

**The summary of proposals and comments on the Public Consultation
on the Amendments to the Common Regulations for the Use of Natural Gas Transmission System**

Nr.	I. Comments and proposals	The opinion of TSOs regarding the comments or proposals
1	The Draft Amendment provides that the Common Regulations for the Use of Natural Gas Transmission System (hereinafter – Common Regulations) is supplemented with sub-paragraph 2.4, which determines that bundled capacity is a capacity product which consists of corresponding entry and exit capacity at both sides of an interconnection point. According to Article 3 (12) of the Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (hereinafter - CAM Regulation) bundled capacity means a standard capacity product offered on a firm basis which consists of corresponding entry and exit capacity at both sides of every interconnection point. In compliance with the provision of the CAM Regulation that the bundled capacity is firm capacity, sub-paragraph 2.4 of the Common Regulations included in the Draft Amendments should be expressed as follows: "2.4 Bundled capacity means a firm capacity product which consists of corresponding entry and exit capacity at both sides of an interconnection point."	Taken into account
2	Ensuring the clarity of the provision, sub-paragraph 4.4.1 of the Common Regulations included in the Draft Amendments should be expressed as follows: "4.4.1 capacity is offered as bundled capacity and allocated"	Taken into account
3	Sub-paragraph 4.4.1.2 and 4.7.1 of the Common Regulations included in the Draft Amendments determine which capacity products, with which capacity is booked at Kiemenai entry/exit point will be allocated using First-Come-First-Serve principle. Preventing duplication of provisions, sub-paragraph 4.4.1.2 of the Common Regulations should not be amended.	Taken into account
4	Sub-paragraph 4.4.1.3 and 4.8.1 of the Common Regulations included in the Draft Amendments determine which capacity products, with which capacity is booked at Kiemenai entry/exit point, will be allocated using pro-rata principle. By preventing the duplication of provisions and clarifying the reference used sub-paragraph 4.4.1.3 of the Common Regulations included in the Draft Amendments should be expressed as follows: "4.4.1.3 by pro-rata principle in accordance with sub-paragraph 4.8 of this Regulation."	Taken into account
5	Article 19(5) of the CAM Regulation stipulates that where there is more available firm capacity on one side of an interconnection point than on the other side for any period considered, the transmission system operator with the most available firm capacity may offer such extra capacity to the network users as an unbundled product. Where there is an existing unbundled transport contract at the other side of the interconnection point, capacity may be offered on an unbundled basis not exceeding the amount and duration of the existing transport contract at the other side. If the mentioned condition is not fulfilled extra capacity may be offered for a maximum period of 1 year. Ensuring the inclusion of the requirements of the CAM Regulation in the Common Regulation, the Draft Amendment should be supplemented with sub-paragraph 4.4.3 as follows: "4.4.3 If there is more available firm capacity on Latvian side of an Kiemenai entry/exit point than on Lithuanian side and in accordance with the contract between the two TSOs, the Lithuanian TSO can offer a relevant interruptible capacity product, the TSO may offer such extra capacity to the network users as an unbundled product, using FCFs principle in capacity allocation."	Taken into account
6	Sub-paragraph 4.7.1 of the Common Regulations stipulates that natural gas transmission system operator can offer the interruptible daily and within-day capacity product at all entry/exit points. On the other hand, the Draft Amendments stipulate that at the Kiemenai entry point a bundled capacity, which is a firm capacity product, can be booked. To exclude the bundled capacity from the capacity products that the natural gas transmission system operator can offer as interruptible capacity products and to ensure the clarity of the provision, sub-paragraph 4.7.1 of the Common Regulations should be expressed as follows: "4.7.1 Following standard capacity products for firm capacity and interruptible capacity (except for bundled capacity) can be offered by TSO at entry/exit points where capacity allocation using the FCFs principle is applied in accordance with this section."	Taken into account
7	Noting that sub-paragraph 4.8.1 of the Common Regulations included in the Draft Amendments determines which capacity products, with which capacity is booked at Kiemenai entry/exit point, will be allocated using pro-rata principle, sub-paragraph 4.7.1.1, 4.7.1.3 and 4.7.1.4 of the Common Regulations included in the Draft Amendments should be expressed as follows: "4.7.1.1 the long-term capacity product - yearly standard capacity product is the capacity offered in the same amount for all gas days of one gas year starting on 1 October, except Kiemenai entry/exit point;" "4.7.1.3 quarterly standard capacity product is the capacity offered in the same amount for all gas days in a particular quarter starting from 1 October, from 1 January, from 1 April or from 1 July, respectively, except Kiemenai entry/exit point;" "4.7.1.4. monthly standard capacity product is the capacity offered in the same amount for all gas days in a calendar month starting on the first day of each month, except Kiemenai entry/exit point;"	Taken into account
8	Since sub-paragraph 4.7.5 of the Common Regulations included in the Draft Amendments determines the regulation regarding capacity allocation using the pro-rata principle, the said sub-paragraph should be included in sub-paragraph 4.8 of the Common Regulations included in the Draft Amendments.	Taken into account
9	Quote: Sub-paragraph 4.7. of the LV-EE Regulations shall be supplemented with a new sub-paragraph 4.7.5. as follows: Question: What is meant by supplementing 4.7 with new 4.7.5 sub-paragraph? Should it not just directly link to 4.4 that will be describing the pro-rata principle?	Taken into account
10	Quote: "...using pro-rata principle shall apply pursuant to sub-paragraph 4.7.5". Question: 4.7.5 is already existing paragraph that describes short term capacity allocation using FCFs principle "4.7.5 Short-term capacity product allocation using FCFs principle".	Taken into account
11	Sub-paragraph 4.7.2 of the Common Regulations determines how the capacity products shall be expressed. Sub-paragraph 4.7.3 of the Common Regulations determines the responsibility of network user which delivers gas to or from the transmission system of the common balancing zone, to book corresponding entry or exit capacity at the entry or exit points. The PUC draws attention that the mentioned sub-paragraphs should be applied only if the capacity is allocated using First-Come-First-Serve principle. Therefore, the same provisions should be included in sub-paragraph 4.8 regarding capacity allocation using pro-rata principle. Taking into account the above and ensuring the perceptibility of provisions, sub-paragraph 4.8. of the Common Regulations included in the Draft Amendments should be expressed as follows: "4.8 Capacity allocation using pro-rata principle 4.8.1. The TSO shall offer standard firm capacity products referred to sub-paragraph 4.7.1.1, 4.7.1.3 and 4.7.1.4 of this Regulation for firm capacity at entry/exit points where capacity allocation using the pro-rata principle is applied in accordance with this section. 4.8.2. The network user shall submit capacity booking applications in conformity with the standard information exchange user guide within the following periods: 4.8.2.1 for the yearly bundled capacity standard product starting 26 gas days before beginning of the gas year until 23 gas days before beginning of the gas year in conformity with the standard information exchange user guide; 4.8.2.2 for the quarterly bundled capacity standard products: 4.8.2.2.1 starting 39 gas days before gas year including respective gas quarter until 16 gas days before gas year for all gas quarters in the respective gas year; 4.8.2.2.2 starting 45 gas days before the second gas quarter until 35 gas days before the second gas quarter for the remaining gas quarters in the respective gas year; 4.8.2.2.3 starting 45 gas days before the third gas quarter until 35 gas days before the third gas quarter for the remaining gas quarters in the respective gas year; 4.8.2.2.4 starting 45 gas days before the fourth gas quarter until 35 gas days before the fourth gas quarter for the fourth gas quarter in the respective gas year. 4.8.2.3 for the monthly bundled capacity standard product: 4.8.2.3.1 starting 32 gas days before the gas year until 5 gas days before the beginning of the first gas quarter for the gas months in the first gas quarter of the respective gas year; 4.8.2.3.2 starting 30 gas days before the gas quarter including the gas month until 20 gas days before the beginning of the respective gas quarter for the gas months in the second, third and fourth gas quarter of the respective gas year; 4.8.2.3.3 starting 30 gas days before the second gas month of the gas quarter including the gas month until 20 gas days before the second gas month of the respective gas quarter; 4.8.2.3.4 starting 30 gas days before the third gas month of the gas quarter including the gas month until 20 gas days before the third gas month of the respective gas quarter. 4.8.3 The capacity products shall be expressed and allocated in units of energy per unit of time - kWh/day. 4.8.4 Network users, which deliver gas to or from the transmission system of the common balancing zone, must book corresponding entry or exit capacity at the entry or exit points. 4.8.5 After receiving the capacity booking application, the TSO shall notify the network user of receiving the capacity booking request in one hour and the status of received request in conformity with the standard communications protocol. 4.8.6 TSO shall, not later than by the next working day which follows the deadline of the submission of the capacity booking application at 12:30 UTC (or 11:30 UTC if daylight saving is applicable), inform the network user of the allocated firm capacity and make the capacity available for network user in conformity with the standard communications protocol. 4.8.7 The capacity allocation using the pro-rata principle shall be carried out by assessing the last capacity booking application submitted by the network user before the deadline of the submission of the capacity booking application for relevant capacity product. 4.8.8 Network user can submit capacity booking application in the amount of available capacity for respective capacity product. If capacity requested by network user in capacity booking application exceeds available capacity of the respective capacity product, the capacity requested by network user is considered equal to the available capacity. 4.8.9 If capacity requested by network users' capacity booking applications for respective capacity product does not exceed available capacity, all requested capacity is allocated to network users according to their capacity booking applications. 4.8.10 If capacity requested by network users' capacity booking applications for respective capacity product exceeds available capacity, capacity for each network user is allocated using pro-rata principle."	Taken into account
12	According to the consultation document Draft Amendments should enter into force on 1 September 2022. By the time the amendments enter into force, in accordance with the provisions of the Common Regulations, the booking of capacity products for the 2022/2023 gas year will have already started. Therefore, in the Closing Provisions of the Common Regulations the requirements regarding the already booked capacity products should be determined, as well as the time of entry into force should be included. Consequently, Closing Provisions of the Common Regulations should be expressed as follows: "19 Closing Provisions 19.1 All the annexes specified in this Regulation shall form an integral part of this Regulation. 19.2 This Regulation and transmission service agreement exist in both national language (according to the country where the TSO has its registered office) and English versions. The official language of business shall be national and English. In case of discrepancies of inconsistencies between different language versions of this Regulation and transmission service agreement, the English language version shall prevail. 19.3 Procedures, document forms, and/or other requirements specified in this Regulation are published on the internet website of the TSO. 19.4 Capacity products for the 2022/2023 gas year, with which capacity is booked at Kiemenai entry/exit point prior to the entry into force of this Regulations shall remain as unbundled capacity. 19.5 This Regulation shall come into force on 1 September 2022."	Partially taken into account. In order to fulfil the obligations stipulated in the Cabinet of Ministers decision, dated 09.03.2022., regarding the maximization of gas flows at Kiemenai interconnection point, Conexus Baltic Grid shall ensure, that the capacity booking for Kiemenai interconnection point quarterly products for the next gas year commences in a coordinated manner with the other gas transmission system operators of the region, which is September 1, 2022. Therefore, capacity for booking at Kiemenai interconnection point is not offered from August 1, 2022 until September 1, 2022.
	II. Other comments and proposals	The opinion of TSO regarding the comments or proposals
1	We propose to extend the starting term for the new rules from January 1, 2023, because of these reasons: - Since the main source of supply is Klaipėda LNG terminal and they are changing capacity allocation procedures as well, the terminal capacities for 2023 will be allocated only in September, so market participants will not have full information about the required amount of permanent capacities between Lithuania and Latvia-Estonia Common Zone (Kiemenai DAS) before the beginning of distribution procedure of those capacities. - The suppliers have signed sales contracts valid until December 31, 2022 for selling - buying natural gas at the point between Lithuania and Latvia-Estonia Common Zone (Kiemenai DAS point). Thus, the new rules conflict with existing contracts. - Due to the new rules of all capacities being only bundled ones, supply companies, in order to buy and/or sell natural gas from Lithuania to Latvia, or vice versa, will have to have licenses and contracts with operators in each country. All of licensing and contracting takes time to prepare and we believe that a longer period for preparation is necessary.	Not taken into account. Current practice of unbundled capacities is hindering trade in cases if capacity on both sides is owned by different companies and no secondary market solution is found. We understand the burden bundling creates, however with bundled capacities increased capacity utilisation is guaranteed, avoiding contractual congestion with reduced flows.
2	We believe that by having only bundled capacities, natural gas supply companies no longer have an efficient way to buy and sell gas between Lithuania and Latvia, i.e. at the junction point between Lithuania - Latvia - Estonia Common Area (Kiemenai DAS). By offering only bundled capacity, each market participant in order to buy or sell natural gas from one country to another will need to have natural gas licenses and contracts with operators in each country, respectively. At the moment, it is not necessary - the supplier of each country can buy/sell natural gas at the point of the transferred Kiemenai DAS connection. Taking this into account, we suggest leaving the possibility to sell and buy natural gas at the connection point between the Lithuania-Latvia-Estonia General Area (Kiemenai DAS) by having unbundled firm capacities, or to give more time to natural gas supply companies to prepare for operations in another country.	Not taken into account. As the capacity booking for gas year starts with yearly and quarterly product, delaying capacity bundling by several months would mean that longer period capacity products should be offered as unbundled, with high possibility of them being fully booked, which in turn would essentially delay booking until next gas year, which is not desirable in current situation.
3	In general we would like to express our support for the idea to bundle Kiemenai capacity as it reduces the operational risks (there is an open risk for network user that you might be able to book Kiemenai capacity on Conexus side, but might fail to book that on AmberGrid side and vice versa) and also the allocation of capacities using the pro rata principle should lead to a higher utilisation of the transmission capacities when it is in a high demand.	Taken into account
4	Quote: Capacity bundling at Kiemenai interconnection point will affect all the network users, which will use the Kiemenai interconnection point for cross-border gas transmission activities starting from October 1st, 2022. Question: Before October 1st, 2022 some capacities for gas year 2022/2023 will be already allocated (quarterly capacities, monthly capacities for Oct, Nov and Dec, daily capacities for October). So will the new rules (if they will be approved) be applied towards those capacities that will remain unbooked yet as of 1st of October 2022?	In order to fulfil the obligations stipulated in the Cabinet of Ministers decision, dated 09.03.2022., regarding the maximization of gas flows at Kiemenai interconnection point, Conexus Baltic Grid shall ensure, that the capacity booking for Kiemenai interconnection point quarterly products for the next gas year commences in a coordinated manner with the other gas transmission system operators of the region, which is September 1, 2022. Therefore, capacity for booking at Kiemenai interconnection point is not offered from August 1, 2022 until September 1, 2022.
5	Quote: Figure 1. Booking and allocation procedure for bundled capacity products before the start of gas year. Question: why it is said on the Figure 1 "Allocation of M1-M3 product"? Shouldn't it be allocation of "M1-M12 product" in accordance with what was explained in paragraph 3.2.17 in other words, would it be possible to book capacity for specific months and days before the start of the gas year (or would it be possible to book monthly product only for the nearest quarter to start and daily products for the nearest gas month to start)?	It is intended that only monthly products of upcoming quarter are available for booking.
6	Quote: Paragraph 3.2.2: Question: Shouldn't it be here that "Allocation starts 14 days before the gas month" ? From Figure 2 it is seen that booking of daily product starts 14 days before the start of the corresponding month?	Taken into account, daily capacity booking is intended to start 14 days before gas month, with exception of 4 days for gas days of first gas month of gas year.
7	Question: Does it mean that before the start of the gas year it should be possible to book capacities for any specific gas day (as shown in table 3.2.1), but as soon as gas year starts it becomes possible to book daily products not earlier than 14 days before the start of the month (as shown in Figure 2)? In general please check the dates when the booking of daily product starts if these are booked before the start of the gas year and during the gas year? Currently the deadlines mentioned for daily products in Paragraph 3.2.1 and 3.2.2 contradict with each other.	It is intended that daily capacity booking starts 14 days before gas month.
8	Quote: All technical capacity should be allocated via yearly product allocation, maintenance periods are not taken into account. Question: How it is possible to allocate the capacity without taking into account maintenance periods? Does it basically mean that network users will be able to book 90% of technical capacity using the yearly product even if during some days of the gas year actually offered capacity might be 20% of technical capacity or even 0%? When maintenance works will be known how the available capacity will be split between the network users who have booked yearly, quarterly, monthly products and ICA? Is it so that the network users who have booked the yearly products will get the capacity in first priority?	Taken into account. Additional provision is introduced, which foresees, that in case of capacity restrictions, capacity shall be restricted proportionally among network Users in the following order: first, interruptible capacity of the shortest period; then interruptible capacity of a longer period; and finally, if demand still exceeds the supply, firm capacity of a shorter period, and if necessary, firm capacity of a longer period.
9	Quote: Second sending: 80% of available capacity should be sent to ICA. TSOs shall have the right to take back capacity that is not allocated at the time as implicit capacity. Question: Please make it possible to book capacity on Common Zone Platform even if it was sent to ICA. Quite often it is not possible to book sufficient amount of capacity on Common Zone Platform just because too much capacity was already sent to ICA making it impossible to book via Common Zone Platform. For example, please make it possible to book capacity as interruptible product on Common Zone Platform and if there is no ICA demand for that capacity, then quantities sent to ICA should be reduced taking into account booked interruptible product.	Simultaneous capacity booking availability at both TSO and Exchange systems is very complicated and resourceful project, compared to benefit achieved. TSOs are looking to implement this feature, however not at current stage.
10	Quote: A double-sided nomination means that both shippers must submit nominations independently to their respective system operators on each side of the connection point. Question: if we switch to Kiemenai capacity bundling, then there shouldn't be possible to have "both shippers" submitting nominations as there should be only one shipper submitting two nominations to two TSOs.	Taken into account.
11	[...] rosina Kiemenai punkta gada jaudas rezervācijai nodot tikai daļu no pieejamās jaudas (piemēram, 50%, varbūt pat mazāk). Regulējuma izmaiņu piedāvājums paredz 90% un 10% rezervēti netiešās jaudas tirdzniecībai. Kiemenai jauda lielākoties tiek izmantota, lai saņemtu dabāsgāzes piegādes no Klaipēdas LNG termināļa, un sistēmas lietotāji Latvijas un Igaunijas apvienotajā tirdzniecības zonā ar augstu varbūtību šīs organizācijās konkrētos mēnešos vai ceturkšņos nevis visā gada garumā. Tāpat, ņemot vērā sagaidāmi augsto pieprasījumu, piedāvājot gada jaudas rezervāciju 90%, rodas liels spekulatīvo darījumu risks visai pieejamai Kiemenai jaudai, jo ceturkšņa un mēneša jaudu iegādes lēmumi ar augstāku ticamību būtu mērķrādīti, iespējams pamatoti ar jau noslēgtiem piegāžu līgumiem.	Not taken into account. Reduction of capacity available for yearly product would not reduce chances of capacity hoarding, as the hoarding possibility would still be possible at quarterly capacity booking.
12	Aicinām izvērtēt [...] ierosinājumu, ka sistēmas lietotājs norēķinās ar to sistēmas operatoru, ar kuru tam jau ir noslēgts līgums, vai pēc izvēles. Regulējuma izmaiņu piedāvātais risinājums nosaka, ka par LV Entry norēķinās ar Conexus, par LT Exit - ar AmberGrid. Pieļaujam, ka lielai daļai sistēmas lietotāju (un arī pašiem sistēmas operatoriem) tas nozīmē papildu administratīvo slogu, sākot atsevišķu līgumu par pārvaldes pakalpojumiem. Norēķins starp sistēmas operatoriem būtu vienkāršāks risinājums. Turklāt, Baltijas un Somijas dabāsgāzes sistēmu operatori loģiski strādā pie tā, lai nodrošinātu vienotu tirdzniecības zonu visam reģionam. Līdz ar to konkrētā Kiemenai jaudu rezervēšanas kārtība ir pagaidu risinājums, kura dēļ slēgt atsevišķus pārvaldes līgumus nav racionāli.	Partially taken into account, for future implementation. Although proposal is plausible and welcome, booking of bundled capacity means access to both transmission systems facilitating entry exit point with all the requirements to have third party access agreement.