules in the first 14 calendar days of the current month, and publish in the IT SYSTEM MARKET OPERATOR system not later than on the 16th calendar day of the month for the following calendar month; if the 16th calendar day of the month falls on a weekend or a holiday, the parametric price shall be published on the first business day following the weekend or the holiday. If the applicable price of the negative daily imbalance quantity on some of these 14 days differs significantly from the prices recorded on other days, the Market Operator may take it into account when determining the parametric price. In the event the applicable price of the negative daily imbalance quantity in three consecutive gas days exceeds the current parametric price, the Market Operator has the right to determine a new parametric price for the remaining gas days of the current month, according to the following formula:

$$PC_M = (1 + 0.022 \times \sqrt{(D_M - D)}) \times C_{DVM-},$$

where

PC_M is the newly determined parametric price for the current month, $(D_M - D)$ is the number of days until the end of the current month,

C_{DVM-} is the last known applicable price of the negative daily imbalance quantity.

The parametric price determined in this manner shall be set in IT SYSTEM MARKET OPERATOR during the second business day following the date on which the price was published and will be valid for the remaining gas days until the end of the current month and the earliest from the time of its setting in IT SYSTEM MARKET OPERATOR. If the parametric price is higher than the parametric price determined for the following month, the Market Operator shall have the right to use this parametric price for the following month as well. In the event of changes in the method of determining the applicable price of the negative daily imbalance quantity in the Market Rules, the Market Operator shall take the change into account in determining the parametric price.

- 7.2.3 Financial security for imbalances is determined with regard to the projected daily risk exposure of the BRP's imbalance, the projected applicable price and volume of projected debts of the BRP arising from separate evaluations of imbalances, evaluation of differences between readings of gas consumption in places of delivery/transfer and the values of consumption in these places on the basis of LP, and evaluation of differences

between planned and metered values of losses in the DS for the period corresponding to the period required to settle p Market Operator's debts of the BRP owed to the Market Operator. Debt settlement is defined, for the purposes of determining the required FS, as crediting cash to the Market Operator's bank accounts.

- 7.2.4 Financial security for transactions executed on the organized short-term market is determined by the size of the projected bids on the organized short-term market which may, following bid matching, result in debts for the relevant BRP, and the amounts of projected debts arising from the settlement of the organized short-term market for the period corresponding to the period required to settle the organized short-term market and to settle debts of the BRP owed to the Market Operator arising from the foregoing settlement. Debt settlement is defined, for the purposes of determining the required FS, as crediting cash to the Market Operator's bank accounts.
- 7.2.5 The volume of a bid on the organized short-term market is defined, for purposes of determining the required FS, as a sum of products of offered / demanded volumes of gas on the organized short-term market and of prices of the Market Operator in registered purchase bids increased by VAT pursuant to applicable legislation.
- 7.2.6 The Market Operator may grant the BRP relief from the total required amount of FS.
- 7.2.7 The amount of the granted relief is determined as a percentage part of the total required FS amount, but not in excess of (defined amount).

8. CLAIMS

CLAIM FILING PROCEDURE

- 8.1.1 Unless stated otherwise, claims are filed through the IT SYSTEM MARKET OPERATOR user interface where the IT SYSTEM MARKET OPERATOR user manually inputs data referring to the claim of RMP, primarily:
 - 8.1.1.1 date of the gas trading day to which the claim pertains,
 - 8.1.1.2 indicator of confidentiality; unlike the confidential document indicator, the “public claim” indicator allows IT SYSTEM MARKET OPERATOR users of other RMPs to view the claim and its settlement,
 - 8.1.1.3 class of claim (e.g. “Bid registration”, “Result of evaluation of imbalances”, etc.),
 - 8.1.1.4 “brief” and “detailed” description of the claim (unattached text),
 - 8.1.1.5 code of bid or BC nomination, or code of the PDT to which the claim pertains (optional information),
 - 8.1.1.6 attached file with additional data explanation (optional information); only one file can be attached, more files need to be compressed first into one ZIP file.
- 8.1.2 Prior to settlement of all types of claims, the Market Operator first checks claims and then reviews valid claims and issues an opinion.
- 8.1.3 When checking a claim, the Market Operator verifies whether the relevant IT SYSTEM MARKET OPERATOR user has complied with all registration requirements and obtained user authorization to file claims; subsequently, data of the claim are being checked as follows:
 - 8.1.3.1 brief description of the claim; the respective box must be filled in,
 - 8.1.3.2 detailed description of the claim; the respective box must be filled in,
 - 8.1.3.3 specified trading day to which the claim pertains; the date must precede the current date/hour, whereby in the event of a claim concerning settlement of imbalances or the results of the organized short-term market, the specified day must pertain to the gas trading day evaluation of which has already been carried out and results published,
 - 8.1.3.4 code of bid, nomination or code of the PDT, if specified (a check is run whether it matches any valid EIC and whether the bid, BC or PDT pertain to the RMP that submits the claim),
 - 8.1.3.5 time of filing a claim; it must precede the limit time for submitting the relevant type of claim,
 - 8.1.3.6 attached file, if available.
- 8.1.4 After running the check, claims are marked as valid or invalid. The checking process includes generating an electronic message sent to the e-mail designated for communication, confirming the validity or invalidity of the claim along with the reasoning for the assessment. that the Market Operator has received the claim filed by the IT SYSTEM MARKET OPERATOR user. The IT SYSTEM MARKET OPERATOR user also receives the result of the check via user interface.
- 8.1.5 The Market Operator reviews valid claims pertaining to the organized short-term market and nominations.
- 8.1.6 Valid claims pertaining to transmission nominations and renominations shall be reviewed by the respective TSO, valid claims pertaining to distribution nominations and renominations shall be reviewed by the DSO, valid claims pertaining to storage nominations and renominations shall be reviewed by the operator.
- 8.1.7 All claims are filed in IT SYSTEM MARKET OPERATOR for the period of 10 years.
- 8.1.8 All valid claims filed by the IT SYSTEM MARKET OPERATOR user of the respective RMP and valid claims with the public indicator filed by IT SYSTEM MARKET OPERATOR users of other RMPs may be viewed by IT SYSTEM MARKET OPERATOR users of the respective RMPs via IT SYSTEM MARKET OPERATOR user interface.
- 8.1.9 IT SYSTEM MARKET OPERATOR shall make it possible for the IT SYSTEM MARKET

OPERATOR user that has filed a claim to:

- 8.1.9.1 change or withdraw the claim,
 - 8.1.9.2 change the confidentiality indicator from “Public” to “Confidential” and vice versa,
 - 8.1.9.3 close the claim, i.e. change its status from “Open” to “Closed”,
 - 8.1.9.4 state at any time in closing the claim whether the IT SYSTEM MARKET OPERATOR user agrees with the Market Operator’s reply or not.
- 8.1.10 To settle claims, the RMP is obligated to cooperate at the request of the Market Operator (provide an explanation or additional information). In the event the IT SYSTEM MARKET OPERATOR user has not responded to the Market Operator’s request for cooperation or refused to provide cooperation, the Market Operator has the right to settle the claim without the required explanation or additional information, whereby it is obligated to notify the respective IT SYSTEM MARKET OPERATOR user.
- 8.1.11 In the event the RMP seeks settlement, for instance in a court, of an unsuccessful claim that was filed in a timely fashion, and the Market Operator then deems the claim justified after the expiry of the limit time, all other repercussions of the settled claim shall affect solely the relevant RMP and the Market Operator (without having any impact on the other RMPs). This provision does not affect general rules concerning damage compensation and gratuitous enrichment.
- 8.1.12 In the event the RMP after the expiry of the limit time seeks settlement of a claim that the Market Operator then deems justified, the claim shall be settled in a manner so no RMP gets gratuitously enriched. All damage including profit loss is borne by the RMP which breached obligations arising from generally binding regulations and contractual obligations. The Market Operator reserves the right to reject a claim (even a justified one) in the event it was filed later than within a three-month period after the day the relevant RMP may have identified the reasons for filing a claim. This provision does not affect general rules about damage compensation and gratuitous enrichment.

8.2 CLAIMS RELATED TO THE ORGANIZED SHORT-TERM MARKET

- 8.2.1 The BRP (organized short-term market participant) has the right to file a claim related to:
- 8.2.1.1 rejection of registration and the right to participate in the organized short-term market within 14 business days after notification about the registration rejection; the Market Operator is obligated to settle the claim within 14 business days after its receipt,
 - 8.2.1.2 lock-out within two business days after notification about the lock-out; the Market Operator is obligated to settle the claim immediately,
 - 8.2.1.3 failure to register a bid on IM; the Market Operator is obligated to settle the claim without undue delay,
 - 8.2.1.4 billing for the Market Operator’s services within three business days after the receipt of the tax document; the Market Operator is obligated to settle the claim within five business days.

8.4 CLAIMS RELATED TO EVALUATION OF IMBALANCES

- 8.4.1 Claims related to the results of daily evaluation pursuant to Section 102, Subsection 6 of the Market Rules are filed via e-mail sent to the Operator together with a telephone notification to the Market Operator’s Help Desk. Any claim filed by a balance responsible party must comprise general information on the problem. If the problem is identified as pertaining to data sent by a TSO or a DSO to IT SYSTEM MARKET OPERATOR within the scope of imbalance evaluation, MARKET OPERATOR shall pass the claim on to the respective TSO or DSO for assessment by 2:00 p.m. of the relevant day. In the event the Market Operator does not receive new data for evaluation of daily imbalances from the TSO or DSO by 3:30 p.m. of the relevant day, the previously distributed daily imbalances remain in effect.
- 8.4.2 Claims related to the results of monthly evaluation pursuant to Section 103, Subsection 4 of the Market Rules are filed via e-mail to the Operator together with a telephone

notification to the Market Operator's Help Desk. Any claim filed by a balance responsible party must comprise general information on the problem. If the problem is identified as pertaining to data sent by a TSO or a DSO to IT SYSTEM MARKET OPERATOR within the scope of imbalance evaluation, MARKET OPERATOR shall pass the claim on to the respective TSO or DSO for assessment by 3.30 p.m. of the 11th calendar day of the relevant month. In the event the Market Operator does not receive new data for evaluation of monthly imbalances from the TSO or DSO by 5.00 p.m. of the 11th calendar day of the relevant month, the previously distributed monthly imbalances remain in effect.

- 8.4.3 The BRP has the right to file a claim related to the results of monthly evaluation by 12.00 midnight of the seventh calendar day, but no later than by 12.00 midnight of the fourth business day of the fourth month following the month subject to evaluation. The Market Operator is obligated to settle such claims by 12.00 noon of the eighth calendar day, but no later than by 12.00 noon of the fifth business day of the fourth month following the month subject to evaluation. In the event a claim pertains to metering data, assigning the claim to the respective TSO or DSO is deemed claim settlement.

8.5 CLAIMS RELATED TO RECEIPT AND PROVISION OF DATA, NOMINATIONS AND RENOMINATIONS, CHANGE OF SUPPLIER

- 8.5.1 The RMP has the right to file a claim immediately after identifying reasons for filing a claim related to:
- 8.5.1.1 failure to register a nomination and a renomination; the Market Operator is obligated to settle this claim immediately, in the event of transmission, distribution, storage nominations and renominations in cooperation with the respective TSO or DSO or GSF operator,
 - 8.5.1.2 rejection of registering the nominations of Exchange Transactions, but no later than 15 minutes before the nominations closure; the Market Operator is obligated to settle this claim immediately,
 - 8.5.1.3 rejection of change of supplier, but no later than within one business day after the respective TSO or DSO has reviewed whether the data on change of supplier is correct and complete; the Market Operator is obligated to settle this claim immediately,
 - 8.5.1.4 rejection of its registration, but no later than within 14 business days after notification about non-registration; the Market Operator is obligated to settle this claim within 14 business days after its receipt,
 - 8.5.1.5 lock-out, but no later than within two business days after notification about the lock-out; the Market Operator is obligated to settle the claim immediately after its receipt,
 - 8.5.1.6 rejection of registration of PDT, but no later than by 4.30 p.m. on the first business day before the date of coming into force of the registration; the Market Operator is obligated to settle the claim immediately,
 - 8.5.1.7 daily metered values used in daily evaluation, whereas passing the claim on to the TSO or DSO that has provided the preliminary values from metering is also deemed claim settlement,
 - 8.5.1.8 monthly metered values used in monthly evaluation, whereas passing the claim on to the TSO or DSO that has provided the metered values is also deemed claim settlement,
 - 8.5.1.9 documentation for billing supply and distribution, but no later than within three months after the end of the month to which the claim pertains; the Market Operator is obligated to settle the claim by 4.00 p.m. on the eighth business day of the fourth month following the month subject to evaluation, whereas passing the claim on to the respective DSO is deemed claim settlement. The DSO shall provide new documentation for billing through IT SYSTEM MARKET OPERATOR. The RMP has the right to ask the operator to revise documentation for billing after the deadline; the DSO provides new documentation for billing supply and distribution via IT SYSTEM MARKET

- OPERATOR,
- 8.5.1.10 incorrectly executed change of supplier, but no later than within three months after the date of changing the supplier to which the claim pertains; the Market Operator shall request opinions of all relevant RMPs; the Market Operator notifies all relevant RMPs about the claim settlement result after receiving all opinions,
 - 8.5.1.11 incorrect termination of registration (deregistration) of PDT in the MARKET OPERATOR system, but no later than within three months after the date of terminating the PDT's registration in IT SYSTEM MARKET OPERATOR; the Market Operator shall request opinions of all relevant RMPs; the Market Operator notifies all relevant RMPs about the claim settlement result after receiving all opinions,
 - 8.5.1.12 sending meter readings on behalf of PDT in IT SYSTEM MARKET OPERATOR for an incorrect period, but within the time limit specified the Market Rules; the Market Operator shall delete the incorrect meter reading and enable the DSO to resend meter readings to IT SYSTEM MARKET OPERATOR.
 - 8.5.1.13 re-assignment of the supplier or the balance responsible party in IT SYSTEM MARKET OPERATOR to the customer point of delivery if it occurred in breach of the relevant provisions of the EA and the Market Rules, but within 14 business days of the execution of the re-assignment in IT SYSTEM MARKET OPERATOR; the Market Operator is obligated to settle this claim within 14 business days of its receipt.
- 8.5.2 The Market Operator is not responsible for accuracy and completeness of the primary data that data providers put in the system. In the event of a claim arising from this matter (accuracy and completeness of the primary data), the claim shall be passed on to the respective data provider to settle.
- 8.5.3 Claims related to Exchange Transaction apply the BRPs at the Exchange, as registrar of nominations. These claims are not settled by the Market Operator.

9. RECEIPT AND PROVISION OF DATA

9.1 RECEIPT AND REVIEW OF NOMINATIONS AND RENOMINATIONS

- 9.1.1 BRPs shall submit planned gas supply (sale) and consumption (purchase) in the form of nominations and renominations. Nomination/renomination refers to:
 - 9.1.1.1 nomination/renomination of supply obligation or take obligation, or
 - 9.1.1.2 nomination/renomination of gas transmission, or
 - 9.1.1.3 nomination/renomination of gas distribution, or
 - 9.1.1.4 nomination/renomination of gas storage.
- 9.1.2 The Market Operator processes nominations in the timeframe and manner and renominations.
- 9.1.3 Nomination or renomination is a value in kWh, rounded to integers, sent by one BRP, for one gas trading day, one PDT (entry or exit point), and for one counterparty. This applies to all supply obligations and take obligation nominations or renominations at VTP, and also to transmission, distribution and storage nominations or renominations at entry and exit points of the gas network.
- 9.1.4 BRPs submit transmission nominations or renominations to BDS as day nomination for an entire gas trading day, or broken to separate hours of the given gas trading day. The rules of hour nominations at BDS are as follows:
 - 9.1.4.1 Within nominations, hour transmission nominations can be submitted and modified for all hours of the gas trading day. Within renominations, hour nominations can be submitted and modified only for the hours remaining until the end of the gas trading day. The resultant day nomination of the BRP is a sum of hour nominations for the relevant gas trading day.
 - 9.1.4.2 An instance where the day value of the nomination remains the same but the value of the nominations changes in separate hours of the day is deemed renomination.
 - 9.1.4.3 If any BRP submits the day value of nomination/renomination without dividing it into separate hours, the value shall be recalculated in IT SYSTEM MARKET OPERATOR evenly for separate hours remaining until the end of the gas trading day. Hour values of day nomination are rounded down to kWh units; any difference arising from rounding off is added to the last hour of the gas trading day.
 - 9.1.4.4 If the XML message sent by the BRP to hour nomination in IT SYSTEM MARKET OPERATOR via automated communication contains filled in hour values of the nomination together with the day value of the nomination, whereas the parity of the sum of hourly values of the nomination and the day value of the nomination is not ensured, IT SYSTEM MARKET OPERATOR shall reject the message.
 - 9.1.4.5 Only the value of the total day nomination is calculated in evaluation of imbalances in IT SYSTEM MARKET OPERATOR.
- 9.1.5 Upon agreement between the BRP and the TSO, the BRP may register single-sided transmission nominations and renominations in IT SYSTEM MARKET OPERATOR.
- 9.1.6 If the Market Operator is not the primary recipient of transmission, distribution or storage nominations or renominations, it need not confirm these nominations or renominations to the submitting BRP.
- 9.1.7 IT SYSTEM MARKET OPERATOR receives nominations and renominations via automated communication and via a web form. Formats of messages for nominations or renominations.
- 9.1.8 Supply obligation and take obligation nominations may be filed in MARKET OPERATOR CS any time in advance. Supply obligation and take obligation nominations or renominations are being received on an ongoing basis.
- 9.1.9 Each nomination or renomination differentiates according to a time indicator assigned on receipt. Following evaluation of imbalances, only the last registered and confirmed nomination or renomination shall be taken into account.

- 9.1.10 Transmission, distribution and storage nominations or renominations are immediately after receipt forwarded to the respective recipient (TSO or DSO or GSF operator).
- 9.1.11 All supply obligation and take obligation nominations/renominations shall carry the nomination/renomination subtype indicator, which refers to:
 - 9.1.11.1 BC,
 - 9.1.11.2 balancing service,
 - 9.1.11.3 daily imbalance quantity,
 - 9.1.11.4 settlement of the aggregate account of imbalances during the state of emergency,
- 9.1.12 Trades executed on the organized short-term market shall be automatically transferred on behalf of the BRP to supply obligation and take obligation nominations with a special indicator after evaluation of the market.
- 9.1.13 Nominations are carried out in a manner that one BRP sends a supply obligation nomination to IT SYSTEM MARKET OPERATOR and the other BRP sends a take obligation nomination to IT SYSTEM MARKET OPERATOR. Upon receipt these nominations are matched and confirmed. In the event the two nominations differ, in the timeframe for processing nominations the value of the supply obligation nomination or the take obligation nomination is adjusted in that the lesser of the two values is registered and confirmed.
- 9.1.14 In the event of supply obligation and take obligation renominations, the rule that the lesser of the two values gets registered and confirmed does not apply.
- 9.1.15 The Market Operator is the exclusive recipient of supply obligation and take obligation nominations and renominations.
- 9.1.16 All received supply obligation and take obligation renominations are checked in terms of financial security. In the event of insufficient financial security, the renominations are rejected.
- 9.1.17 All received transmission and distribution renominations are checked in terms of financial security. In the event of insufficient financial security, the renominations are reduced.
- 9.1.18 Checks of financial security for supply obligation and take obligation renominations are carried out after the end of each hour. Checks of financial security for transmission, distribution and storage renominations are carried out in renomination windows under the Market Rules.
- 9.1.19 If a renomination has not been matched before the deadline for submitting supply obligation and take obligation renominations on the specific gas trading day, the renomination is rejected.
- 9.1.20 The received nomination or renomination is checked whether
 - 9.1.20.1 the message contains all mandatory data,
 - 9.1.20.2 the BRP is permitted to submit nominations and renominations,
 - 9.1.20.3 the counterparty BRP has been duly filled in in the event of supply obligation and take obligation nomination or renomination,
 - 9.1.20.4 the relevant PDT exists in the IT SYSTEM MARKET OPERATOR system,
 - 9.1.20.5 the date, to which the nomination or renomination pertains, is correct,
 - 9.1.20.6 the nomination or renomination subtype is correct in the event of supply obligation and take obligation nomination or renomination.
- 9.1.21 Nominations shall be filed in IT SYSTEM MARKET OPERATOR automatically. BRPs may not renominate these nominations; they are deemed valid and confirmed.
- 9.1.22 Nominations are registered for the preceding gas day after evaluation of daily imbalances for the preceding gas day. This nomination is not included in the evaluation of imbalances during monthly or final monthly evaluation.
- 9.1.23 For all nominations or renominations, or their division into separate participants in compliance with the procedures hereunder, the BRP always enters the code of the market participant to which the relevant nomination or renomination pertains.
- 9.1.24 The Market Operator shall facilitate receipt of BC nominations or renominations by the deadline specified under the Market Rules.

- 9.1.25 Each BRP shall submit transmission, distribution or storage nominations or renominations up to the level set forth in the Market Rules.
- 9.1.26 During a shut-down of IT SYSTEM MARKET OPERATOR, BRPs submit transmission, distribution or storage re-nominations for the current gas trading day only to the relevant operators' systems. For this period, BRPs submit neither transmission, distribution nor storage nominations for other days, nor supply obligation or take obligation nominations or re-nominations.
- 9.1.27 IT SYSTEM MARKET OPERATOR provides historical data of all nominations and re-nominations upon request submitted via electronic communication or via a web form.
- 9.1.28 The Exchange registers nominations, resulting from Exchange Transactions, in IT SYSTEM MARKET OPERATOR on behalf of the BRPs.

For evaluation of daily imbalances, the Market Operator relies on cooperation of the TSO and DSOs in transmitting metered data for the relevant gas day. In the event the Market Operator does not obtain complete data for evaluation of daily imbalances and the results of daily evaluation are not available by 14:00, in addition to moving the deadline for publishing daily imbalances of balance responsible parties and foreign participants, verification of nominations of BRP for the following gas day shall also be delayed.

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