

Annex
to the Order of PJSC UKRTRANSGAZ
dated 28.07.17 №499

Procedure of verifying the financial security

1. General provisions and terms

The procedure of verifying the financial security (hereinafter – the Procedure) defines the order for determining the level of financial security, checking nominations regarding level of financial security and the reduction of the financial security.

The Procedure is obligatory for PJSC UKRTRANSGAZ and transmission service customers. The Procedure is published on PJSC UKRTRANSGAZ website.

The terms used in this Procedure shall have meanings provided in the GTS Code and other regulatory documents.

2. Calculation of the equivalent of financial security

The equivalent of financial security is the amount of natural gas corresponding to the amount of financial security in its calculation from the monetary expression to the volume of natural gas in cubic meters, which is defined as the sum of volumes:

- the volume of natural gas, pledged by the transmission service customer to the PJSC UKRTRANSGAZ;
- the volume of natural gas, calculated by dividing the amount of the bank guarantee, which was provided to PJSC UKRTRANSGAZ as a financial security, at the base price of gas;
- the amount of natural gas, calculated by dividing the amount of funds transferred to the account of PJSC UKRTRANSGAZ as a financial security, at the base price of gas.

For the calculation of the financial security equivalent during the period from 1 to 15 of the current month (inclusive), the base price of gas is used, which is the maximum between the base price of the gas of the current month and the base price of last gas month. From the 16th of the current month, the base price of gas for the current month is used.

3. Revision of nominations / monthly nominations / renominations

3.1. Central dispatching department carries out the verification of submitted nomination/ monthly nomination/ renomination of the transmission service customer regarding the compliance with the requirements specified in this section of the Procedure.

3.2. Between the 1st and 15th of the current month (inclusive) the Central dispatching department dismisses the nomination / monthly nomination / renomination of the transmission service customer if the equivalent of financial security of transport service customer is less than the sum of:

20% of natural gas volume planned to be transported in previous and current gas month on the basis of monthly nominations / renominations of the transmission service customer for its consumers (hereinafter – the volume A);
and

100 % of natural gas volume, determined as a positive value of the difference between the volume of imported natural gas planned for transportation in the previous gas month based on monthly nominations / renominations of the transmission service customer (provided by customers at the cross-border entry points), and the actual volume of imported natural gas, received by the transmission service customer at the cross-border entry points connection points in the previous month (hereinafter - the volume B);

100 % of natural gas volume, determined as the positive value of the difference between the volume of imported natural gas planned for transportation in the current gas month based on monthly nominations / renominations of the transmission service customer (provided by customers at the cross-border entry points) and actual volume of imported natural gas received by the transmission service customer at the cross-border entry points in the current gas month on the date of submission of the monthly nomination / renomination by the transmission service customer (hereinafter – the volume C).

3.3. In a period from the 16th of this month until the 1st of the following month, the Central dispatching department dismisses the nomination / monthly nomination / renomination of the transmission service customer if the equivalent of the financial security of the transmission service customer is less than the amount:

20% of the natural gas volume planned for transportation in the current and the next gas month on the basis of monthly nomination / renomination of the transmission service customer to its consumers (hereinafter – the volume D)

and

100 % of the natural gas volume determined as the positive value of the difference between the amount of the imported natural gas planned to be transported in current gas month based on the monthly nomination / renomination of the transmission service customer (provided by the customers at the cross-border entry points), and actual volume of the imported natural gas, delivered to the transmission service customer at the cross-border entry points in current gas month on the date of submission of the monthly nomination / renomination by the transmission service customer (hereinafter – the volume E);

and

100% of the volume of natural gas planned for the transportation in the next gas month, based on monthly nominations / renominations of the transmission service customer (provided by customers at the cross-border entry points) (hereinafter – the volume F).

Negative values of the difference between the volume of imported natural gas planned for transportation on the basis of monthly nominations / renominations of the transmission service customer (provided by the customers at the cross-border entry

points) and the actual volume of imported natural gas received by the transmission service customer at the cross-border entry points shall not be taken into account during calculations.

3.4. Volume B, Volume C, Volume E and Volume F may be secured by natural gas stored in UGSF of PJSC UKRTRANSGAZ, which is a constant minimum balance from the beginning of the current storage season, and is not pledged.

4. The reduction of the financial security

The assessment of the possibility of reduction of the financial security and the justification of reduction of the financial security in accordance with the forms 1, 2 and 3 attached, shall be conducted following the official written request of the transmission service customer.

Mentioned above forms shall be approved by the Central dispatching department, Department of financial reporting and payment with the suppliers and customers and Department of the implementation and payments for the services of transportation and storage of natural gas.

The reduction of financial security is possible only towards the amount of the financial security, which includes accepted / confirmed nominations / monthly nominations / renominations and corresponds to the equivalent of financial security calculated in accordance with section 3 of this Procedure.

A decrease of the financial security equivalent occurs immediately after the justification of the financial security reduction.