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NATURAL GAS MARKET INTERNAL INSTALLATIONS REGULATION

Objective

Article 1- The objective of this Regulation is to set forth the principles and procedures pertaining to installation and control, in conformity with national and/or international standards, of all kinds of natural gas related equipment and relevant installations to be placed in buildings or land for the purposes of natural gas consumption.

Scope

Article 2- This Regulation covers principles and procedures pertaining to design, construction, control, commissioning and operation of internal installations, placing of all kinds of natural gas equipment and precautions to be taken against gas leakages and accidents.

Legal basis

Article 3- This Regulation is issued as per the provisions of Electricity Market Law no. 4628 and Natural Gas Market Law no. 4646.

Definitions and abbreviations

Article 4- For the purposes of interpretation and implementation of this Regulation, the following terms and abbreviations shall bear the following meanings;

1. **Law:** Natural Gas Market Law no. 4646 dated 18/4/2001.
2. **Authority:** Energy Market Regulatory Authority.
3. **Board:** Energy Market Regulatory Board.
4. **President:** President of the Energy Market Regulatory Board.
5. **Pressure reducing and metering station:** Station where the pressure of natural gas is reduced, adjusted and where the amount of natural gas is metered.
6. **Distribution company:** Legal entity authorized to carry out activities of natural gas distribution and transportation of the same through local gas pipeline network within a specified city.
7. **Distribution:** Retail sale of natural gas and transportation of the same through the local gas pipeline network for the purpose of delivering to the customers.
8. **EN:** European Norm.
9. **IEC:** International Electrotechnical Commission.
10. **ISO:** International Organization for Standardization.
11. **Internal installations:** Customer owned and customer constructed pipeline and equipment starting from the outlet of the pressure reducing and metering station or the service box, excluding meters, and equipment such as natural gas consumption equipment, exhausted gas outlet pipe, chimney and ventilation system.
12. **Transmission company:** Legal entity engaged in transmission activity.
13. **Customer:** Eligible and non-eligible consumers.

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14. Non-eligible consumer: Any real person or legal entity which purchases gas for own use and which is obligated to make such purchase from distribution companies.

15. Eligible consumer: Any real person or legal entity which is free to enter into natural gas purchase-sale contracts with any production, import, distribution or wholesale company within the country.

16. Certificate holder: Any real person or legal entity which has obtained a certificate as per the Natural Gas Market Certificate Regulation.

17. Service box: Box installed at the end of a service or a connection line, containing the service regulator or service regulator-meter set and/or valve or the main valve.

18. TS: Turkish Standards.

19. TSE: Turkish Standards Institute.

20. National transmission system: The system which consists of a national transmission network, which is used for transmission of natural gas throughout the country, and distribution, storage, liquefaction, regasification and other similar transmission facilities.

21. National transmission network: High-pressure pipelines which constitute a part of the National Transmission System.

Standards

Article 5- With respect to design, construction, installation, control, commissioning and operation of internal installations, it shall be obligatory to conform to any one of TS, EN, ISO or IEC standards, and in case of their absence, other standards acceptable to TSE. In case of any amendment in the standards, the standard which introduces the amendment; in case of annulment or invalidation of a standard, the new standard shall be conformed to. Material not complying with the standards and which is not so certified shall not be used in internal installations. The above mentioned standards shall be applicable concerning precautions to be taken against possible gas leakages in internal installations and related accidents.

Rights and obligations

Article 6- Customers shall make a certificate holder design and construct the internal installations any modification thereto against payment of the relevant fee.

Approval of design, construction control and commissioning of the internal installations of the customers are under the responsibility of the distribution company. Distribution company shall either control the internal installations with its own technical staff or have the certificate holding control company, which is working for the distribution company in question, perform such control. In case of the latter, responsibility shall remain with the distribution company.

If a distribution company, as a result of the control carried out, either by the distribution company itself or by a certificate holder, within the region under the responsibility of the distribution company in question, deems any internal installations inappropriate, such distribution company may refuse to deliver natural gas to such internal installations or may stop service in case the internal installations in question are existing internal installations. Where the customer ensures appropriateness of its

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internal installations and re-applies, distribution company shall be obligated to supply natural gas, provided that the internal installations are deemed appropriate as a result of the control to be performed.

Customers located outside the area under the responsibility of the distribution company and obtaining natural gas through the national transmission network or from the distribution company shall have a certificate holder design and construct their internal installations and have another certificate holder test the same. Control of construction for conformity with the design and commissioning shall be performed, at the customer's cost, by the transmission company, if natural gas is obtained through the national transmission network, or by the distribution company, if natural gas is obtained from the distribution company. If the internal installations are not approved as a result of the control performed, transmission or distribution company may refuse to deliver natural gas. If the customer remedies the inappropriate situation and subsequently makes a new application and if, as a result of the new control, it is concluded that the internal installations are appropriate; transmission or distribution company shall then be obligated to provide natural gas to the customer.

Distribution company and transmission company shall not be liable for any damage that occurs due to modification carried out on the internal installations without approval, inappropriate or misuse of the same, utilization of incorrect or malfunctioning equipment, construction of installations that are not in the design and lack of maintenance.

Distribution company or transmission company, as the case may be, shall be responsible for creating customer awareness regarding the measures to be taken against gas leakages and related accidents that may occur in internal installations. Customers shall be responsible for taking the necessary precautions.

Distribution companies, transmission companies, certificate holders and customers shall be obligated to comply with the regulations issued by the Board.

Other provisions

Article 7- Distribution and transmission companies may issue rules pertaining to internal installations, provided that such rules are not in contradiction with the provisions of this Regulation. Such action shall be subject to the approval of the Authority.

Temporary Article 1- Current practices pertaining to internal installations shall continue to be applicable for one year as of the effective date of this Regulation. Any practice after such date shall be in compliance with the provisions of this Regulation.

Effectiveness

Article 8- This Regulation shall come into effect on the date it is issued, to be effective as of 2 November 2002.

Enforcement

Article 9- This Regulation shall be enforced by the President.

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