



Balancing in Hungary

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Balancing the transmission network

- Capacity booking cm/d for Public Wholesaler
- Capacity booking cm/h for Traders and eligible customers
- Nominations are taken in cm/d
- One Transmission Network Operator (TSO)
- One balancing zone in case of high pressure grid
- Daily balancing period is used by TSO

Capacity booking, nomination

- Contract: long term, 1 year, monthly, daily
- Type of capacity: firm, interruptible
(only if firm is not available)
- Capacity booking cm/d for Public Wholesaler
- Capacity booking cm/h for Traders and eligible customers
- Nominations are taken in cm/d

Tolerance levels

Balancing period	Conditions set/approved by	Tolerance bands	Pooling and trading allowed
Daily	TSO/Hungarian Energy Office	$\pm 2\%$ / $\pm 8\%^*$	No

* If the shipper offers “balancing gas” for the TSO, the tolerance band is increased from $\pm 2\%$ to the extent of the offer – but not higher than $\pm 8\%$

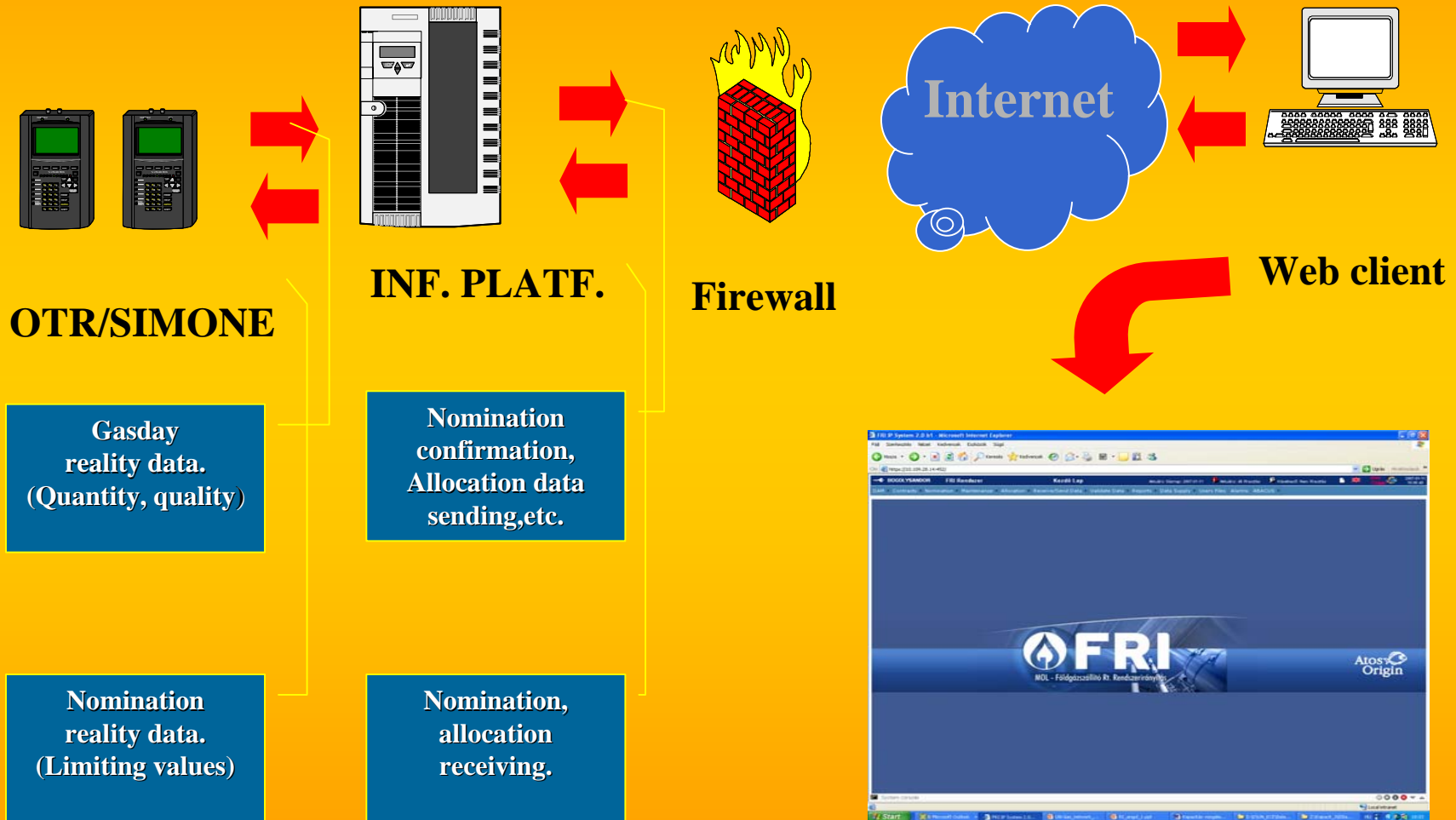
Imbalances 1

- In case of imbalance the TSO uses the optional gas offered by Shippers before the gas day.
- Balancing Information is given to shippers after the balancing period.
- TSO sells or buys the balancing gas on the same price (Regulated public market price 1,92 HUF/MJ).
- TSO impose penalty charges on network users, whose input and off-take from the transmission system is not in balance.

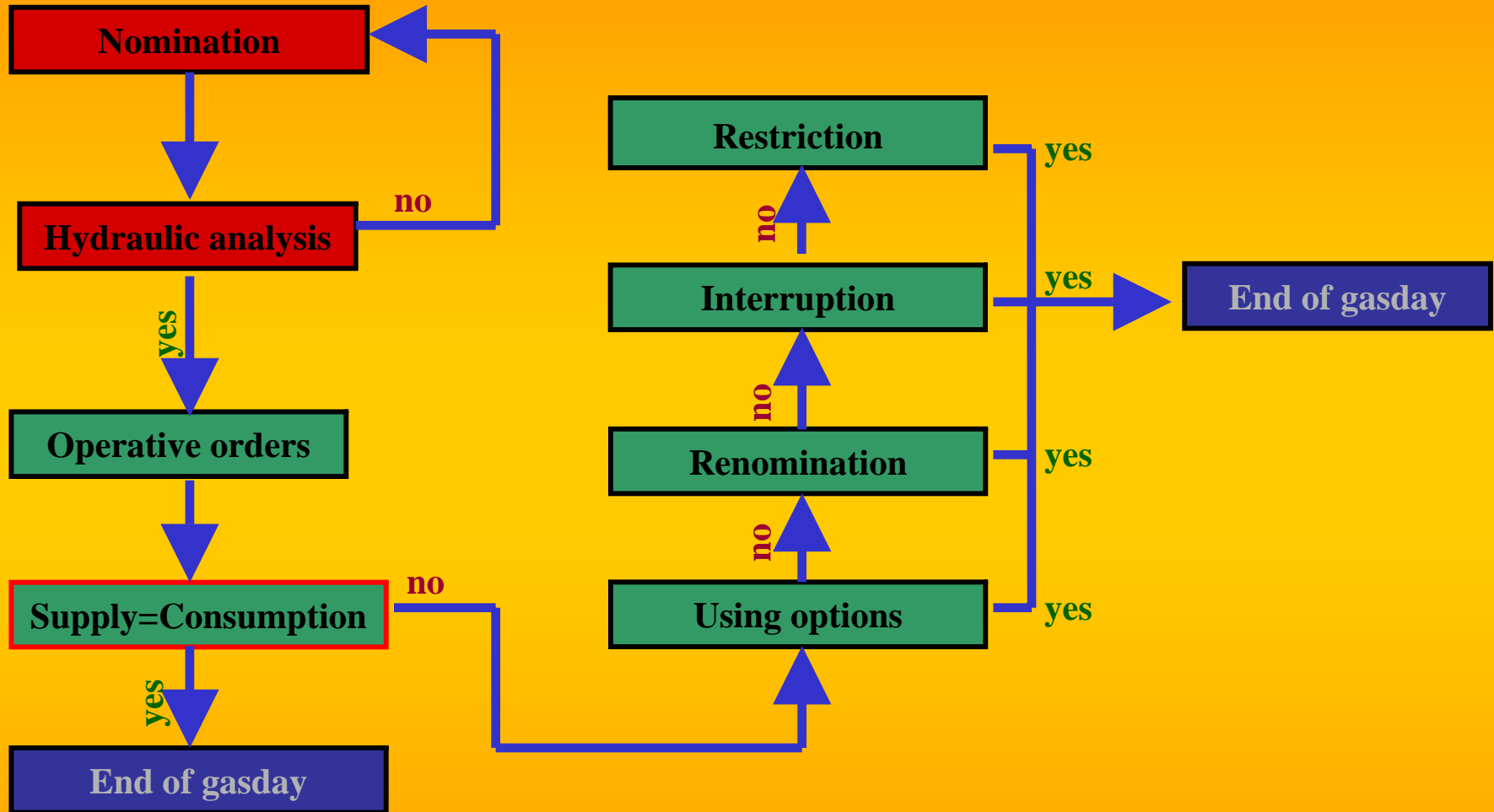
Imbalances 2

- Balancing charge 0,1HUF/MJ beyond tolerance band.
- Imbalance charges are accounted monthly bases.
- Price of balancing gas depends on price of offered and used optional gas.
- Shippers offered optional gas will be accounted offered price (Pay as you bid)

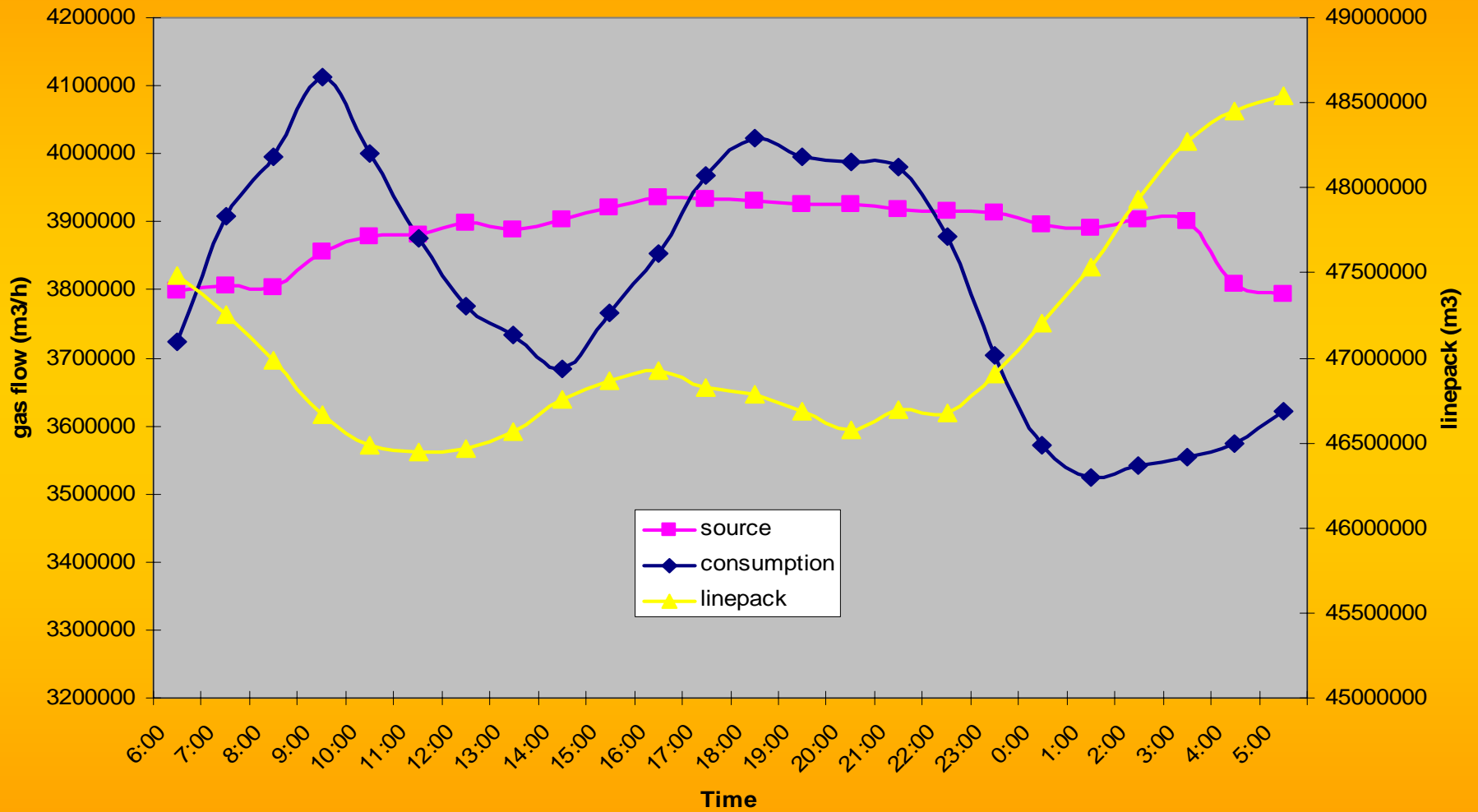
Informatic Platform (Simplified System)



Process of gas day



Balancing the Peak Day (23rd Jan 2006)



New Market model from mid 2007

- There will be established a company who will ensure the daily flexibility market (DFM), the owners of this company will be the shippers
- TSO will ask the necessary balancing gas from DFM
- After gas day the TSO will allocate the balancing gas among the shippers.

**Thank you for your kind
attention!**

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