

Demand Assessment Report for incremental capacity

September 2022

This report is assessment of the potential for incremental capacity projects conducted by:

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A. Non-binding Demand Indications

In line with Article 9 of GASTRANS d.o.o. Novi Sad Natural Gas Transmission System Network Code (hereinafter NC) and Article 26 of Regulation (EU) 2017/459, GASTRANS d.o.o. Novi Sad conducted, from 4 June to 30 July 2022, "Market Test Invitation" in which natural gas market participants were invited to submit their non-binding demand indications in order to determine existence of market interest for incremental capacities.

In accordance with the submitted non-binding demand indications, GASTRANS d.o.o. Novi Sad publishes this Demand Assessment Report (DAR) on market interest for incremental capacities.

During the implementation of the "Market Test Invitation", GASTRANS received one non-binding demand indication.

The non-binding demand indication(s) are presented in the following table:

Table 1

| Non-Binding Incremental Capacity Demand Survey 2022 | |
|---|--|
| Interconnection Point | Horgos/Kiskundorozsma 2 |
| EIC Code | 21X-HU-A-A0A0A-8 |
| Flow Direction | GASTRANS d.o.o. Novi Sad Republic of Serbia → FGSZ Hungary |
| Request is submitted to other TSOs? [yes, TSO name] or [no] | No. |
| Additional Information (if any) | - |
| Conditions | Availability of daily and within-day capacity products |
| Current technical capacity, kWh/d | 245.765.592 |
| Non-binding demand request [(kWh/d)/y] | |
| 2023/2024 | 36.784.992 |

B. Demand Assessment

1. Historical Usage Pattern

The interconnection point Horgos/Kiskundorozsma 2 exists since October 1, 2021, when the commercial operation of the Exit 4 of the new interconnector gas pipeline, connecting the transmission systems of the Republic of Bulgaria and Hungary, commenced. The operator of the new gas interconnector is GASTRANS d.o.o. Novi Sad. The exemption from "third-party access" applies to the new gas interconnector for 90% of its capacities, which are contracted on a long-term basis (Exemption Act No. 40/2018-0-03/62a, Energy Agency of the Republic of Serbia).

The total technical capacity on the IP Horgos/Kiskundorozsma 2 is 10.240.233 kWh/h (245.765.592 kWh/day).

Capacity amounting 9.216.209 kWh/h is exempted and it is contracted on long term basis. The rest of the technical capacity, amounting 1.024.024 kWh/h, is offered on the short-term basis in accordance with capacity allocation mechanism through the auctions on the Regional Booking Platform (RBP).

2. Results of Current Annual Yearly Auction

In accordance with article 6.2.1. of NC, GASTRANS d.o.o. Novi Sad shall offer for contracting Firm Yearly Capacity when firm long-term capacity from the Long-Term Gas Transportation Agreements becomes available for contracting on the basis of Surrender, cessation of the Long-Term Gas Transportation Agreements and in case from the Article 9.4 of the NC. GASTRANS d.o.o. Novi Sad until publication of this report didn't offer for contracting Firm Yearly Capacity.

3. Expected amount, direction and duration of demand for incremental capacity

Considering the fact that the received non-binding demand indications for incremental capacity for IP Horgos/Kiskundorozsma 2 refer to one gas year only and that the demand is conditioned with availability of the daily and within day capacity products, Gastrans d.o.o. Novi Sad will not take into consideration non-binding demand indications for IP Horgos/Kiskundorozsma 2 for present market test.

C. Conclusion for the (non)-initiation of an incremental capacity project/process

GASTRANS d.o.o. Novi Sad will not proceed to the next phase of the Incremental Capacity process for IP Horgos/Kiskundorozsma 2.

D. Fees

GASTRANS d.o.o. Novi Sad did not introduce a fee for the evaluation and processing of nonbinding demand indications.