

Appendix E to the TCDA – Cost sharing, monitoring and settlement

This Appendix E is divided into the following Sections which detail, pursuant to Article 6 of the Agreement:

- a) the process for sharing, monitoring and settling SDAC TSOs-Only Common Costs encountered as of the month following the month of entry into force, to be further distinguished into:
 - i) SDAC TSOs-Only Common Costs fully covered by this Appendix E for both Enduring Phase and Interim Phase; and
 - ii) TSOs Regional Costs of operating the MRC and 4MMC, for Interim Phase only.
- b) the specific process for re-settlement among all Parties of SDAC TSOs-Only Common Costs that have been pre-financed by MRC Operational TSOs for the period from 14 February 2017 until the end of the month of the entry into force of this Agreement.

For the purpose of this Appendix E, all capitalized terms not expressly defined herein shall have the meaning attributed to them in Appendix A.

References to provisions of this Appendix E are made using the term "Section" (while references to provisions of the Agreement are made using the term "Article").

1. Process for SDAC TSOs-Only Common Costs

This Section specifies the way in which SDAC TSOs-Only Common Costs set forth under this Appendix E will be categorised, budgeted, handled, reported and calculated for the purpose of sharing between Member States and third countries, settled and invoiced. This will be done in accordance with the Agreement and Legal Provisions, such as the provisions on:

- i) cost recovery (article 75 CACM);
- ii) costs of establishing, amending and operating single day-ahead coupling (article 76 CACM); and
- iii) cost sharing between NEMOs and TSOs in different Member States and third countries (article 80 CACM),

without prejudice to any subsequent processes to be organised as the case may be within each Member States and third country for the sake of costs recovery.

1.1. General principles

Costs resulting from activities made to the benefit of all TSOs, as mentioned in Section 1.2. of this Appendix E, shall be considered as SDAC TSOs-Only Common Costs if approved as SDAC TSOs-Only Common Costs by the TSO JSC.

The SDAC TSOs-Only Common Costs shall be recorded and shared as provided for by CACM and in particular articles 75, 76 and 80 CACM. The following principles shall apply:

- a) The Parties shall ensure that all costs shall be, insofar as such costs are time and material based, appropriately and fairly recorded in timesheets and, insofar as such costs are other expenses, sufficiently documented. More detail is given in Section 1.4 of this Appendix E.
- b) SDAC TSOs-Only Common Costs must be either: (i) within an approved yearly budget; (ii) the subject of an approved increase in the relevant yearly budget; or (iii) subject to a specific prior approval by the TSO JSC, the expenditure of each of which must be specifically pre-approved by the TSO JSC consistently with the terms of Article 4.
- c) All input data for the calculation of the sharing key between Member States and third countries will be updated, at least, on a yearly basis (in the first quarter of a given calendar year) by the TSO JSC based on the all NRA(s) guidelines and shall be attached as Attachment 1 to this Appendix E for reference purposes. Attachment 1 to this Appendix E can be updated by a TSO JSC decision.
- d) If a (the) respective NRA(s) require(s) changes based on an NRA decision with regard to the sharing related to a Member State or third country in the course of a given calendar year these changes will be implemented with regard to that Member State or third country in accordance with such NRA's decision.
- e) The necessary input for the yearly report to the NRAs shall, in due time, be provided, with the level of detail required by article 80 CACM, by the TSO JSC reporting designee to the person responsible for consolidating this information as indicated by the TSOs.
- f) If requested by the NRAs, the relevant TSOs shall provide, within three months or according to the deadline specified by the NRAs, the information necessary to facilitate the assessment of the costs incurred.
- g) Costs shall be reported and settled excluding VAT unless not permitted under Legal Provisions.

- h) Each new contract or each amendment of any present contract with a third party service provider shall be concluded in compliance with the Directive 2014/25/EU if applicable and the respective national public procurement legislation if applicable and decided by the TSO JSC, and shall be subsequently organised and approved by TSO JSC.
- i) All Parties shall strive as much as possible to avoid "vendor lock-in", meaning that the contracting entity shall not discriminate the economic operators in subsequent public procurement procedures due to the fact that only the original provider owns Intellectual Property Rights and therefore only he can provide the services procured. The procurement documents shall assure, to the extent possible and to the extent the TSO JSC considers this economic efficient, the co-ownership by all or a subset of Parties of the relevant Intellectual Property Rights.
- j) Costs for the carrying out of the public procurement procedure for services to the benefit of all Parties participating in the SDAC, as well as for the negotiation of the contracts and framework agreements for services to the benefit of all Parties participating in the SDAC shall be considered as SDAC TSOs-Only Common Costs.

1.2. Cost categorisation

SDAC TSOs-Only Common Costs will be categorised as:

- a. SDAC TSOs-Only Common Costs of establishing or amending the SDAC for both Enduring Phase and Interim Phase,
- b. SDAC TSOs-Only Common Costs of operating the SDAC for both Enduring Phase and Interim Phase,
- c. TSOs Regional Costs of operating the MRC respectively 4MMC for Interim Phase only.

1.2.1. SDAC TSOs-Only Common Costs of establishing or amending the SDAC

The SDAC TSOs-Only Common Costs of establishing or amending the SDAC, to be shared among all Parties, consist of the following categories:

1. Costs resulting from an amendment of the Agreement of which the modalities are specified in Article 17.6 of the Agreement;
2. Costs of joint governance activities related to SDAC to the benefit of all TSOs participating in the SDAC, and approved as such by the TSO JSC such as but

not limited to any task force established for such purpose and costs of project place licenses for external providers;

3. Costs related to the selection, as described in Section 1.1., h)-j), of service providers providing services falling under the Agreement;
4. Any other costs element that is, by a decision of the TSO JSC, classified as SDAC TSOs-Only Common Costs of establishing or amending the SDAC.

1.2.2. SDAC TSOs-Only Common Costs of operating the SDAC

The SDAC TSOs-Only Common Costs of operating the SDAC under this Section, to be shared among only by the Operational Parties, are any costs element that is, by a decision of the TSO JSC, classified as an SDAC TSOs-Only Common Costs of operating the SDAC (for both Interim and Enduring Phase).

1.2.3. TSOs Regional Costs of operating the MRC and 4MMC

The TSOs Regional Costs of operating the MRC and 4MMC as further detailed under this Section, are to be shared only by MRC respectively 4MMC Operational TSOs during the Interim Phase.

1. The TSOs Regional Costs of operating the MRC to be shared by all MRC Operational TSOs, consist of the following sub-categories:
 - i) Costs for Central Settlement Entity and PMO services according to Section 1.4.3 (categorised as 1.1, 1.2 and 1.3 costs).
 - ii) Any other costs element that is, by a Regional Operational Decision of the TSO JSC, classified as TSOs Regional Costs of operating the MRC.
2. The TSOs Costs of operating 4MMC are born by the 4MMC Operational TSOs and are out of the scope of this Agreement.

1.3. Budgeting

1. The yearly budget for the SDAC TSOs-Only Common Costs shall be subject to the approval of the TSO JSC.
2. The TSO JSC shall approve, on a yearly basis and by no later than the 15 October of the year, the overall yearly budget (including the resources needed to comply with this budget) for the following calendar year as well as a high level road map (expenditures and resources) for the coming 3 years taking into account the following principles, unless otherwise specified in the Agreement:

- a) Costs incurred by a Party related to internal resources, to the benefit of all Parties or to all Operational Parties, as the case may be, shall be charged at the standard daily rate of █████ EUR per day (based on 8 hours/day) unless stipulated otherwise by a decision of the TSO JSC;

It is acknowledged by the Parties that any individual, company or other firm retained by any Party to provide professional services (each a "consultant") shall be regarded as that Party's own "internal" resources for the purposes of this Agreement; and

- b) Costs related to external contractors or advisors that provide services to the benefit of all Parties or to all Operational Parties, as the case may be, shall be taken into account at cost, provided these costs are in compliance with the requirements herein.
3. The standard daily rate may be updated on a yearly basis after approval by the TSO JSC, prior to preparation of the budget by TSO JSC decision.
4. The number of chargeable hours worked by external resources is limited to 8 hours per person per day Monday to Friday with no chargeable hours at the weekend (to the exclusion, for the avoidance of doubt, of services which require a 24/7 support). The TSO JSC can agree a variation to this in exceptional circumstances.

1.4. Handling of all SDAC TSOs-Only Common Costs

1. The Parties have decided to use a Central Settlement Entity to handle the SDAC TSOs-Only Common Costs.

3. The Central Settlement Entity will settle the following costs:

- SDAC TSOs-Only Common Costs (described in Section 1.2.1 and 1.2.2 of this Annex)
- TSOs Regional Costs of operating the MRC (described Section 1.2.3 of this Annex)

In the following sections the tasks of the Central Settlement Entity will be described.

4. Each Party shall complete and submit the timesheets and documentary evidence for costs classified as SDAC TSOs-Only Common Costs or TSOs Regional Costs of operating the MRC to the Central Settlement Entity no later

than the 10th Working Day of the month following the month in which work has been performed. The Parties shall provide for the same requirements in contracts with service providers, except if otherwise agreed by the TSO JSC.

5. In absence of delivery of the necessary timesheets and/or documentary evidence for costs classified as SDAC TSOs-Only Common Costs or TSOs Regional Costs of operating the MRC, these costs will not be considered as eligible for settlement between the Parties until delivery of the necessary timesheets and documentary evidence.
6. By exception, in the event that any one or more Party(ies) fail(s), for whatever reason, to submit any relevant timesheet(s) and/or documentary evidence for costs classified as SDAC TSOs-Only Common Costs or as TSOs Regional Costs of operating the MRC by the 10th Working Day of the month following the month respectively quarter in which work has been performed, such Party may only submit such timesheet(s) and/or documentary evidence for costs classified as SDAC TSOs-Only Common Costs or TSOs Regional Costs of operating the MRC for inclusion in the next month's report, provided that such report shall clearly identify such late-reported items. In any event, all timesheet(s) and/or documentary evidence for costs classified as SDAC TSOs-Only Common Costs or TSOs Regional Costs of operating the MRC have to be reported within the same calendar year (until 20th Working Day in January of the following calendar year) in which the work has been performed and the later reporting of any relevant timesheet(s) will not be taken into account, except if otherwise agreed by the TSO JSC.
7. The timesheets shall include:
 - a) The time spent (including description of the related activity or service) per third party provider, the agreed rate per third party provider and the costs per related activity or service during the previous month;
 - b) the time spent (including description of the related activity) per internal resources during the previous month; and
 - c) reasonable documentary evidence (including without limitation invoices) relating to the expenses incurred by external and internal resources during the previous month in performing their duties.
8. Travel and accommodation expenses by external and internal resources for activities and services classified as SDAC TSOs-Only Common Costs or TSOs Regional Costs of operating the MRC shall be invoiced at actual cost, and subject to compliance with the following guidelines:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A deviation of these guidelines for travel and accommodation expenses by external and internal resources for activities and services classified as SDAC TSOs-Only Common Costs or TSOs Regional Costs of operating the MRC is allowed if based on a TSO JSC decision.

9. The Central Settlement Entity shall report to JSC as required by annex 6 section 1.3. of DAOA, after validation by TSO JSC in accordance with Section 1.3:
 - a) by no later than on 15 October of a given calendar year the yearly budget of SDAC TSOs-Only Common Costs for the following calendar year as well as a high level road map for the coming 3 years, and
 - b) on the 15th Working Day of each month falling after the end of a Calendar Quarter of encountered SDAC TSOs-Only Common Costs for tracking of budget fulfilment.

This will be done in accordance with CACM.

10. Monthly reporting for internal follow-up: save in respect of each month falling after the end of a Calendar Quarter, the Central Settlement Entity shall process the information received in connection with paragraphs 2 to 5 above and shall prepare and submit on 20th Working Day of each month following the month in which work has been performed an overview of the previous month's costs ("**Monthly Report**") to the TSO JSC for acknowledgement.
11. Each month falling after the end of a Calendar Quarter, the Central Settlement Entity shall process the information received in connection with paragraphs 2 to 5 above and shall prepare and submit on the 20th Working Day of such month as the relevant Quarterly Report ("**Quarterly Report**") an overview of the previous month's costs together with details of the already validated Monthly Reports in respect of such Calendar Quarter to the TSO JSC for final approval.
12. The Central Settlement Entity shall ensure that all timesheets and documentary evidence for costs classified as SDAC TSOs-Only Common Costs or TSOs

Regional Costs of operating the MRC provided to it and all documentary evidence with respect to expenses provided to it are made freely available to all the Parties prior to the approval of such costs.

13. The Central Settlement Entity shall ensure that all relevant documentation, including but not limited to calculations in the framework of the Monthly Report and Quarterly Report are stored in the common (online) storage place.

1.5. SDAC TSOs-Only Common Costs sharing key

1. SDAC TSOs-Only Common Costs shall be broken down into the categories described in the Section 1.2 and the sharing key shall be applied for each category separately.
2. For the calculation of the contribution share of Member States and third countries to SDAC TSOs-Only Common Costs, the following formula will be applied in accordance with article 80(3) CACM for each settlement period¹ by the Central Settlement Entity:

$$\text{Share_MS}(i) = \frac{1}{8} \frac{1}{MS} + \frac{5}{8} \frac{C_x}{TC} + \frac{2}{8} \frac{TV_x}{TTV}$$

Where:

- a) For sharing of SDAC TSOs-Only Common Costs for establishing and amending the SDAC as set forth in Section 1.2.1 the following values shall be used:
 - Share_MS(i): Member State and third country share of SDAC TSOs-Only Common Costs;
 - MS: the number of Member States and third countries participating in the SDAC;
 - C_x: latest available value included in the Eurostat report 105a of consumption of each Member State or third country;
 - TC: sum of latest available values included in the Eurostat report 105a of consumption in all Member States and third countries;
 - TV_x: traded volume in each Member State or third country calculated as the sum across all products effectively traded and for each trading period

¹ Currently defined as Calendar Quarter.

in each NEMO active in the Member State or third country (either designated or passporting):

- $(\text{Purchase Traded Volume [MWh]} + \text{Sale Traded Volume [MWh]}) / 2$; and
- TTV: sum of traded volume across all Member States and third countries.

b) For sharing of SDAC TSOs-Only Common Costs of operating the SDAC as set forth in Section 1.2.2 and for the TSOs Regional Costs of operating the MRC the following values shall be used:

- Share_MS(i): Member State and third country share of SDAC TSOs-Only Common Costs;
- MS: the number of Member States and third countries where at least one Operational Party uses the SDAC;
- Cx: latest available value included in the Eurostat report 105a of consumption of each Member State or third country in operation where at least one Operational Party uses the SDAC;
- TC: sum of latest available values included in the Eurostat report 105a of consumption in all Member States and third countries where at least one Operational Party uses the SDAC;
- TVx: traded volume in each Member State or third country where at least one Operational Party uses the SDAC calculated as the sum across all products effectively traded and for each trading period in each NEMO active in the Member State or third country (either designated or passporting):
- $(\text{Purchase Traded Volume [MWh]} + \text{Sale Traded Volume [MWh]}) / 2$; and
- TTV: sum of traded volumes across all Member States and third countries where at least one Operational Party uses the SDAC.

The SDAC TSOs-Only Common Costs of operating the SDAC shall only be shared between the Operational Parties.

The TSOs Regional Costs of operating the MRC shall only be shared between the MRC Operational TSOs.

3. For calculation of each TSO share (irrespective of whether such TSO is a Party to the Agreement) to SDAC TSOs-Only Common Costs in each Member State or third country according to CACM, the contribution share attributable to a

given Member State or third country (as a result of the computation included in Section 1.5, paragraph 2) shall be multiplied using the percentage sharing key amongst TSOs active in such Member State or third country as defined and provided by the competent NRA(s). The outcome of this calculation shall be provided to the TSO JSC for validation and made available to all Parties and stored in the common (online) storage place.

4. The list of percentage sharing keys amongst TSOs active in each Member State or third country is attached to this Appendix E as Attachment 3 and may be updated anytime following a decision of the competent NRA(s). The latest version of Attachment 3 will be maintained by the Central Settlement Entity.
5. As long as not all TSOs of all Member State or third countries have signed the Agreement, an additional calculation specified in Section 1.5, paragraph 6 is needed to ensure that the costs are pre-financed by all Parties according to the sharing key set forth in article 80 CACM. The additional calculation will be performed by the Central Settlement Entity per applicable settlement period where the condition is not fulfilled and this calculation will be approved by the TSO JSC. The Central Settlement Entity will ensure that these calculations will be stored in the common (online) storage place. The settlement as described in Section 1.6 will be done between Parties based on the end result of the calculation specified in this Section as long as all TSOs of the Member States or third countries that need to sign the Agreement have not done this.
6. For the calculation of each Parties' share of the SDAC TSOs-Only Common Costs for establishing and amending the SDAC to be paid according to the Agreement, the following formula shall be used:

$$\text{Share of Party (P)} = \sum_{x \in MS} \text{share of P in MS}(x) \times \frac{1}{TSP}$$

Where:

- P refers to a Party of the Agreement;
 - X refers to a particular Member State or third country;
 - MS refers to set of all Member States and third countries according to CACM; and
 - TSP refers to sum of shares of all TSOs who are Parties to the Agreement.
7. For the calculation of each Party's share of the SDAC TSOs-Only Common Costs of operating the SDAC to be paid according to the Agreement, the total amount

to be shared shall be multiplied by the percentage sharing key calculated according to paragraphs 2 and 3 of this Section.

1.6. Cost approval and invoicing mechanism

1. Each Party shall bear the respective share of SDAC TSOs-Only Common Costs for establishing and amending the SDAC according to Section 1.2.1, the respective share of SDAC TSOs-Only Common Costs of operating the SDAC according to Section 1.2.2 and respective share of TSOs Regional Costs of operating the MRC according to Section 1.2.3 as calculated according to paragraph 6 respectively paragraph 7 of Section 1.5 above.
2. The invoicing and payment thereof shall be performed separately for the SDAC TSOs-Only Common Costs of establishing or amending the SDAC according to Section 1.2.1 and the SDAC TSOs-Only Common Costs of operating the SDAC according to Section 1.2.2 and the TSOs Regional Costs of operating the MRC according to Section 1.2.3 on a calendar quarterly basis (or such other frequency as the TSO JSC determines) according to the following procedure:
 - a) There will be a TSO Budget Management Task Force (the "**TSO BMTF**"), and all Parties can have a member in this TSO BMTF. After finalizing the Quarterly Report as provided for under Section 1.4., the Central Settlement Entity will present the Quarterly Report to the TSO BMTF, and the TSO BMTF will review the content and the quality of the Quarterly Report before it is sent to the TSO JSC.
 - b) By no later than twenty (20) Working Days after the end of each Calendar Quarter, the Central Settlement Entity will send the Quarterly Report via e-mail to each TSO JSC member. The report will also be stored in the common (online) storage place. The report shall detail the following:
 - i) In respect of such Calendar Quarter, a clear identification, expressed in euro, of the various incurred SDAC TSOs-Only Common Costs according to the different cost categories as specified in Section 1.2.1, 1.2.2 and 1.2.3;
 - ii) A link to the common (online) storage place where the timesheets and documentary evidence for costs classified as SDAC TSOs-Only Common Costs can be found;
 - iii) Details of the cumulative SDAC TSOs-Only Common Costs incurred as of 1 January of the relevant year;

- iv) A short summary of important issues detected by the Central Settlement Entity or the TSO BMTF during the establishment of the report; and
 - v) Any other relevant matters as the Central Settlement Entity or the TSO BMTF shall determine as reasonable for the purposes of the Quarterly Report.
- c) Sent together with the Quarterly Report, a document (the "**Quarterly Account**"), prepared by the Central Settlement Entity, which shall detail separately for the SDAC TSOs-Only Common Costs of establishing or amending the SDAC, the SDAC TSOs-Only Common Costs of operating the SDAC and the TSOs Regional Costs of operating the MRC the following:
- i) A clear identification of the various SDAC TSOs-Only Common Costs items to be made subject to an invoice by those Party(ies) having incurred SDAC TSOs-Only Common Costs in respect of such Calendar Quarter;
 - ii) Details of the relevant share of each Party calculated according to Section 1.5., expressed in euro, of the total SDAC TSOs-Only Common Costs in respect of such Calendar Quarter.
3. If no objection is raised by any of the TSO JSC members within five (5) Working Days after receipt by them of the Quarterly Report and the Quarterly Account, the Quarterly Report and the Quarterly Account will be deemed approved by the TSO JSC. The TSO JSC shall also expressly record the deemed approval of the relevant Quarterly Report and Quarterly Account at the next scheduled meeting of the TSO JSC or at an ad-hoc meeting of the TSO JSC. If a timely objection is raised it will be discussed in the TSO JSC.
4. Irrespective of whether the Quarterly Report and the Quarterly Account are approved at a meeting (either scheduled or ad-hoc) of the TSO JSC or by deemed approval, the Central Settlement Entity shall, by no later than the 3rd Working Day following the date of such approval, provide the Parties with copies signed by the person indicated by TSO JSC (in PDF or other suitable electronic format) of such approved Quarterly Report and Quarterly Account, based on which a) the Central Settlement Entity shall issue invoices with specified amounts towards the Parties according to Section 2, b) the Parties having incurred SDAC Joint NEMOs and TSOs Common Costs will receive selfbillings by the Central Settlement Entity or will issue invoices with specified amounts towards Central Settlement Entity as is the case for example for MAVIR and Terna who shall issue their own invoices.

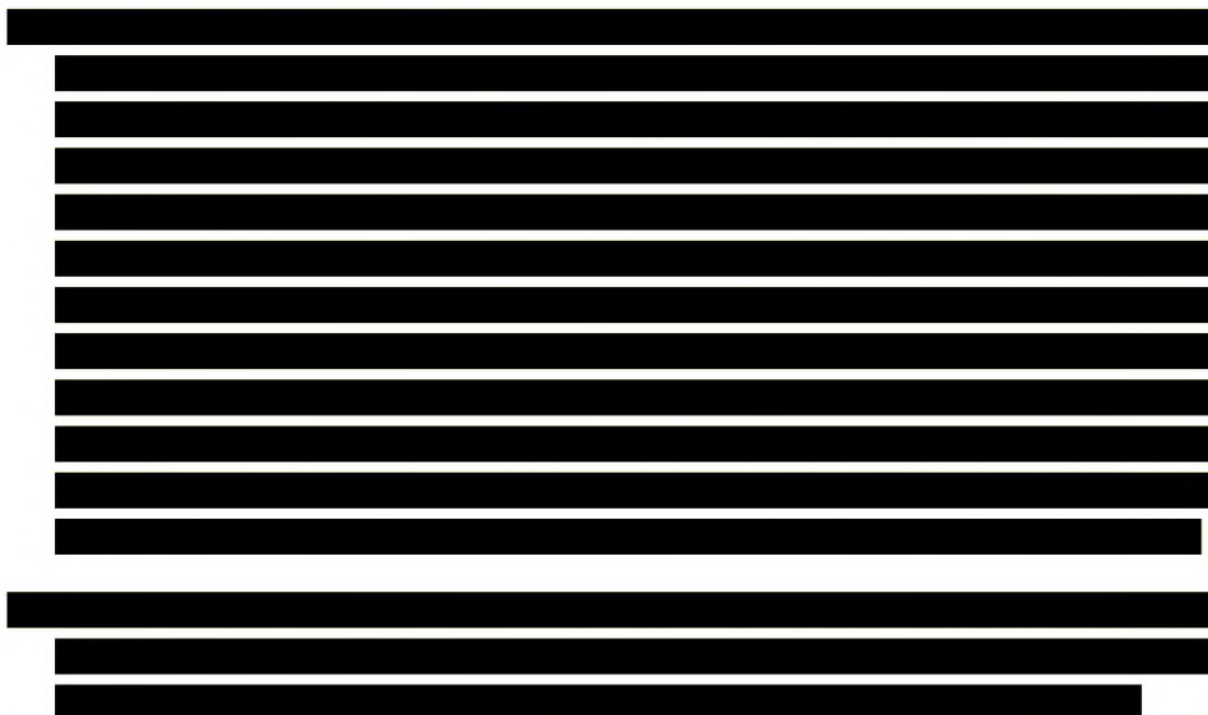
2. Invoicing and payments

2.1. Invoice information

1. Each invoice issued according to the Agreement shall be sent electronically (at the entry into force of this Agreement, by email), but at the request of a Party a paper version shall also be provided. The approved Quarterly Report referred to in Section 1.6., 4) shall be attached to all invoices issued. Each invoice shall include at least the following items:
 - i) Full name and address of both the invoicing Party and the invoiced Party;
 - ii) VAT number of both the invoicing Party and the invoiced Party;
 - iii) Invoiced amount, valued in euro;
 - iv) Bank account and bank address (including IBAN and BIC) on which the relevant payment shall be made;
 - v) Invoice number;
 - vi) Invoice issue date;
 - vii) Settlement period;
 - viii) Designation of the service on the invoice (including the reference to the Quarterly Report and the Quarterly Account that are used as basis for issuing the invoice) and whether the invoice is related to the SDAC TSOs-Only Common Costs for establishing or amending the SDAC or the SDAC TSOs-Only Common Costs of operating the SDAC or TSOs Regional Costs of operating the MRC with indication of the period covered. In case of resettlement the invoice should refer to the resettlement. For resettlement the period covered shall not be specified;
 - ix) Tax rate and tax amount separately, if any;
 - x) Specific constraint for invoicing, required by article 226 of Directive 2006/112/CE, if any, e.g. indication of the reference to the applicable provision of the Directive where the supply of services is subject to the VAT reverse charge procedure;
 - xi) Reference if required by the invoiced Party; and
 - xii) Payment term in accordance with paragraph 2) hereafter.

2. Each Party shall pay the invoiced amount within thirty (30) days from the end of the month of the receipt of the respective invoice (the "**Due Date**"). All payment(s) shall be made by wire transfer to the bank account indicated in the invoice(s).
3. Default interest on any amounts not paid by the Due Date, shall accrue at the legal interest rate as specified in Directive 2011/7/EU and as detailed in a Service Level Agreement with the Central Settlement Entity.
4. A breach of payment obligation towards the Central Settlement Entity is regarded as breach of this Agreement.

2.2. Invoice dispute



2.3. Fulfilment obligations arising from Slovak law

Parties were informed that SEPS is subject to Act No. 315/2016 Coll. Public Sector Partners Register Act as amended by Act No. 38/2017 Coll. (hereinafter referred to as "Public Sector Partners Register Act") according to which it may not make regular payments to a Party exceeding 250.000 EUR per calendar year or, in case of the amount of irregular payments exceeding 100.000 EUR, if such Party is not registered under the Public-Sector Partners Register. SEPS undertakes to monitor the thresholds and when the thresholds are approaching, it shall notify the relevant Party, in a timely manner. The relevant Party shall register in the Public-Sector Partners Register, after receiving the notification from SEPS, as pre-condition for payment by SEPS.

3. Process for re-settlement among all Parties of costs incurred under the MRC DAOA pre-financed by MRC Operational TSOs for the period from 14 February 2017 until the end of the month of entry into force of this Agreement

Parties agree that for the purpose of this Section of Appendix E, the MRC DAOA invoicing and settlement process as applied between the parties to the MRC DAOA shall apply until the end of the month in which this Agreement enters into force.

3.1. SDAC TSOs-Only Common Costs

1. Parties agree that for the purpose of the Agreement, SDAC TSOs-Only Common Costs for the period from 14 February 2017 until the end of the month of the entry into force of this Agreement consist of the following sub-categories of MRC DAOA costs (further detailed in Attachment 4 including the estimation of total costs for each sub-category):
 - i) Costs resulting from drafting of the Agreement.
2. For the period from 14 February 2017 until the last day of the month of the entry into force of this Agreement, the SDAC TSOs-Only Common Costs will be initially shared by the MRC Operational TSOs and shall therefore be shared amongst all Parties after entry into force of this Agreement in accordance with CACM and the competent NRAs decisions. If such process cannot be organised within six (6) months after the entry into force of this Agreement possible mitigation measures need to be discussed at TSO JSC level.
3. Any TSO adhering to the Agreement after the last day of the month of the entry into force of this Agreement shall pay its share of the SDAC TSOs-Only Common Costs for the period from 14 February 2017 until the last day of the month of the entry into force of this Agreement together with its share of all SDAC TSOs-Only Common Costs for the period from the last day of the month of the entry into force of this Agreement until its adherence as further specified in Section 5.
4. The SDAC TSOs-Only Common Costs for the period from 14 February 2017 until the end of the month of the entry into force of this Agreement shall be considered as SDAC TSOs-Only Common Costs of establishing or amending the SDAC.
5. SDAC TSOs-Only Common Costs for the period from 14 February 2017 until the end of the month of the entry into force of this Agreement shall be shared in accordance with the cost sharing determination detailed in Section 1.5. above and in accordance with the following process:

- i) By no later than thirty (30) Working Days after the end of the month of the entry into force of this Agreement, the Central Settlement Entity shall send via e-mail to each TSO JSC member, a report covering the period from 14 February 2017 until the end of the month of the entry into force of this Agreement which shall detail the following:
 - a) in respect of such period, a clear identification, expressed in euro, of the various incurred SDAC TSOs-Only Common Costs;
 - b) cumulative amount of the SDAC TSOs-Only Common Costs incurred during this period; and
 - c) any other relevant matters as the Central Settlement Entity or TSO JSC shall determine as reasonable for such purpose;
- ii) After approval of the above mentioned report by the TSO JSC, the process described in Section 1.5. shall be used in order to calculate the share of each TSO in each Member State or third country according to CACM and to calculate the share of each Party to the Agreement. If the NRAs provide a different settlement for the period or a subset of the period then this will be taken into account. An overview of possible deviations can be found in Attachment 3. Outcome of this calculation, together with the clear identification of the costs shares already incurred by MRC Operational TSOs during the period from 14 February 2017 until the end of the month of the entry into force of this Agreement, shall be subject to the TSO JSC approval;
- iii) The net difference between each Party's share of SDAC TSOs-Only Common Costs of establishing or amending the SDAC during the period from 14 February 2017 until the end of the month of the entry into force of this Agreement (as calculated according to point ii) above) and the SDAC TSOs-Only Common Costs of establishing or amending the SDAC already incurred by such Party during this period (taking into account point iii) above) shall be invoiced by the Central Settlement Entity based on the mechanism described in Section 1.6., within twenty (20) Working Days after approval of the calculation and incurred cost shares according to point ii) above; and
- iv) Invoices shall be issued and payments shall be made in accordance with conditions described in Section 2.

3.2. TSOs Regional Costs of operating the MRC

The TSOs Regional Costs of operating the MRC for the period between from 14 February 2017 until the end of the month of the entry into force of this Agreement shall be shared in accordance with the cost sharing determination detailed in

Section 1.5. above and following a similar process amongst MRC Operational TSOs only as described in Section 3.1. point 5.

4. Exit Plan and other costs

4.1. Exit Plan costs

1. The cost of an Exit as determined in the Exit Plan according to Article 9.3.3. shall be allocated and settled as proposed by the TSO JSC and as consented to by the Exiting Party.
2. As soon as the TSO JSC and the Exiting Party have agreed upon the costs of an Exit and the modalities how these costs will be settled, the Central Settlement Party shall follow such instructions and issue respective invoices according to Section 2.

4.2. Other costs

Should the TSO JSC identify other costs than the one specified in this Appendix E that are up for settlement, the TSO JSC will validate the conditions for the settlement of these costs as well as the classification of these costs.

5. Process for accession of a new Party

1. As soon as a Party accedes to the Agreement, the Central Settlement Entity will assess for this Party the amount to be paid by this Party covering:
 - a) The share of the new Party of the SDAC TSOs-Only Common Costs from 14 February 2017 until the moment of its adherence;
 - b) The costs associated to the recalculations and preparations needed for the process of resettlement being estimated as follows: a fee of one (1) Working Day (standard rate for an internal resource) per settlement period that needs to be assessed and a fee of one (1) Working Day per settlement period for the costs specified in Section 1.5. paragraph 6.
2. These costs, as calculated according to Section 1.5., will be included in the Accession Form, as specified in Appendix C, as historical costs.
3. During the settlement period following the signature of the Accession Form by the acceding Party, the share of total SDAC TSOs-Only Common Costs of the acceding Party will be increased by the amount of historical costs included in paragraph 1 above, while the share of total SDAC TSOs-Only Common Costs of other Parties will be reduced by a share of the amount of historical costs included in paragraph 1 of the acceding Party calculated by the Central Settlement Entity proportionally to the pre-financing according to Section 3.1 related to letter a) and b) of paragraph 1 of this Section 5.

Attachment 1 – Reference input data for calculation of CACM cost sharing

1. With regard to formula for calculation of contribution share of Member State and third countries to **SDAC TSOs-Only Common Costs for establishing and amending the SDAC** according to Section 1.5. following data shall be used for the period from 1 January 2020 until decided otherwise:
- a. For the number of Member States and third countries participating in the single day-ahead coupling – the **"MS" = 27** shall be used, covering following EU Member States plus Norway:

Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK (including Northern Ireland which is considered separately when calculating cost sharing) and Norway.
 - b. For the final consumption ("Cx"), following values included in the Eurostat report nrg_cb_e of for each Member State or third country shall be used (it being understood that they will be replaced on a yearly basis based on updated Eurostat reports):

Member State	Final consumption (Cx) in 2018 according to Report nrg_cb_e (data from 09 April 2020) (in GWh) To be used for the sharing keys of 2020
Austria	65,474
Belgium	84,384
Bulgaria	31,304
Croatia	16,625
Czech Republic	59,745
Denmark	32,033
Estonia	7,985
Finland	84,021
France	447,811
Germany	525,349
Greece	51,096
Hungary	40,595
Ireland	27,273
Italy	303,443
Latvia	6,662
Lithuania	11,283
Luxembourg	6,424
Netherlands	114,036
Poland	151,398
Portugal	48,897
Romania	49,778
Slovakia	26,872
Slovenia	13,813
Spain	245,769
Sweden	130,571
UK (including Northern Ireland whose consumption is 9TWh)	306,584
Norway	125,125

- c. For the traded volume ("TVx"), in each Member State or third country where at least one Operational Party uses the SDAC following values shall be used (it being understood that they will be replaced on a yearly basis):

Member State		Traded volume 2019 DA (GWh) to be used for sharing of SDAC costs in 2020²
Austria	EPEX Spot	21,093
	EXAA	1,176
	EMCO	273
Belgium	EPEX Spot	14,343
	EMCO	266
Bulgaria	IBEX	8,391
Croatia	Cropex	3,598
Czech Republic	OTE	19,922
Denmark	EMCO	25,984
Estonia	EMCO	6,309
Finland	EMCO	56,901
France	EPEX Spot	89,721
	EMCO	570
Germany	EPEX Spot	208,495
	EXAA	4,473
	EMCO	397
Greece	HEnEx S.A.	53,325
Hungary	HUPX	19,232
Ireland	EirGrid	31,390
Italy	GME	213,264
Latvia	EMCO	6,650
Lithuania	EMCO	12,171
Luxembourg	EPEX Spot	0
	EMCO	0
Netherlands	EPEX Spot	30,595
	EMCO	619
Poland	TGE	5,333
	EMCO	0
Portugal	OMIE	54,330
Romania	OPCOM	21,771
Slovakia	OKTE	5,352
Slovenia	BSP	8,284
Spain	OMIE	177,936
Sweden	EMCO	135,611
UK (including Northern Ireland)	EPEX Spot	44,063
	EMCO	79,179
	SONI	7,791
Norway	EMCO	128,987

- d. Based on the input values above, contribution share of Member States and third countries to SDAC TSOs-Only Common Costs for establishing and amending the SDAC:

Member State	Share_MS(i) for 2020²
Austria	2.197%
Belgium	2.456%
Bulgaria	1.252%
Croatia	0.868%
Czech Republic	2.034%

² Based on consumption values from 2018 and trading volumes for 2019

² This table is subject to change in the event of a new party entering the TCDA

Denmark	1.561%
Estonia	0.734%
Finland	3.155%
France	11.255%
Germany	14.917%
Greece	2.412%
Hungary	1.626%
Ireland	1.552%
Italy	10.314%
Latvia	0.712%
Lithuania	0.900%
Luxembourg	0.596%
Netherlands	3.348%
Poland	3.691%
Portugal	2.384%
Romania	1.858%
Slovakia	1.109%
Slovenia	0.888%
Spain	8.529%
Sweden	5.434%
UK (including Northern Ireland)	9.007%
Norway	5.210%

2. With regard to formula for calculation of contribution share of Member State and third countries to **TSOs-Only Common Costs for operating the SDAC** according to Section 1.5. following data shall be used as of the month following the month of entry into force of the TCDA:
- For the number of Member States and third countries operationally participating in the single day-ahead coupling – the **"MS" = 25** shall be used, covering following EU Member States plus Norway:
Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Ireland, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK (including Northern Ireland) and Norway.
 - For the final consumption ("Cx"), following values included in the Eurostat report nrg_cb_e of for each Member State or third country shall be used (it being understood that they will be replaced on a yearly basis based on updated Eurostat reports):

Member State	Final consumption (Cx) in 2018 according to Report nrg_cb_e (data from 09 April 2020) (in GWh) To be used for the sharing keys of 2020
Austria	65,474
Belgium	84,384
Croatia	16,625
Czech Republic	59,745
Denmark	32,033
Estonia	7,985
Finland	84,021
France	447,811
Germany	525,349
Hungary	40,595

Ireland	27,273
Italy	303,443
Latvia	6,662
Lithuania	11,283
Netherlands	114,036
Poland	151,398
Portugal	48,897
Romania	49,778
Slovakia	26,872
Slovenia	13,813
Spain	245,769
Sweden	130,571
UK (including Northern Ireland whose consumption is 9TWh)	306,584
Norway	125,125

- c. For the traded volume ("TVx"), in each Member State or third country where at least one Operational Party uses the SDAC following values shall be used (it being understood that they will be replaced on a yearly basis):

Member State		Traded volume 2019 DA (GWh) to be used for sharing of SDAC costs in 2020 ²
Austria	EPEX Spot	21,093
	EXAA	1,176
	EMCO	273
Belgium	EPEX Spot	14,343
	EMCO	266
Croatia	Cropex	3,598
Czech Republic	OTE	19,922
Denmark	EMCO	25,984
Estonia	EMCO	6,309
Finland	EMCO	56,901
France	EPEX Spot	89,721
	EMCO	570
Germany	EPEX Spot	208,495
	EXAA	4,473
	EMCO	397
Hungary	HUPX	19,232
Ireland	EirGrid	31,390
Italy	GME	213,264
Latvia	EMCO	6,650
Lithuania	EMCO	12,171
Netherlands	EPEX Spot	30,595
	EMCO	619
Poland	TGE	5,333
	EMCO	0
Portugal	OMIE	54,330
Romania	OPCOM	21,771
Slovakia	OKTE	5,352
Slovenia	BSP	8,284
Spain	OMIE	177,936
Sweden	EMCO	135,611
UK (including Northern Ireland)	EPEX Spot	44,063
	EMCO	79,179
	SONI	7,791
Norway	EMCO	128,987

- d. Based on the input values above, contribution share of Member States and third countries to SDAC TSOs-Only Common Costs for operating the SDAC:

Member State	Share_MS(i) for 2020³
Austria	2.312%
Belgium	2.578%
Croatia	0.939%
Czech Republic	2.144%
Denmark	1.658%
Estonia	0.801%
Finland	3.306%
France	11.660%
Germany	15.459%
Hungary	1.723%
Italy	10.716%
Ireland	1.650%
Latvia	0.779%
Lithuania	0.974%
Netherlands	3.500%
Poland	3.848%
Portugal	2.511%
Romania	1.963%
Slovakia	1.188%
Slovenia	0.960%
Spain	8.869%
Sweden	5.671%
UK (including Northern Ireland)	9.352%
Norway	5.439%

3. The TSO BMTF shall use directly the consumption values within the cost sharing formula provided in paragraph 2 of Section 1.5. in order to calculate precise percentage share of each Member State or third country and ultimately the precise percentage share of each Party. These percentage shares shall not be rounded in order to ensure that the maximum deviation per Party is limited to 0.5 cents once the percentage share is multiplied by the total amount of costs.

³ Based on consumption values from 2018 and trading volumes for 2019

Attachment 2 – Budget 2019

TSOs-Only Common Costs for establishing and amending the SDAC:



TSOs Regional Costs of operating the MRC:



Attachment 3 - List of percentage sharing keys amongst TSOs active in each Member State or third country

1. With regard to percentage sharing keys amongst TSOs active in each Member State or third country contributing to SDAC TSOs-Only Common Costs **for establishing and amending the SDAC** according to Section 1.5. following data shall (unless not in line with input received from the relevant NRA, in which case the latter shall prevail) be used for the period from 14 February 2017.

Member State (MS)	TSO	Share within MS
AT (Austria)	APG	100,00%
BE (Belgium)	ELIA	100,00%
BG (Bulgaria)	ESO	100,00%
CZ (Czech Republic)	ČEPS	100,00%
DK (Denmark)	ELSO	100,00%
DE (Germany)	50Hertz	21,96%
	AMPRION	32,07%
	TTG	28,44%
	TransnetBW	17,53%
EE (Estonia)	Elering	100,00%
ES (Spain)	REE	100,00%
FI (Finland)	FINGRID	100,00%
FR (France)	RTE	100,00%
GR (GREECE)	ADMIE	100,00%
HR (CROATIA)	HOPS	100,00%
HU (Hungary)	MAVIR	100,00%
IE (Ireland)	EIRGRID	100,00%
IT (Italy)	TERNA	100,00%
LT (Lithuania)	Litgrid	100,00%
LU (Luxembourg)	CREOS	100,00%
LV (Latvia)	AST	100,00%
NL (Netherlands)	TenneT	100,00%
NI (Northern Ireland)	SONI	100,00%
NO (Norway)	STATNETT	100,00%
PL (Poland)	PSE	100,00%
PT (Portugal)	REN	100,00%
RO (Romania)	Transelectrica	100,00%
SE (Sweden)	SVENSKA KRAFTNÄT	100,00%
SI (Slovenia)	ELES	100,00%
SK (Slovakia)	SEPS	100,00%
UK (The United Kingdom including Northern Ireland) ⁴	BritNed	48,519%
	NATIONAL GRID	48,519%
	SONI	2,961%

2. With regard to percentage sharing keys amongst NEMOs and TSOs active in each Member State or third country contributing to SDAC TSOs-Only Common Costs for **operating** the SDAC according to Section 1.5. following data shall be used as of the month following the month of entry into force of the DAOA.

Member State (MS)	TSO	Share within MS
AT (Austria)	APG	100,00%
BE (Belgium)	ELIA	100,00%
BG (Bulgaria)	ESO	100,00%
CZ (Czech Republic)	ČEPS	100,00%
DK (Denmark)	ELSO	100,00%

⁴ According to current plan Nemo Link will become operational 31.01.2019. Nemo Link has agreed with BritNed and NGIC that there will be a split of 1/3 per party for the UK as of February 2019. However, Ofgem is undertaking a 2nd Consultation during spring/early summer 2018. The arrangements will be added, by agreement of JSC, once the decision of Ofgem has become final.

DE (Germany)	50Hertz	21,96%
	AMPRION	32,07%
	TTG	28,44%
	TransnetBW	17,53%
EE (Estonia)	Elering	100,00%
ES (Spain)	REE	100,00%
FI (Finland)	FINGRID	100,00%
FR (France)	RTE	100,00%
HR (CROATIA)	HOPS	100,00%
HU (Hungary)	MAVIR	100,00%
IE (Ireland)	EIRGRID	100,00%
IT (Italy)	TERNA	100,00%
LT (Lithuania)	Litgrid	100,00%
LV (Latvia)	AST	100,00%
NL (Netherlands)	TenneT	100,00%
NO (Norway)	STATNETT	100,00%
PL (Poland)	PSE	100,00%
PT (Portugal)	REN	100,00%
RO (Romania)	Transelectrica	100,00%
SE (Sweden)	SVENSKA KRAFTNÄT	100,00%
SI (Slovenia)	ELES	100,00%
SK (Slovakia)	SEPS	100,00%
UK (The United Kingdom including Northern Ireland)	BritNed	32,3463%
	NATIONAL GRID	32,3463%
	Nemo Link	32,3463%
	SONI	2,961%

3. The TSO BMTF shall use the percentages within the calculation specified in paragraph 3 of Section 1.5. in order to calculate precise percentage share of each TSO share (irrespective of whether such TSO is a Party to the Agreement) to SDAC TSOs-Only Common Costs in each Member State or third country according to CACM. These percentage shares shall not be rounded in order to ensure that the maximum deviation per Party is limited to 0.5 cents once the percentage share is multiplied by the total amount of costs.

Attachment 4 - Overview of amount of historical budget costs

With regard to process for re-settlement of SDAC TSOs-Only Common Costs for the period from 14 February 2017 until the end of the month of the entry into force of this Agreement following estimation of total costs for each sub-category is made available in line with Section 3.1:



With regard to process for re-settlement of TSOs Regional Costs of operating the MRC for the period from 14 February 2017 until the end of the month of the entry into force of this Agreement following estimation of total costs is made available in line with Section 3.2:

