

## EXCHANGE REGULATIONS

# STANDARDIZATION OF COMMODITY CONTRACTS

### Article 1

#### Subject of the Amendment

These Exchange Regulations amend the standard conditions concerning Commodities Contracts with physical delivery and cash-settled Commodities Contracts (hereinafter “Commodities Contracts”), which are the subject of trading on the Power Exchange Central Europe, a.s. (hereinafter “the Exchange”).

### Article 2

#### Standardization

1. Only those Commodities Contracts which fulfil the conditions laid down by the Exchange (hereinafter “the Standards”) will be traded on the Exchange.
2. The Standards for the individual Commodities Contracts are set by the Exchange Chamber and announced in the Exchange Journal.
3. Unless these regulations state otherwise, all terms and definitions have the meanings stated in particular parts of the Exchange Rules or in particular parts of the Settlement Rules for trades concluded on the Power Exchange Central Europe, a.s.<sup>1</sup>

<sup>1</sup> Settlement System Rules – Settlement Rules PXE

## PART I – FUTURES PRODUCTS

### Article 3

#### Futures Contracts with physical delivery of electricity

The following Standards have been set for trading in Futures Contracts with physical delivery of electricity:

### 1. Base Load Futures with varying delivery period lengths

#### Type of Contract

Standardized Commodities Future Contract with physical delivery:

▶ **Base Load Month Futures:**

**Czech, Slovak, Hungary**

As a rule the 4 coming calendar months are listed.

▶ **Base Load Quarter Futures**

**Czech, Slovak, Hungary**

Typically listed for the 4 coming quarters.

▶ **Base Load Year Futures**

**Czech, Slovak, Hungary**

Typically listed for the 2 coming whole years.

### Subject of the Contract

The delivery of electricity with a constant value of an hourly output of 1 MW during all hours of all days of the delivery period.

The place of delivery of electricity for Czech Base Futures is the Czech national power grid.

The place of delivery of electricity for the Slovak Base Futures is the Slovak national power grid.

The place of delivery of electricity for the Hungarian Base Futures is the Hungarian national power grid.

The Contract does not include the transmission of the electricity.

### Contract Volume

The Contract Volume is the product of the number of delivery days in a given delivery period and the amount of electricity delivered.

#### Examples:

*A Month Contract Volume, whose subject is a 30-day month delivery, is 720 MWh.*

*A Quarter Contract Volume, whose subject is a 91-day quarter delivery, is 2 184 MWh.*

*A Year Contract Volume, whose subject is a 365-day year delivery, is 8 760 MWh.*

### Cascading

On the Accounting Day following the last Trading Day for this Futures series, each open position of the Base Load **Year** Futures series is replaced with an equivalent three corresponding series of Month Futures (Base Load Month Futures for January, February and March), and three corresponding Quarter Futures series (Base Load Quarter Futures for the second, third and fourth quarters).

On the Accounting Day following the last Trading Day for this Futures series, each open position of the **Quarter** Futures (Base Load Quarter Futures) is replaced with an equivalent three series of the Base Load Month Futures for the given quarter.

<b>Setting the mean of the permitted range when launching a Product on the System</b>	The mean of the permitted range for the Base Load Futures is set by the General Secretary of the Exchange; he does so in consultation with the opinions of the Trade Participants, especially the Market Makers.
<b>Last Trading Day</b>	The last Trading Day for the Base Load Futures series is the Trading Day immediately preceding the first day of the registration of the delivery/consumption at TSO arising from this series.
<b>Commencement date of physical delivery</b>	First calendar day of the respective delivery period.
<b>Date of completion of physical delivery</b>	Last calendar day of the respective delivery period.
<b>Daily price for M2M settlement</b>	Equals the closing Futures price on a given Exchange Day, provided the Exchange Rules do not state otherwise.
<b>Final settlement price</b>	<p>The final settlement price of the <b>CZ Base Load</b> is taken from the values on the <b>Czech Spot Market Base Load Index</b>; see Article 6.</p> <p>The final settlement price of the <b>Slovak Base Load</b> is taken from the values on the <b>Slovak Market Base Load Index</b>; see Article 6.</p> <p>The final settlement price of the <b>Hungarian Base Load</b> is taken from the values on the <b>Hungary Spot Market Base Load Index</b>; see Article 6.</p>
<b>Listing of the Futures series</b>	The amount of Futures listed and the listing date is determined by the decision of the Exchange Chamber, which is entitled to authorize the General Secretary to render a decision on listings.
<b>Trading Hours</b>	Trading Hours with Futures is set in accordance with the time schedule for trading Futures on the Exchange.
<b>Trading Currency</b>	EUR

### Description of the Futures series

The code has 12 characters and is generated as follows:

1<sup>st</sup> character – P – indicates a product with physical delivery

2<sup>nd</sup> & 3<sup>rd</sup> characters – CZ / SK / HU – indicate country of origin

4<sup>th</sup> & 5<sup>th</sup> characters – BL – indicate the load profile (Base Load)

6<sup>th</sup> character – M, Q or Y – indicates the delivery period (Month/Quarter/Year)

7<sup>th</sup> to 12<sup>th</sup> characters – indicate the last delivery date in the format YYMMDD.

## 2. Peak Load Futures with various delivery periods

### Type of Contract

Standardized Commodities term Contract with physical delivery:

▶ **Peak Load Month Futures**

**Czech, Slovak, Hungary**

Typically listed for at least the 2 coming calendar months.

▶ **Peak Load Quarter Futures**

**Czech, Slovak, Hungary**

Typically listed for at least the 2 coming whole quarters.

▶ **Peak Load Year Futures**

**Czech, Slovak, Hungary**

Typically listed for the 2 coming whole years.

<b>Subject of the Contract</b>	<p>Delivery of electricity with a constant hourly output of 1 MW between 8 a.m. and 8 p.m., Monday through Friday, of the given delivery period, regardless of bank or public holidays.</p> <p>The place of delivery for the Czech Base Futures is the Czech national power grid.</p> <p>The place of delivery for the Slovak Base Futures is the Slovak national power grid.</p> <p>The place of delivery of electricity for the Hungarian Base Futures is the Hungarian national power grid.</p> <p>The Contract does not include transmission of the electricity.</p>
<b>Contract Volume</b>	<p>The Contract Volume is the product of the number of delivery days in the given delivery period and the daily volume of electricity delivery. The daily delivery is 12 MWh.</p> <p><i>Examples:</i></p> <p><i>A Month Contract Volume, whose subject is delivery during 21 delivery days, is 252 MWh.</i></p> <p><i>A Quarter Contract Volume, whose subject is delivery during 65 delivery days, is 780 MWh.</i></p> <p><i>A Year Contract Volume, whose subject is delivery during 261 delivery days, is 3 132 MWh.</i></p>
<b>Cascading</b>	<p>On the Accounting Day following the last Trading Day for this Futures series, each open position of the Peak Load <b>Year</b> Futures series is replaced with three corresponding Month Futures series (Peak Load Month Futures for January, February and March), and three corresponding Quarter Futures series (Peak Load Quarter Futures for the second, third and fourth quarters).</p> <p>On the Accounting Day following the last Trading Day for this Futures series, each open position of the <b>Quarter</b> Futures (Peak Load Quarter Futures) is replaced with three corresponding Month Futures series (Peak Month Futures) in the given quarter.</p>

<b>Setting the mean of the permitted range when launching Products on the System</b>	The General Secretary of the Exchange, in consultation with the Trade Participants, and especially the Market Makers, sets the mean of the permitted range for the Czech Peak Load Futures.
<b>Last Trading Day</b>	The last Trading Day for the Peak Load Futures series is the Trading Day immediately preceding the first day of the registration of the delivery/consumption at TSO arising from this series.
<b>Date of commencement of physical delivery</b>	The first calendar day that falls between Monday and Friday in the given delivery period.
<b>Date of ending physical delivery</b>	The last calendar day that falls between Monday and Friday in the given delivery period.
<b>Daily price for M2M settlement</b>	Equals the Day closing Futures price for the given Exchange Day, if the Exchange Rules do not state otherwise.
<b>Final settlement price</b>	<p>The final settlement price of the Czech Peak Load is taken from the values contained in the <b>Czech Spot Market Peak Load Index</b>; see Article 6.</p> <p>The final settlement price of the <b>Slovak Peak Load</b> is taken from the values contained in the <b>Slovak Market Peak Load Index</b>; see Article 6.</p> <p>The final settlement price of the <b>Hungary Base Load</b> is taken from the values contained in the <b>Hungary Spot Market Peak Load Index</b>; see Article 6.</p>
<b>Listing the Futures series</b>	The number of Futures series listed and the listing date is established by decision of the Exchange Chamber, which is entitled to authorize the General Secretary to decide on listings.
<b>Trading Hours</b>	Trading Hours for the Futures are established in accordance with the time schedule for trading in Futures on the Exchange
<b>Trading Currency</b>	EUR

### Description of the Futures series

The identification code has 12 characters and is generated as follows:

1<sup>st</sup> character – P – indicates a product with physical delivery

2<sup>nd</sup> & 3<sup>rd</sup> characters – CZ / SK / HU – indicate country of origin

4<sup>th</sup> & 5<sup>th</sup> characters – PL – indicate Load profile(Peak Load)

6<sup>th</sup> character – D – indicates the delivery period. (Day)

7<sup>th</sup> to 12<sup>th</sup> characters – indicate the delivery date in the format YYMMDD.

## Article 4

### Cash-settled Futures Contracts

The following Standards have been set for trading in cash-settled Futures Contracts:

#### 1. Base Load Futures with varying delivery period lengths

##### Type of Contract

Standardized cash-settled Commodities Future Contract:

▶ **Czech Base Load Month Futures:**

As a rule the front month is listed.

▶ **Czech Base Load Quarter Futures:**

As a rule the front quarter is listed.

▶ **Czech Base Load Year Futures:**

As a rule the front year is listed.

##### Underlying asset

Czech Spot Market Base Load Index

<b>Cascading</b>	<p>On the Accounting Day following the last Trading Day for this Futures series, each open position of the Base Load <b>Year</b> Futures series is replaced with the equivalent three corresponding series of Month Futures (Base Load Month Futures for January, February and March), and three corresponding Quarter Futures series (Base Load Quarter Futures for the second, third and fourth quarters).</p> <p>On the Accounting Day following the last Trading Day for this Futures series, each open position of the <b>Quarter</b> Futures (Base Load Quarter Futures) is replaced with the equivalent three series of the Base Load Month Futures for the given quarter.</p>
<b>Setting the mean of the permitted range when launching a Product on the System</b>	<p>The mean of the permitted range for the Base Load Futures is set by the trading Officer; this is performed while taking into consideration the opinions of the Trade Participants, especially the Market Makers.</p>
<b>Last Trading Day</b>	<p>The last Trading Day for the Base Load Futures series is the Trading Day immediately preceding the last accounting day before contract maturity.</p>
<b>Commencement date of cash settlement</b>	<p>The first calendar day of contract maturity.</p>
<b>Date of completion of cash settlement</b>	<p>The last day of contract maturity.</p>
<b>Daily price for M2M settlement</b>	<p>Equals the closing Futures price on a given Exchange Day, provided the Exchange Rules do not state otherwise.</p>
<b>Final settlement price</b>	<p>The final settlement price of the <b>CZ Base Load</b> is equal to the <b>Czech Spot Market Base Load Index</b>; see Article 6.</p>
<b>Listing of the Futures series</b>	<p>The amount of Futures listed and the listing date is determined by the decision of the Exchange Chamber, which is entitled to authorize the General Secretary to render a decision on listings.</p>
<b>Trading Hours</b>	<p>Trading Hours with Futures is set in accordance with the time schedule for trading Futures on the Exchange.</p>

<b>Trading Currency</b>	EUR
<b>Description of the Futures series</b>	<p>The code has 12 characters and is generated as follows:</p> <p>1<sup>st</sup> character – F – indicates a cash-settled product</p> <p>2<sup>nd</sup> to 12<sup>th</sup> characters – correspond to the 2<sup>nd</sup> to 12<sup>th</sup> characters of the underlying asset code:</p> <p>2<sup>nd</sup> &amp; 3<sup>rd</sup> characters – indicate country of origin</p> <p>4<sup>th</sup> &amp; 5<sup>th</sup> characters – indicate the load profile</p> <p>6<sup>th</sup> character – indicates the delivery period</p> <p>7<sup>th</sup> to 12<sup>th</sup> characters – indicate the last delivery</p>

## 2. Peak Load Futures with various delivery periods

<b>Type of Contract</b>	<p>Standardized cash-settled Commodities Future Contract:</p> <ul style="list-style-type: none"><li>▶ <b>Czech Peak Load Month Futures</b> As a rule the front months is listed.</li><li>▶ <b>Czech Peak Load Quarter Futures</b> As a rule the front quarter is listed.</li><li>▶ <b>Czech Peak Load Year Futures</b> As a rule the front year is listed.</li></ul>
<b>Underlying asset</b>	Czech Spot Market Base Load

<b>Cascading</b>	<p>On the Accounting Day following the last Trading Day for this Futures series, each open position of the Peak Load <b>Year</b> Futures series is replaced with three corresponding Month Futures series (Peak Load Month Futures for January, February and March), and three corresponding Quarter Futures series (Peak Load Quarter Futures for the second, third and fourth quarters).</p> <p>On the Accounting Day following the last Trading Day for this Futures series, each open position of the <b>Quarter</b> Futures (Peak Load Quarter Futures) is replaced with three corresponding Month Futures series (Peak Month Futures) in the given quarter.</p>
<b>Setting the mean of the permitted range when launching Products on the System</b>	<p>The Trading Officer, in consultation with the Trade Participants, and especially the Market Makers, sets the mean of the permitted range for the Czech Peak Load Futures.</p>
<b>Last Trading Day</b>	<p>The last Trading Day for the Peak Load Futures series is the Trading Day immediately preceding the last accounting day before the maturity.</p>
<b>Date of commencement of cash settlement</b>	<p>The first calendar day of contract maturity.</p>
<b>Date of ending cash settlement</b>	<p>The last day of contract maturity.</p>
<b>Daily price for M2M settlement</b>	<p>Equals the Day closing Futures price for the given Exchange Day, if the Exchange Rules do not state otherwise.</p>
<b>Final settlement price</b>	<p>The final settlement price of the Czech Peak Load is equal to the <b>Czech Spot Market Peak Load Index</b>; see Article 6.</p>
<b>Listing the Futures series</b>	<p>The number of Futures series listed and the listing date is established by decision of the Exchange Chamber, which is entitled to authorize the General Secretary to decide on listings.</p>
<b>Trading Hours</b>	<p>Trading Hours for the Futures are established in accordance with the time schedule for trading Futures on the Exchange</p>

<b>Trading Currency</b>	EUR
<b>Description of the Futures series</b>	<p>The code has 12 characters and is generated as follows:</p> <p>1<sup>st</sup> character – F – indicates a cash-settled product</p> <p>2<sup>nd</sup> to 12<sup>th</sup> characters – correspond to the 2<sup>nd</sup> to 12<sup>th</sup> characters of the underlying asset code:</p> <p>2<sup>nd</sup> and 3<sup>rd</sup> characters – indicate country of origin</p> <p>4<sup>th</sup> and 5<sup>th</sup> characters – indicate the load profile</p> <p>6<sup>th</sup> character – indicates the delivery period</p> <p>7<sup>th</sup> to 12<sup>th</sup> characters – indicate the last delivery date</p>

## PART II – SPOT PRODUCTS

### Article 5

#### Basic Spot Contracts for the physical delivery of electricity

The following standards are set for trading with Spot Contracts for the physical delivery of electricity:

<b>Type of Contract</b>	<p>Standardization of Commodities Contracts with prompt physical delivery:</p> <ul style="list-style-type: none"><li>▶ <b>Hour:</b> <b>Czech, Hungary</b> Hour contracts are always determined only for a particular delivery day.</li><li>▶ <b>Base Load Day:</b> <b>Czech, Hungary</b> The two nearest delivery days are usually listed. If at least one of these days is not a Trading Day, the number of nearest following delivery days corresponding to the number of non-Trading Days is listed.</li><li>▶ <b>Peak Load Day:</b> <b>Czech, Hungary</b> The two nearest delivery days are usually listed. If at least one of these days is not a Trading Day the number of nearest delivery days corresponding to the number of non-Trading Days is listed.</li></ul>
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### Subject of the Contract

For **Day** contracts – hour delivery of electricity with an output of 1 MW.

For **Hour** contracts – hour delivery of electricity with an output of 1 kW.

The place of delivery for Czech contracts is the Czech national power grid, while for Hungarian contracts it is the Hungarian national power grid.

The Contract does not include transmission of the electricity.

Base Load Day concerns a delivery at any time of day listed between Monday and Sunday regardless of public holidays or vacation days.

Peak Load Day concerns a delivery in the period from 8 a.m. to 8 p.m. listed between Monday and Friday regardless of public holidays or vacation days.

### Contract Volume

The Contract Volume is the product from multiplying the number of delivery hours in a specified delivery period and the amount of electricity supplied hourly.

*Examples:*

*The Hour Contract Volume is 1 kWh.*

*The volume of the Day Base contract delivery is usually 24 MWh but on the day of transition from Winter to Summer time it is 23 MWh and on the day of transition from Summer to Winter time it is 25 MWh.*

*The volume of the Day Peak contract amounts to 12 MWh.*

### Trading Hours

**Hours** are traded only during the Trading Day which is the last day to precede the delivery day.

**Base Load Days** are traded only during the two consecutive Trading Days which are the last days preceding the delivery day.

**Peak Load Days** are traded only during the two consecutive Trading Days which are the last days preceding the delivery day.

<b>Date and time of the physical delivery</b>	On the given calendar day, or hour.
<b>Setting the middle of the permitted range when launching a product on the system</b>	<p>The mean of the permitted range for the Hour contracts is not set.</p> <p>The mean of the permitted range for the Day contracts is set according to the last official price of the Month Futures for the corresponding delivery place and delivery period.</p>
<b>Settlement price</b>	The settlement price amounts to the trading price.
<b>Spot Contracts listing</b>	The number and date of listed spot series is determined based on a decision of the Exchange Chamber, which is authorised to delegate the listing to the General Secretary.
<b>Trading Hours</b>	Trading Hours are set in accordance with the Exchange's time schedule.
<b>Trading Currency</b>	EUR

### Description of the Spot series

The identification code consists of 12 characters and is generated as follows:

#### a) for **Hour**

1<sup>st</sup> character – P – indicates a product with physical delivery

2<sup>nd</sup> & 3<sup>rd</sup> characters – CZ/HU – indicate country of origin

4<sup>th</sup> & 5<sup>th</sup> characters – indicate the time [hour] of the completion of delivery

6<sup>th</sup> character – H – indicates the length of the delivery period (Hour)

7<sup>th</sup> to 12<sup>th</sup> characters – date of delivery day in the format YYMMDD

#### b) for **Base/Peak Load Days**

1<sup>st</sup> character – P – indicates a product with physical delivery

2<sup>nd</sup> & 3<sup>rd</sup> characters – CZ/HU – indicate country of origin

4<sup>th</sup> & 5<sup>th</sup> characters – PL/BL – indicate the period of delivery (Peak Load/Base Load)

6<sup>th</sup> character – M or Q or Y – indicates the length of the delivery period (Month/Quarter/Year)

7<sup>th</sup> to 12<sup>th</sup> characters – date of the last delivery day in the format YYMMDD

## Article 6

### Blocks of Spot Contracts for the physical delivery of electricity

1. For hourly products with delivery registration in Hungary (hereinafter “Hungary Hours”), orders for blocks comprised of multiple Spot Contracts for the physical delivery of electricity (hereinafter “Blocks”) also can be entered in the trading system.
2. Blocks are not separate products and serve exclusively for the purposes of simplifying the entering of orders. For the purposes of processing orders, executing orders, settling and subsequent invoicing, Blocks always are distributed based on Spot Contracts as defined under Article 5, including the Standards.
3. A list of preset Blocks in the trading system is presented in Annex No. 1 (“preset blocks of hours contracts”).

## Article 7

### Market Base / Peak Load Indexes

1. The value of the **Czech Spot Market Base Load Index** and that of the **Czech Spot Market Peak Load Index** is calculated once per day on the basis of the results of trading on the

Common Day-Ahead Market of OTE and the Exchange. Both these indices are published by OTE and the Exchange.

2. The value of the PXE Hungary Spot Market Base Load Index and that of the PXE Hungary Spot Market Peak Load Index is calculated once per day on the basis of the results of trading within the auction in the trading system designated for Hungary Hours.
  - a) The value of the PXE **Hungary Spot Market Base Load Index** is calculated as an arithmetic mean of the prices of all Hungary Hours on a given delivery day.
  - b) The value of the PXE **Hungary Spot Market Peak Load Index** is calculated as an arithmetic mean of the prices of all Hungary Hours with delivery from 8 a.m. to 8 p.m. on a given delivery day.
  - c) If the trade price for a certain Hungary Hour cannot be set, then for the purposes of calculating the index the hypothetical price that results from the average prices of the given Hour for 1-week, 2-week and 3-week periods is used. A detailed approach for setting the price is described in the Exchange Rules.
3. The value of the PXE **Slovak Market Base Load Index** equals the last determined price of the **Month Base Load SK Product** corresponding to the given delivery period.
4. The value of the PXE **Slovak Market Peak Load Index** equals the last determined price of the **Month Peak Load SK Product** corresponding to the given delivery period.

### Article 8

#### Effect

This part of the Exchange Rules was approved on the basis of decision of the Exchange Chamber on 15<sup>th</sup> September, 2011 and takes effect on 1<sup>st</sup> October, 2011.

Annex No. 1

Block Title	Composition	Delivery Period (hours)
<b>Base *</b>	Hungary Hours 01–24	from 0:00 to 24:00
<b>Peak **</b>	Hungary Hours 09–20	from 8:00 to 20:00
<b>Off1</b>	Hungary Hours 01–08	from 0:00 to 8:00
<b>Off2</b>	Hungary Hours 21–24	from 20:00 to 24:00
<b>Dream</b>	Hungary Hours 01–06	from 0:00 to 6:00
<b>Lunch</b>	Hungary Hours 11–14	from 10:00 to 14:00
<b>Teatime</b>	Hungary Hours 17–20	from 16:00 to 20:00
<b>Moonlight</b>	Hungary Hours 01–04	from 0:00 to 4:00
<b>Sunrise</b>	Hungary Hours 05–08	from 4:00 to 8:00
<b>Office</b>	Hungary Hours 09–16	from 8:00 to 16:00
<b>Offpeak</b>	Hungary Hours 01–08 and 21–24	from 0:00 to 8:00 and from 20:00 to 24:00
<b>Earlytwin</b>	Hungary Hours 09–10	from 8:00 to 10:00
<b>Latetwin</b>	Hungary Hours 15–16	from 14:00 to 16:00
<b>Wake-up</b>	Hungary Hours 07–08	from 6:00 to 8:00

\* The Base Block is not identical to the product Hungary Base Load Day.

\*\* The Peak Block is not identical to the product Hungary Peak Load Day.