

HOW TO BECOME A CEGH MEMBER and A VIRTUAL TRADER

Version 1.8
CEGH AB B-VHP



PREAMBLE

Central European Gas Hub AG (CEGH), located in Vienna, Austria, is the leading hub for gas trading in Central and Eastern Europe.

As the operator of the Virtual Trading Point, CEGH opens a gateway to international gas traders for trading in the entry/exit zone of the Austrian market.

CEGH functions as a cross regional balancing platform by offering trading activities and services for different markets:

- CEGH VTP (Virtual Trading Point)
- EEX CEGH Gas Exchange products with delivery at the Austrian VTP offered via the pan-European EEX platform
- EEX CEGH Czech Gas Exchange with delivery at the Czech VTP in cooperation with EEX

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1 FAQ

In the last few years, our team has frequently received questions regarding the requirements for becoming a member, framework conditions or operational issues. Therefore, we have summarized and answered all basic questions in this frequently-asked-questions part and have put them at the beginning of our information brochure to give you an overview.

Nevertheless, please feel free to contact us directly if you have any more questions. Please find the contact information at the end of this document.

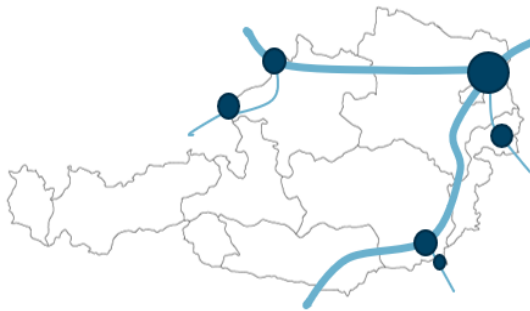
1.1 What do I have to do when I want to book a CEGH service for my company?

Before a company can book one of our services, the registration as a CEGH member must be completed. The requirements and the whole registration process for the CEGH VTP market is described in chapter **BASIC REGISTRATION CEGH VTP MARKET**.

No services can be booked without a membership.

1.2 What is the VTP?

The Virtual Trading Point (VTP) is a national point at which gas can be traded within the market area after injection and before offtake. The VTP is not a physical entry/exit point but enables grid users to transfer energy from one balancing group to another within the market area without the need to book capacity. Traders and grid users can sell and buy at the VTP without holding capacity rights.



CEGH trading locations
(until 2012)



CEGH Virtual Trading Point
(Start: 01/01/2013)

1.3 What makes the difference between a Virtual Trader and a Balance Group Responsible Party?

Due to the Austrian gas market model (Austrian Gas Act 2011), every market participant who wants to **physically** buy / sell / transport gas in Austria or wants to trade on a Gas Exchange with physical delivery at the CEGH VTP either has to be registered as a **Balance Group Responsible Party (BGRP)** or conclude a contract on a bilateral basis (between existing Balance Group Responsible Party and market participant) as a **Member of a Balance Group (BGM)**.

Each balance group is organized by a Balance Group Responsible Party, which is the sole counterparty of this balance group for CEGH.

All Balance Group Responsible Parties (BGRPs) must comply with the applicable regulatory requirements (GMMO-VO 2020). Kindly note that, inter alia, a contractual relationship with the balancing entity AGCS is required.

If you want to apply as BGRP, please contact the **Market Area and Distribution Area Manager (“MADAM”) Austrian Gas Grid Management AG** (www.aggm.at) for further information and for your registration.

1.4 What kind of business can a Virtual Trader do?

By concluding the CEGH Membership Contract, companies get access to the Virtual Trading Point. These Virtual Traders only sign the CEGH contracts and are therefore restricted to virtual trading. **No network use, no physical delivery and no access to balancing energy** is possible -> therefore, there is an obligation for Virtual Traders to have a balanced position at the VTP every hour (\sum of buys = \sum of sells).

To have access to these physical services, a Virtual Trader either has to register as a BGRP or join a Balance Group and conclude a bilateral agreement with an already registered BGRP. A **list of BGRPs** is available on the MADAM's website.

1.5 How can I find out the origin of the natural gas traded at CEGH?

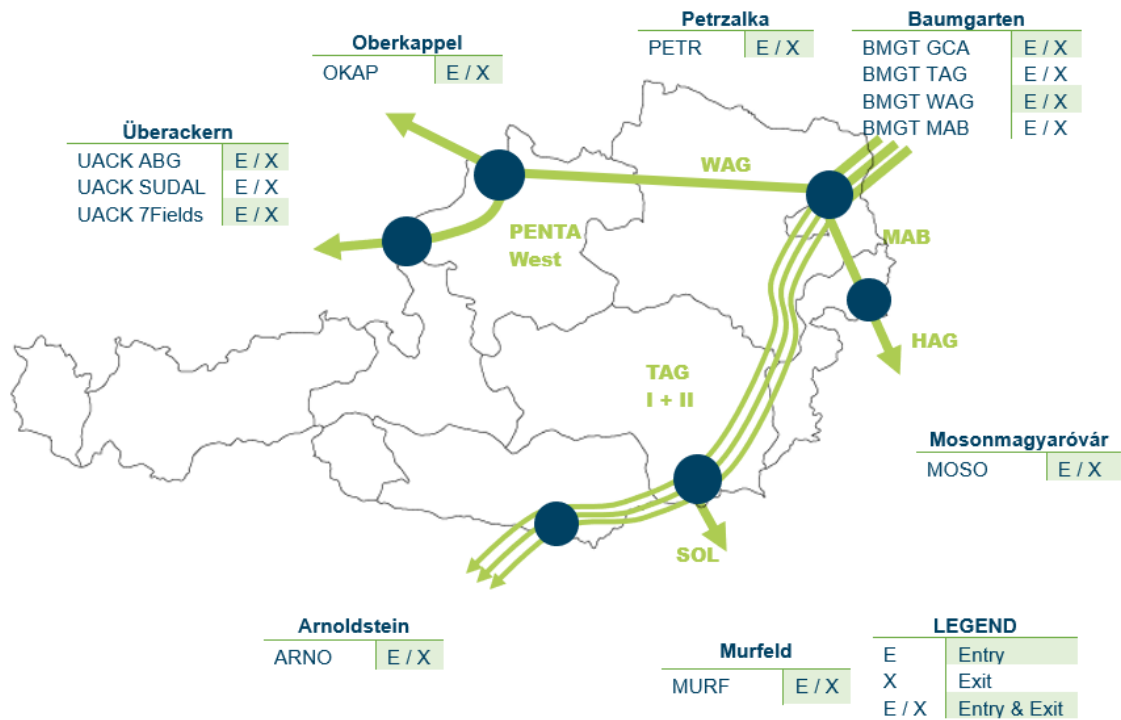
CEGH as operator of the VTP has no information about the origin of the gas traded on the VTP and the Gas Exchange.

1.6 How do I get a protocol for my trading volumes?

Customers can download a report of their transactions via the [CEGH WEB Nomination Platform](#). Please see chapter “Quantity Report” (p. 24) of the [manual](#) for more details.

If a customer has not yet applied for CEGH WEB Nomination Platform web access in the registration process, please fill out the form published on the [platform](#) and we will create an account (free of charge, no limitation of clients per company).

1.7 What are the main Entry/Exit Points in the Austrian Market Area East?



1.8 How can I book capacities at a border point?

CEGH as operator of the VTP is **not providing** any kind of service in this respect. Entry/Exit capacities can be booked at the respective transmission system operator (TSO) or via the PRISMA platform.

For more specific information please contact the respective TSO.

2 CEGH SERVICES

2.1 Title Transfer Service

The Hub Operator provides Title Transfer Services to its Customers. Title Transfer Service includes:

1. Receipt of nominations;
2. Continuous matching of each Customer's Trade Nominations as defined in APPENDIX B;
3. Continuous matching of Trade Nominations of seller or buyer with corresponding Trade Nominations of buyer or seller from respective counterparties (Partner to Partner Matching);
4. Notification of netted positions for each Balance Group to the Market Area Manager;
5. Confirmation of Trade Nominations based on the matching process;
6. Allocation of all Title Transfer Services based on confirmed nominations;
7. Compilation of online reports (standard protocols) and individual reports (Customer specific reporting upon mutual agreement);
8. Electronic archiving of all transaction;
9. Access to the CEGH Web Access.

The VTP Operator will handle any Trade Nomination in accordance with the lead times and time schedules as defined in the Other Market Rules. Title Transfer Service is charged on the basis of allocated Energy. The applicable fees for the CEGH Title Transfer Service are stated in the APPENDIX C of the CEGH Membership Agreement.

2.2 Trade Nominations

Trade Nominations ("Trade Nomination Services") are documented in APPENDIX B:

- The Customer is entitled to nominate more than one Balance Group as delivering party and/or receiving party for transacted Energy.
- The VTP Operator will receive and match Trade Nominations and will in any case after completion of the matching process report back as soon as possible corresponding confirmations or in case of application of the Lesser Rule a revised confirmation of Trade Nominations to the Customer and the Counter Parties.

2.3 Reporting Service

The VTP Operator will issue Reports according to the provisions listed in APPENDIX B. Monthly final Reports are considered to be legally binding, at the earliest after the expiry of the third (3rd) Business Day of the following Month.

Preliminary Reports will be provided on best endeavours on a daily basis.

All Reports will be made available via [CEGH Web Nomination Platform](#).

2.4 Compliance with Operating Procedures

The Parties will submit their Trade Nominations for Energy according to, and will act in compliance with, the procedures described in APPENDIX B.

2.5 Tariff and Fee Schedule

The Hub Operator regularly publishes its current Tariff and Fee Schedule for the Hub Fees on its website. They are incorporated as APPENDIX C in their currently valid version.

3 BASIC REGISTRATION CEGH VTP MARKET / VIRTUAL TRADER

3.1 Application for Membership

In order to apply for membership please go to our website, chose the “APPLICATION” section and find the start button for online application:

From there, follow the instructions which you will receive back via e-mail after submitting your online application.

In case you have additional questions, please contact Ms. Susanne Neunteufl:

susanne.neunteufl@cegh.at

3.2 Provision of Securities

- Every Virtual Trader is requested to either provide a **cash-deposit** or to issue a **bank guarantee, amounting to 10,000 EUR**, and having a **minimum term of twelve (12) months** after issuing date.
- Every **BGRP** is requested to either provide at CEGH a **cash-deposit** or to issue a **bank guarantee, amounting to 40,000 EUR per balance group**, and having a **minimum term of twelve (12) months** after issuing date.

Before a cash-deposit can be transferred, our Back Office must be informed about the forthcoming remittance. Please **do not transfer any amount of money without contacting us before**.

As the Appendix D (Bank Guarantee) is an integral part of our CEGH Membership Agreement, the wording of the guarantee is **not subject to any** alterations.

The issuing bank has to have at least a “BBB” rating by Standard & Poor’s or “Baa3” by Moody’s and is subject to mutual agreement.

We also request a **list of authorized signatories** of the issuing bank, unless the Bank Guarantee is sent via SWIFT to an Austrian bank of your choice, which will then pass it on to us.

Unlike all other Membership Documents, the bank guarantee can be issued in **English** according to our sample.

3.3 Conclusion of the Agreement

Having submitted your application on our website you will receive all necessary Membership Documents via email.

Please forward all documents as specified in our email to the following address:

Central European Gas Hub AG

Attn.:Susanne Neunteufl
Peak Vienna
Floridsdorfer Hauptstraße 1
1210 Vienna
Austria

3.4 Connectivity

In order to get ready for the daily business CEGH strongly recommends setting up and testing the business communication to our VTP Dispatching. In general, CEGH offers a wide variety of nomination formats and communication standards.

- Connectivity types with the according nomination formats
 - AS4 Edig@s 4.0 (.xml), Edig@s 4.0 (XML)
 - AS4 Edig@s 5.1 (.xml), Edig@s 5.1(XML)
 - Webservice CEGH WEB Nomination Platform
- Please find the on the CEGH Website: [CEGH Connection template](#)
Explanation: Please use the CEGH Connection template to inform us about the communication details of your preferred business communication.
- Please complete page 1 and 2 according to your preferred type of communication.

Please feel free to contact our VTP Dispatching, +43 1 270 2700 / 28520 or dispatching@cegh.at if you have any further questions regarding connectivity.

4 CONTACT DETAILS

Central European Gas Hub AG

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