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**Balancing Group Accounts with the status “dynamic transport route restrictions”
(DZK BK)**

Processes and handling description for the market area



Agenda

- 1. Background and Process**
- 2. Balancing Groups according to REGENT 2021 number 3**
- 3. Conclusion of DZK balancing groups in the Customer Portal**

Background and Process

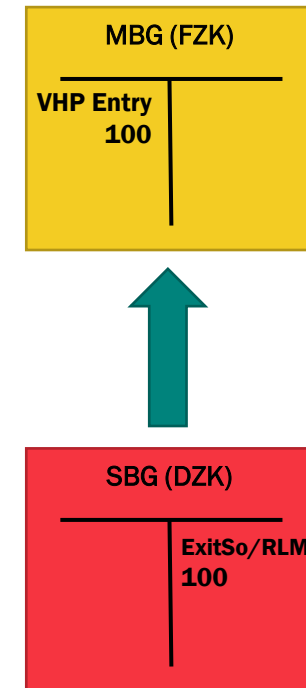


Background

- THE currently offers balancing group accounts for freely allocable capacity (status “FZK”) and balancing group accounts for balancing of capacities with dynamic transport route restrictions (status “DZK”)
- Capacities with dynamic transport route restrictions are firm capacity transport capacities which are subject to certain usage constraints
- The free allocability of capacities with dynamic transport route restrictions is temporarily revoked in case the respective TSO issues an instruction to allocate
- Capacities with dynamic transport route restrictions may be offered by the TSO for network points that are subject to nomination procedures and/or for the supply of RLM exit points in the THE market area
- Whether booked capacities with dynamic transport route restrictions are to be allocated to a regular FZK balancing group account as is the case today or to a DZK balancing group account is defined by the individual TSO resp. VIP-TSO in its terms and conditions
- Special rules apply for balancing groups according to REGENT 2021 number 3*

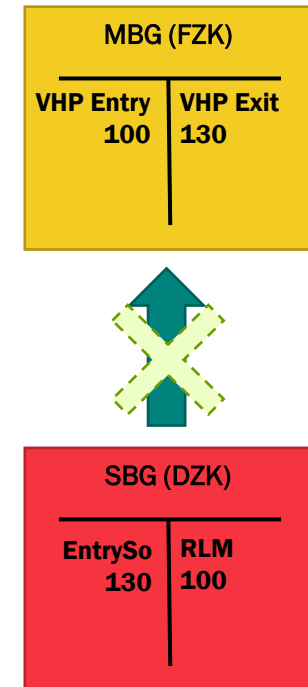
Usage of DZK balancing groups (BG)

- DZK BG needs to be subordinated to at least one FZK BG via BG linkage
- The linkage of BGs leads to a netting of all imbalances in the master FZK BG
- Access to the VTP via the master FZK BG – DZK BG has no access to VTP itself
- Entries and/or exits on IPs resp. exits at RLM exit points may therefore be balanced with trades at the VTP, as long as no instruction to allocate has been issued
- When entering into a BG contract for DZK it is required to define whether the BG will be used for network points subject to nomination procedures or for RLM exits



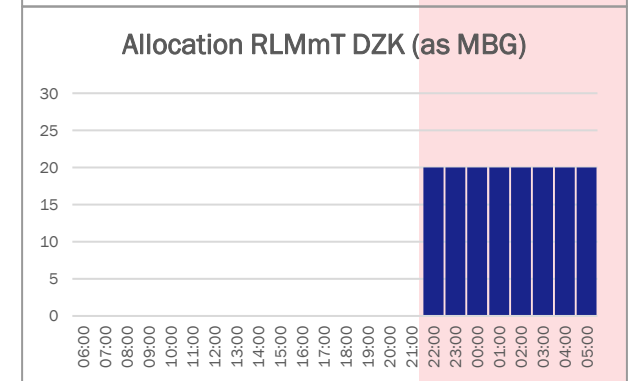
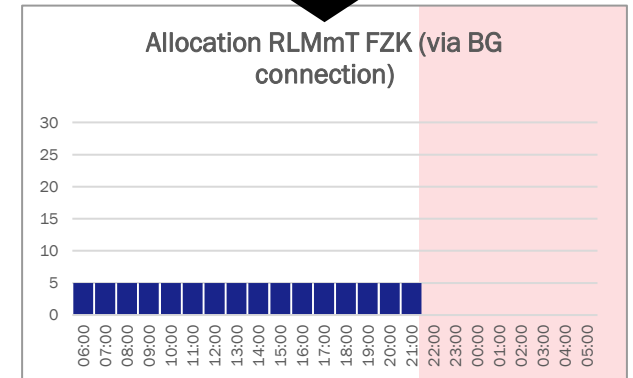
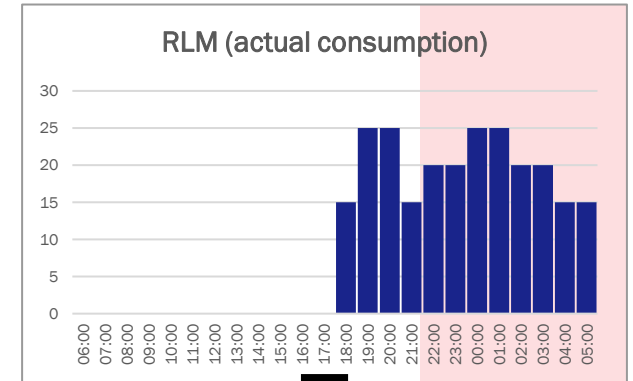
Instruction to allocate for RLM exit points


- Instructions to allocate for DZK BG on RLM exit points are notified by the TSO with a lead time of at least 4 hours
- As soon as the instruction to allocate takes effect, THE is going to terminate the linkage of the BGs until the end of the respective gas day
- The formerly linked BGs need to be balanced individually for this time period – for the DZK BG this is only possible at the corresponding balancing point(s) as predefined by the TSO
- Imbalance and flexibility charges will be calculated and settled separately for the DZK BG and the FZK BG in the time period of the instruction to allocate



Allocation procedure for RLMmT

- Entries/Exits at points subject to nomination procedures and at RLM exits points of the case group RLMoT are allocated with the respective hourly structure
- For RLM exits points of the case group RLMmT the balancing of the DZK BG would be impeded by the flat daily band allocation
- In case of an instruction to allocate for RLMmT, THE therefore allocates separate bands for the time periods before and as of the instruction to allocate
- Precondition is the availability of structured consumption data at THE



 = Instruction to allocate of DZK as of 22:00



Balancing groups acc. to REGENT 2021 Number 3



Background: REGENT 2021 Number 3

- In order to avoid the construction of a pipeline with direct access, a reduced tariff for certain entry or exits points can be applied by the relevant TSO bayernets (“benchmarking product“):
 - If the entry point Überackern 2 or the underground storage facility Haidach are used to supply the end user Wacker Chemie
 - If gas is put into the underground storage facility Haidach using the entry point Überackern 2
 - If gas is withdrawn from the underground storage facility Haidach using the exit point Überackern 2
- If the reduced tariff is applied a firm or interruptible access to the VTP must be ruled out -> This will be guaranteed by choosing the balancing group type “DZK- acc. to section 3 ff. REGENT 2021“
- The reduced tariff will not be applied if the relevant entry points shall be balanced in other types of balancing groups

Conclusion of DZK balancing groups in the Customer Portal



Conclusion of DZK BGs

DZK balancing groups may be concluded by balancing group managers in the Customer Portal of THE:
<https://kundenportal.tradinghub.eu/>

The screenshot displays the 'Balancing Group Contracts' interface. The main section is titled 'Balancing group contract' and contains a 'Details' tab. The form includes the following fields and options:

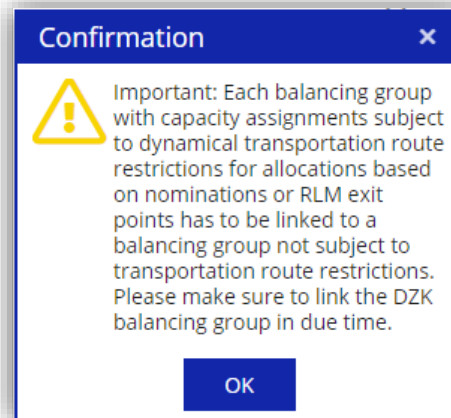
- Company name:
- Contract type: Balancing group, Balancing subgroup
- Gas quality: H gas, L gas
- Biogas: Yes, No
- Capacity type: FZK, DZK
- DZK type: Nomination, RLM, acc. to section 3 ff. REGENT 2021
- Undiscounted capacity tariff: Yes, No
- VTP access: Yes, No
- Valid from:
- I accept the [Balancing Group Contract Terms & Conditions](#)

At the bottom right, there are buttons for '5', 'Save', and 'Cancel'.

Linkage of DZK-BGs

Following the conclusion of DZK BGs and before the contract starting date, the balancing group manager is required to link the DZK BG to at least one FZK BG

The linkage of BGs can also be effected via the Customer Portal of THE



Content and format of instruction to allocate

- Instruction to allocate of TSO to BGM of DZK BG and of the linked FZK BG is transmitted by THE to the address defined in THE's Customer Portal as "contact person 24/7 VTP"
- The instruction to allocate is transmitted in the form of a clear text email
- Containing information:
 - FZK balancing group code *)
 - DZK balancing group code
 - TSO name **)
 - TSO DVGW-No. **)
 - Start of temporary termination of BG link
 - End of temporary termination of BG link

*) Only in email to FZK BG

***) Only in email to DZK BG

Subject: Temporary suspension of balancing group linking arrangements

Dear Sir or Madam,

We would like to inform you that the link in place between your "FAC" balancing group (status "freely allocable", in German: "FZK") and a directly linked subordinate "DAC" balancing group (status "dynamically allocable", in German: "DZK") will be temporarily suspended in accordance with the Balancing Group Contract Terms and Conditions. For the balancing group code affected and further details of the suspension, please see below.

Balancing group and suspension details:

"DZK" balancing group code: THEOBFHXXX
TSO name: Test TSO GmbH
TSO DVGW code: 987xxx
Start of temporary cancellation: 01.10.2021 09:00
End of temporary cancellation: 02.10.2021 06:00

This is an automated message, please do not reply.

For further questions please do not hesitate to contact our Customer & Contract Management Team.

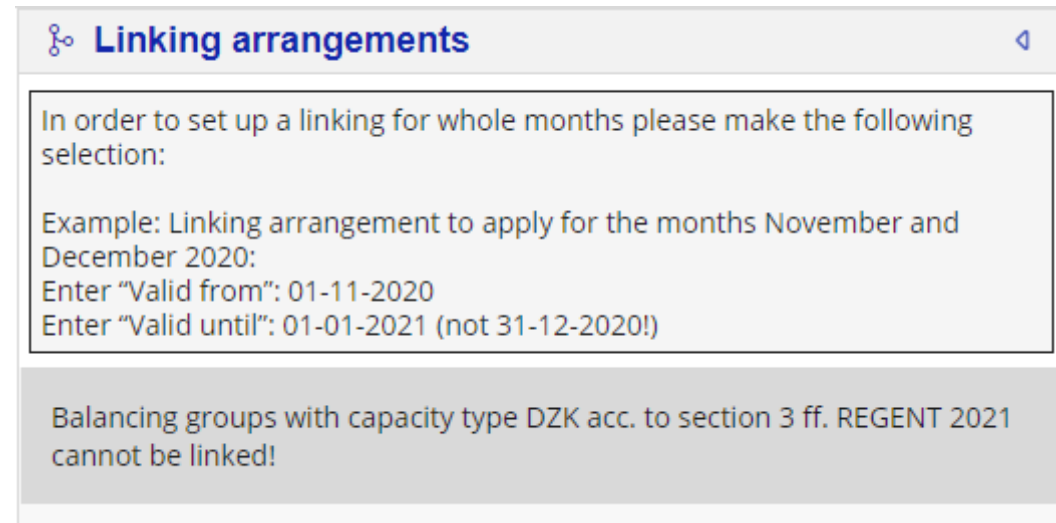
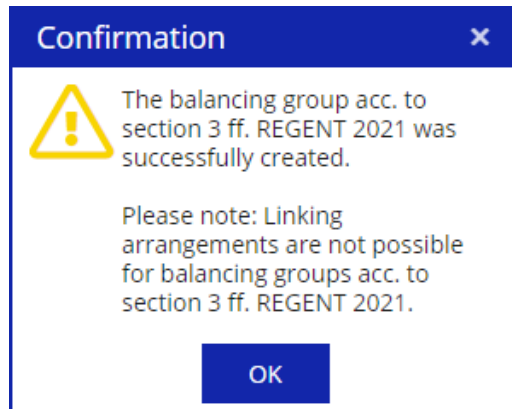
Your Customer & Contract Management Team

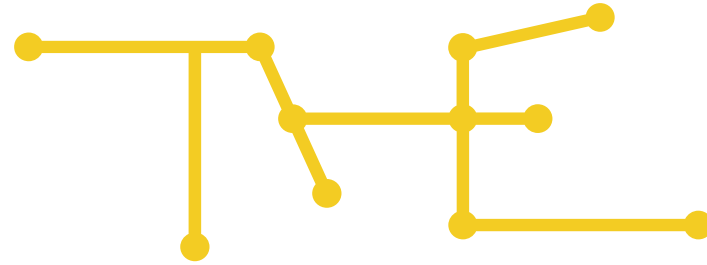
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Conclusion of BG acc. to REGENT 2021 Number 3

No linking arrangement of a balancing group according to REGENT 2021 Number 3 is allowed and cannot be managed via the customer portal





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