Appendix B.1
Rules governing capacity subscription and allocation at the interface between GRTgaz and TIGF

English translation for information.

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RULES GOVERNING CAPACITY SUBSCRIPTION AND ALLOCATION AT THE INTERFACE BETWEEN GRTgaz SOUTH AND TIGF
Applicable as of 1st of April 2013

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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**

- Requests relating to capacity for one or two successive seasons (capacity in the second being necessarily equal to or inferior to that in the first season) will be dealt with on the following basis:
  
  - GRTgaz and TIGF will open an Open Subscription Period for firm capacity reservations over one or two successive seasons:
    
    o Beginning on the 1st day of April 2013: all requests arriving between the 1st and the 10th of February 2013 inclusive will be deemed simultaneous and to have been received on the 11th of February 2013 at 0:00;
    
    o Beginning on the 1st day of November 2013: all requests arriving between the 11th and the 20th of April 2013 inclusive will be deemed simultaneous and to have been received on the 21st of April 2013 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, the capping of the shippers’ requests will be possible 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 the shippers.
    
    3. for the second season, the capacity allocated is equal to the smaller 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 over the second season is inferior to the capacity sold over the first season, and if the minimum values used for each shipper in the previous calculation are greater than the capacity sold over the second season, these capacities will be reduced proportionally.

  
  - All other requests to reserve capacity over one or two successive seasons beginning on the 1st of April 2013, and arriving between 11th and 28th of February, are allocated on a “first come first served” basis.
  
  - All other requests to reserve capacity for one season beginning on the 1st November 2013, and arriving between the 21st of April 2013 and the 28th of September 2013, are allocated on a “first come first served” basis.

**Rule 2**

- One allocated, no capacity may subsequently be withdrawn in favour of a new request, to the exception of capacity that is subject to a long-term UIOLI (Use-It-Or-Lose-It) procedure.

**Rule 3**

- 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 4 – Another procedure (i.e. Open Season type process) may 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 UBI (Use-it-and-buy-it) service**

GRTgaz and TIGF may allocate capacity reserved but not nominated by a Shipper, as well as daily capacity unsold upon closing of the daily capacity booking process (first-come first-served, auctions) to other participating Shippers at this interconnection point who have requested UBI capacity.

Concerning GRTgaz, the rules are specified in the Transmission Contract Section B. Concerning TIGF, the rules are specified in Appendix B1 of the Transport Contract («Subscription and allocation procedures on the Main Grid»).

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.