APPENDIX B.1
RULES GOVERNING CAPACITY SUBSCRIPTION AND ALLOCATION AT THE INTERFACE BETWEEN GRTGAZ AND TIGF
RULES GOVERNING CAPACITY SUBSCRIPTION AND ALLOCATION AT THE INTERFACE BETWEEN GRTgaz SOUTH AND TIGF

Applicable as of 1 July 2012

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THE ENGLISH TRANSLATION IS NON-BINDING.
A – GENERAL RULES CONCERNING RESERVATION REQUESTS

**Definition:** Shipper: party that enters into a Transmission Contract with GRTgaz and a Transport Contract with TIGF.

**Rule 1** – TIGF and GRTgaz undertake to process a Shipper’s reservation request within 7 working days following the receipt of the request or within 3 working days of the end of the “Open Subscription Period” (OSP) for a request submitted within this framework.

**Rule 2** - Any request to reserve annual, seasonal or monthly capacity must be sent to GRTgaz or TIGF, and is binding on the Shipper with regard to both GRTgaz and TIGF. The final request is the sum of the requests registered with each of the two operators, as each request is considered to be an exit from a transmission system and an entry into the other transmission system.

**Rule 3** – Capacity may not be given up once allocated.

B – TRANSMISSION AT THE INTERFACE BETWEEN GRTgaz SOUTH AND TIGF

**Rule 1** – Is considered an Affiliated Shipper any shipper under the control of the another Shipper, any shipper controlling the said Shipper and any Shipper under the control of the same company as the said Shipper, within the meaning given to these terms by Articles L233-1 to L233-4 of the French Commercial Code. When Affiliated Shippers issue requests for the same product during Open Subscription Periods (OSP), they must designate a “leading” Shipper among them and notify GRTgaz or TIGF accordingly. In the event of a shortage of that product, only the “leading” Shipper’s request will be taken into account for the capacity allocation. Failing the designation of a “leading” Shipper and in the event of a shortage of that product, all of the Affiliated Shippers’ requests are removed from the capacity allocation process. It is then up to the Affiliated Shippers to distribute among said Affiliated Shippers the capacity allocated via the secondary capacity market.

1.1.1 *Definition of the marketing method for capacities*

Capacity is sold in three successive time frames in the form of:

- seasonal capacity subscriptions:
  - Winter seasonal capacity covers a period of 5 consecutive months beginning on the first calendar day of November in a given year N and ending on the last day of March of the following year N+1.
  - Summer seasonal capacity covers a period of 7 consecutive months beginning on the first calendar day of April in a given year N and ending on the last day of October of the same year N.

- monthly capacity subscriptions over a full month, from the first to the last calendar day of the month,

- daily capacity subscriptions over 24 consecutive hours, from 6:00 a.m. on a given day to 6:00 a.m. the following day (gas day).

1.1.2 *Subscribing seasonal capacity with GRTgaz and TIGF*

**Rule 1** - There are two periods of notice for Shippers to subscribe seasonal capacity:
- **Long notice:** between the 21st calendar day of month M-8 and the 10th day of month M-7 to reserve
  - multi-annual capacity for 2 or 3 years, beginning on the 1st calendar day of month M corresponding to the beginning of the first season;
  - multi-seasonal capacity for 2 or 3 seasons beginning on the 1st calendar day of month M.

  - For example, a Shipper may ask to reserve multi-annual capacity over 2 or 3 years beginning on 1 November of a given year N between:
    - 21 March and 10 April of that year N.
  - For example, a Shipper may ask to reserve multi-annual capacity over 2 or 3 years beginning on 1 April of a given year N between:
    - 21 August and 10 September of the previous year N-1.

  - For example, a Shipper may ask to reserve multi-seasonal “summer” capacity beginning on 1 April of a given year N (covering 2 or 3 summers) between:
    - 21 August and 10 September of the previous year N-1.
  - For example, a Shipper may ask to reserve multi-seasonal “winter” capacity beginning on 1 November of a given year N (covering 2 or 3 winters) between:
    - 21 March and 10 April of that same year N.

- **Short notice:** between the 11th calendar day of month M-7 and the last calendar day of month M-2, to reserve capacity over one or two successive seasons (capacity in the second season being necessarily less than or equal to capacity in the first season) beginning on the 1st calendar day of month M corresponding to the beginning of the first season.

  - For example, a Shipper may ask to reserve “summer” seasonal capacity (from 1 April to 31 October in a given year N) between:
    - 11 September of the previous year N-1 and the last day of February of the year N.
  - For example, a Shipper may ask to reserve “winter” seasonal capacity (from 1 November in year N to 31 March in the following year N+1) between:
    - 11 April of year N and the last day of September of the same year N.
  - For example, a Shipper may ask to reserve “winter” + “summer” seasonal capacity (“from 1 November in year N to 31 March in the following year N+1” + “from 1 April of year N+1 to 31 October of year N+1”) between:
    - 11 April of year N and the last day of September of the same year N.
  - For example, a Shipper may ask to reserve “winter” + “summer” seasonal capacity (“from 1 April in year N to 31 October of year N” + “from 1 November of year N to 31 March of the following year N +1”) between:
    - 11 September of the previous year N-1 and the last day of February of year N.

**Rule 2** – In the TIGF to GRTgaz direction, only 80% of firm capacity and 80% of seasonal interruptible capacity can be allocated on a long notice basis.

**Rule 3** – In the GRTgaz to TIGF direction, only 80% of seasonal firm capacity and 80% of seasonal interruptible capacity can be allocated on a long notice basis.

**Rule 4** – For requests with a short notice period, the firm or interruptible seasonable capacity that may be allocated is the same as the available capacity, respectively firm or interruptible, less capacity already allocated under the long notice procedure.
Rule 5 - Long notice requests pertaining to multi-annual capacity (2 or 3 years) and multi-seasonal capacity (2 or 3 seasons) will be dealt with on the following basis:

**OSP for the sale of multi-annual or multi-seasonal firm capacity:**

- Multi-annual firm capacity available on a long notice basis is divided into 2 equal parts sold over 2 and 3 years.
- In addition, if surplus firm capacity is available for the “summer” or “winter” season, it is divided into 2 equal parts and sold over 2 and 3 “summer” or “winter” seasons.
- GRTgaz and TIGF will open an Open Subscription Period for reservations of multi-annual or multi-seasonal firm capacity:
  - Beginning on the 1st day of April in year N: all requests arriving between 21 August and 31 August, inclusive, in year N-1 will be deemed simultaneous and to have been received on 1 September of year N-1 at 0:00;
  - Beginning on the 1st day of November in year N: all requests arriving between 21 March and 31 March, inclusive, in year N will be deemed simultaneous and to have been received on 1 April of year N at 0:00;
- In the event of a shortage, rights will be distributed proportionally to requests, and allocated on the following basis:
  1. Possible capping of Shippers’ requests up to the available firm capacity for the duration in question.
  2. Allocation of available firm capacity in proportion to the capacity requested by Shippers.

**OSP for the sale of multi-annual or multi-seasonal interruptible capacity:**

- Multi-annual interruptible capacity available on a long notice basis is divided into 2 equal parts sold over 2 and 3 years.
- In addition, if surplus interruptible capacity is available for the “summer” or “winter” season, it is divided into 2 equal parts and sold over 2 and 3 “summer” or “winter” seasons.
- In the event that all the firm capacity has been allocated at the end of the previous allocation process, GRTgaz and TIGF will open an Open Subscription Period for the reservation of multi-annual and/or multi-seasonal interruptible capacity:
  - Beginning on the 1st day of April in year N: all requests arriving between 1 September and 10 September, inclusive, in year N1 will be deemed simultaneous and to have been received on 11 September of year N-1 at 0:00;
  - Beginning on the 1st day of November in year N: all requests arriving between 1 April and 10 April, inclusive, in year N will be deemed simultaneous and to have been received on 11 April of year N at 0:00;
- In the event of a shortage, rights will be distributed proportionally to requests, and allocated on the following basis:
  1. Possible capping of Shippers’ requests up to the available interruptible capacity for the duration in question.
  2. Allocation of available interruptible capacity in proportion to the capacity requested by Shippers.

Rule 6 - Short notice requests relating to capacity for one or two successive seasons (capacity in the second season being necessarily equal to or less than capacity in the first season) will be dealt with on the following basis:

- GRTgaz and TIGF will open an Open Subscription Period for reservations of firm capacity for one or two successive seasons:
- Beginning on the 1st day of April in year N: all requests arriving between 11 September and 20 September, inclusive, in year N-1 will be deemed simultaneous and to have been received on 21 September of year N-1 at 0:00;

- Beginning on the 1st day of November in year N: all requests arriving between 11 April and 20 April, inclusive, in year N will be deemed simultaneous and to have been received on 21 April of year N at 0:00;

  - in the event of a shortage, rights will be distributed proportionally to requests and allocated on the following basis:
    1. For the first season, possible capping of Shippers’ requests to a ceiling corresponding to the firm capacity available.
    2. For the first season, allocation of available firm capacity in proportion to the capacity requested by Shippers.
    3. For the second season, the capacity allocated is equal to the lesser of the following two values:
      - the capacity allocated in the first season,
      - the capacity requested by the Shipper for the second season.

    In the event that the capacity sold for the second season is less than the capacity sold for the first season, and if the sum of the minimum values used for each shipper in the previous calculation is greater than the capacity sold over the second season, these capacities will be reduced on a proportional basis.

- in the event that all the firm capacity for the first season has been allocated at the end of the previous allocation process, GRTgaz and TIGF will open an Open Subscription Period for the reservation of interruptible capacity for one or two successive seasons:

  - Beginning on the 1st day of April in year N: all requests arriving between 21 September and 30 September, inclusive, in year N-1 will be deemed simultaneous and to have been received on 1 October of year N-1 at 0:00;

  - Beginning on the 1st day of November in year N: all requests arriving between 21 April and 30 April, inclusive, in year N will be deemed simultaneous and to have been received on 1 May of year N at 0:00;

  - in the event of a shortage, rights will be distributed proportionally to requests and allocated on the following basis:
    1. For the 1st season, possible capping of Shippers’ requests to a ceiling corresponding to the interruptible capacity available.
    2. For the 1st season, allocation of available interruptible capacity in proportion to the capacity requested by Shippers.
    3. For the 2nd season, the capacity allocated is equal to the lesser of the following two values:
      - the capacity allocated in the first season,
      - the capacity requested by the Shipper for the second season.

    In the event that the capacity sold for the second season is less than the capacity sold for the first season, and if the sum of the minimum values used for each shipper in the previous calculation is greater than the capacity sold over the second season, these capacities will be reduced on a proportional basis.

- All other requests to reserve capacity for one or two successive seasons beginning on 1 April of a given year N, and arriving between 21 September in year N-1 (if GRTgaz and TIGF do not open an OSP for requests for interruptible capacity) or 1 October of year N-1 (if GRTgaz and TIGF open an OSP for requests for interruptible capacity) and the last day of February in year N will be dealt with on a “first come, first served” basis.

The request may be partially or totally satisfied in the form of interruptible capacity only if no more firm capacity is available.
- All other requests to reserve capacity for one or two successive seasons beginning on 1 November of a given year N, and arriving between 21 April in year N (if GRTgaz and TIGF do not open an OSP for requests for interruptible capacity) or 1 May of year N (if GRTgaz and TIGF open an OSP for requests for interruptible capacity) and the last day of September in year N will be dealt with on a “first come, first served” basis.

The request may be partially or totally satisfied in the form of interruptible capacity only if no more firm capacity is available.

Rule 7 – Once allocated, no capacity may subsequently be withdrawn in favour of a new request, with the exception of capacity that is subject to a long-term “use-it-or-lose-it” (UIOLI) procedure.

Rule 8 - A Shipper may ask for interruptible seasonal capacity that has been allocated to it on a long notice basis to be converted into firm seasonal capacity,

- If such capacity is available, between 21 September in year N and the last day of February in the following year N+1 for capacity beginning on 1 April in year N+1.
- If such capacity is available, between 21 April in year N and the last day of September in the same year N for capacity beginning on 1 November in year N.

Requests are dealt with on a “first come, first served” basis.

Rule 9 – One month before the effective date of the subscription, GRTgaz and TIGF will automatically convert interruptible capacity reserved on a long notice basis into firm seasonal capacity, provided that firm capacity is available. In the event of a shortage, firm capacity will be distributed proportionally to each shipper’s interruptible capacity.

Rule 10 - Another procedure (e.g. Open Season process) can be implemented by GRTgaz and TIGF for requests to reserve capacity that does not exist over a period greater than 3 years. This new procedure should facilitate investment decisions. Requests for capacity submitted within the framework of this document, which exceed available capacity, are not deemed to be requests under an Open Season process.

1.1.3 **Subscribing monthly capacity with GRTgaz and TIGF**

Rule 1 - Between the first and 20th calendar day of month M-1, Shippers may subscribe monthly firm capacity for month M.

- For example, for the month of December in year N, the Shipper requests capacity between 1 November and 20 November of year N.

Rule 2 – At the time of the initial sale of any monthly firm capacity during a given month, available monthly firm capacity is equal to the monthly firm capacity, less the capacity already allocated for firm and interruptible seasonal subscriptions, as well as any reductions in capacity due to maintenance work carried out during the month in question.

Rule 3 - All requests received between the 1st and the 20th calendar day of month M-1 are dealt with on a “first come, first served” basis.

Rule 4 - Requests can apply to several consecutive months (up to the number of months in the corresponding season) within a season, provided that the capacity subscribed is constant.

Rule 5 – If monthly firm capacity is no longer available, GRTgaz and TIGF undertake to seek capacity from Shippers who have sufficient capacity to cover the request.
1.1.4 Subscribing daily capacity with GRTgaz and TIGF

Rule 1 - Daily or multi-day capacity subscriptions for each day in month M are sold on the first working day:
- from the 21st calendar day of month M-1 up to 1:00 pm on day D-1 for GRTgaz,
- from the 21st calendar day of month M-1 up to 1:00 pm on day D-1 for TIGF.

Rule 2 – For GRTgaz, the Shipper shall make daily subscriptions through TRANS@ctions.
Rule 3 – For TIGF, daily firm capacity is allocated via an online reservation and allocation system on the private TETRA [TIGF Espace Transport] website ("Click and Book" type system).

1.1.5 Daily capacity auction by GRTgaz

Rule 1 – In order to optimise the use of its transport network, GRTgaz markets by an auction mechanism, each day between 2:00 pm and 3:00 pm for the following day, daily firm capacity which remains available after the end of the sale period at a regulated tariff (this period ends at 1:00 pm).

Rule 2 – Capacity sold by auction is allocated to Shippers in a decreasing order of their price proposals.

Rule 3 – The Shipper shall make daily subscriptions through TRANS@ctions.

1.1.6 GRTgaz and TIGF interruptible short-term UIOLI service

Capacity reserved by a Shipper for annual, monthly and daily subscriptions, which is not nominated the previous day, can be allocated by GRTgaz and TIGF to other Shippers present at this point who have requested Short-Term UIOLI (Use-It-Or-Lose-It) capacity.

Concerning GRTgaz, the rules are specified in the Transmission Contract Section B.
Concerning TIGF, the rules are specified in Appendix C1 of the Transport Contract ("Procedures for Subscription Requests and Transport Capacity Allocations")

1.1.7 Long-Term Use-It-Or-Lose-It (Long-Term UIOLI)

The aim of the Long-Term UIOLI procedure is to resell unused subscribed capacity.

Any shipper may ask GRTgaz/TIGF to implement the Long-Term UIOLI procedure at the GRTgaz South/TIGF interface (according to the [TIGF] contract appendix entitled “Reallocation of subscribed capacity in the event of bottlenecks” or according to GRTgaz’s General Terms and Conditions in the Clause entitled “Long-Term Use-It-Or-Lose-It Procedure”):

a. When the available capacity for the network entry or interconnection points published on the transmission system operator’s website is zero or when the transmission system operator has not been able to meet all the demand for firm capacity,

b. When the request is duly justified,

c. When the requested period is equal to a season or more,

d. When the Shipper has been unable to acquire the requested capacity on the secondary market at the reference price or less.
GRTgaz and TIGF will then jointly consider whether one or more Shippers are likely to reassign capacity at the GRTgaz South/TIGF interface.

If the capacity likely to be reassigned by the Shipper(s) concerned is less than the capacity requested by the requesting Shipper, then GRTgaz and TIGF will ask the latter to confirm its request within three working days, failing which the Shipper will be deemed to have withdrawn its initial request. Likewise, in the event that, because a Shipper concerned by the reassignment request files an objection with the French Energy Regulatory Commission (in which case the effects of the reassignment request are automatically suspended), the capacity likely to be reassigned by the Shipper(s) concerned is less than the capacity requested by the requesting Shipper, GRTgaz and TIGF will ask the latter to confirm its request within three working days, failing which the Shipper will be deemed to have withdrawn its initial request.